

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a  
AVISTA UTILITIES,

Respondent.

DOCKETS UE-170485 and  
UG-170486 (*Consolidated*)

ORDER 01

COMPLAINT AND ORDER  
SUSPENDING TARIFF REVISIONS  
AND ORDER OF  
CONSOLIDATION

**BACKGROUND**

- 1 On May 26, 2017, Avista Corporation, d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-28, Electric Service, as listed in the appendix attached to this Order. The purpose of this filing is to increase rates and charges for electric service provided to customers in the state of Washington.
- 2 In this filing, Avista proposes a three-year rate plan effective May 1, 2018, through April 30, 2021. For the first year of the Rate Plan, Avista proposes an overall increase in electric base revenues of \$61.4 million, or 12.5 percent. On a billed revenue basis, including the expiration of the proposed September 1, 2017, Power Cost Rate Adjustment, Avista proposes an 8.8 percent increase in revenue.<sup>1</sup> For the second year of the proposed Rate Plan, Avista proposes an increase in electric revenues of \$14 million, or 2.4 percent, effective May 1, 2019. For the third year of the Rate Plan, Avista proposes an additional increase of \$14.4 million, or 2.5 percent, effective May 1, 2020.
- 3 On May 26, 2017, Avista also filed revisions to its currently effective Tariff WN U-29, Natural Gas, as listed in the appendix attached to this Order. The purpose of this filing is

---

<sup>1</sup> On May 26, 2017, concurrent with this general rate case, Avista filed a Power Cost Rate Adjustment Schedule 93 tariff in Docket UE-170484, which, if approved, would increase billed revenues by approximately \$15 million effective September 1, 2017, and would remain in effect until the conclusion of this general rate case.

to increase rates and charges for natural gas service provided to customers in the state of Washington.

4 In this filing, Avista also proposes a three-year rate plan, effective May 1, 2018, through April 30, 2021. For the first year of the rate plan, Avista proposes an overall increase in base revenues of \$8.3 million or 9.3 percent. On a billed revenue basis (including the cost of natural gas, upstream third-party owned transportation, and the effect of other tariffs), the proposed increase in revenue is 5.4 percent. For the second year of the proposed rate plan, Avista proposes an increase in natural gas billed revenues of \$4.2 million, or 2.6 percent, effective May 1, 2019. For the third year of the rate plan, Avista is proposing an additional billed revenue increase of \$4.4 million, or 2.7 percent, effective May 1, 2020.

### **DISCUSSION**

5 Because these increases might injuriously affect the rights and interests of the public and Avista has not demonstrated that the increases would result in rates that are fair, just, reasonable, and sufficient, the Commission suspends the tariff filings and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable and sufficient.

6 The matters in the two dockets appear to involve related facts and principles of law. It is appropriate that they be consolidated for hearing and determination pursuant to WAC 480-07-320.

### **FINDINGS AND CONCLUSIONS**

7 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric and natural gas companies.

8 (2) Avista is an electric and natural gas company and a public service company subject to Commission jurisdiction.

9 (3) The tariff revisions Avista filed on May 26, 2017, would increase charges and rates for service provided by Avista and might injuriously affect the rights and interest of the public.

10 (4) Avista has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.

- 11 (5) Avista's rates and charges for electric or natural gas services shown on any tariffs that Avista does not propose to revise may also be investigated to determine if they are fair, just, reasonable, and sufficient.
- 12 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission finds it is necessary to investigate Avista's books, accounts, practices and activities; to make a valuation or appraisal of Avista's property; and to investigate and appraise various phases of Avista's operations.
- 13 (7) The Commission finds that these dockets meet the criteria of WAC 480-07-400(2)(b)(i).
- 14 (8) To facilitate prompt review of the filings and resolution of disputed issues, the Commission immediately authorizes discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 15 (9) As required by RCW 80.04.130(4), Avista bears the burden of proof to show that the proposed increases are fair, just, reasonable, and sufficient.
- 16 (10) Avista may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

**ORDER**

**THE COMMISSION ORDERS:**

- 17 (1) The tariff revisions Avista Corporation, d/b/a Avista Utilities filed on May 26, 2017, are suspended.
- 18 (2) Dockets UE-170485 and UG-170486 are consolidated for hearing and determination under WAC 480-07-320.
- 19 (3) The Commission will hold hearings at such times and places as may be required. Such hearings may also examine Avista's rates and charges for electric or natural gas service shown on any tariffs that Avista does not propose to revise.
- 20 (4) Avista must not change or alter the tariffs filed in these dockets during the suspension period, unless authorized by the Commission.
- 21 (5) The Commission will institute an investigation of Avista's books, accounts, practices, activities, property, and operations as described above.

- 22 (6) Discovery will be conducted pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 23 (7) Avista shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with RCW 80.20.

DATED at Olympia, Washington, and effective June 2, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner

Appendix

Proposed Tariff Revisions to be Effective May 1, 2018

<b>Tariff WN U-28, Electric</b>		
14 <sup>th</sup> Revision Sheet 1	Canceling	Substitute 13 <sup>th</sup> Revision Sheet 1
14 <sup>th</sup> Revision Sheet 11	Canceling	Substitute 13 <sup>th</sup> Revision Sheet 11
14 <sup>th</sup> Revision Sheet 21	Canceling	Substitute 13 <sup>th</sup> Revision Sheet 21
14 <sup>th</sup> Revision Sheet 25	Canceling	Substitute 13 <sup>th</sup> Revision Sheet 25
11 <sup>th</sup> Revision Sheet 25A	Canceling	Substitute 10 <sup>th</sup> Revision Sheet 25A
14 <sup>th</sup> Revision Sheet 31	Canceling	Substitute 13 <sup>th</sup> Revision Sheet 31
13 <sup>th</sup> Revision Sheet 41	Canceling	Substitute 12 <sup>th</sup> Revision Sheet 41
5 <sup>th</sup> Revision Sheet 41A	Canceling	Substitute 4 <sup>th</sup> Revision Sheet 41A
13 <sup>th</sup> Revision Sheet 42	Canceling	Substitute 12 <sup>th</sup> Revision Sheet 42
7 <sup>th</sup> Revision Sheet 42A	Canceling	Substitute 6 <sup>th</sup> Revision Sheet 42A
1 <sup>st</sup> Revision Sheet 42B	Canceling	Substitute Original Sheet 42B
13 <sup>th</sup> Revision Sheet 44	Canceling	Substitute 12 <sup>th</sup> Revision Sheet 44
5 <sup>th</sup> Revision Sheet 44A	Canceling	Substitute 4 <sup>th</sup> Revision Sheet 44A
14 <sup>th</sup> Revision Sheet 45	Canceling	Substitute 13 <sup>th</sup> Revision Sheet 45
14 <sup>th</sup> Revision Sheet 46	Canceling	Substitute 13 <sup>th</sup> Revision Sheet 46
1 <sup>st</sup> Revision Sheet 46A	Canceling	Substitute Original Sheet 46A
13 <sup>th</sup> Revision Sheet 47	Canceling	Substitute 12 <sup>th</sup> Revision Sheet 47
14 <sup>th</sup> Revision Sheet 47A	Canceling	Substitute 13 <sup>th</sup> Revision Sheet 47A
1 <sup>st</sup> Revision Sheet 47B	Canceling	Substitute Original Sheet 47B
5 <sup>th</sup> Revision Sheet 48	Canceling	Substitute 4 <sup>th</sup> Revision Sheet 48
Original Sheet 96		
<b>Tariff WN U-29, Natural Gas</b>		
15 <sup>th</sup> Revision Sheet 101	Canceling	Substitute 14 <sup>th</sup> Revision Sheet 101
15 <sup>th</sup> Revision Sheet 111	Canceling	Substitute 14 <sup>th</sup> Revision Sheet 111
15 <sup>th</sup> Revision Sheet 112	Canceling	Substitute 14 <sup>th</sup> Revision Sheet 112
15 <sup>th</sup> Revision Sheet 121	Canceling	Substitute 14 <sup>th</sup> Revision Sheet 121
6 <sup>th</sup> Revision Sheet 121A	Canceling	Substitute 5 <sup>th</sup> Revision Sheet 121A
15 <sup>th</sup> Revision Sheet 122	Canceling	Substitute 14 <sup>th</sup> Revision Sheet 122
6 <sup>th</sup> Revision Sheet 122A	Canceling	Substitute 5 <sup>th</sup> Revision Sheet 122A
15 <sup>th</sup> Revision Sheet 131	Canceling	Substitute 14 <sup>th</sup> Revision Sheet 131
6 <sup>th</sup> Revision Sheet 131A	Canceling	Substitute 5 <sup>th</sup> Revision Sheet 131A
15 <sup>th</sup> Revision Sheet 132	Canceling	Substitute 14 <sup>th</sup> Revision Sheet 132
6 <sup>th</sup> Revision Sheet 132A	Canceling	Substitute 5 <sup>th</sup> Revision Sheet 132A
15 <sup>th</sup> Revision Sheet 146	Canceling	Substitute 14 <sup>th</sup> Revision Sheet 146
Original Sheet 196		