



UG-220670

ATTORNEY GENERAL OF WASHINGTON

Public Counsel

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October 21, 2022

SENT VIA WUTC WEB PORTAL

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Re: *Avista Corporation's Revisions to Tariff No. WN U-29, (Schedules 150 and 155)
Purchased Gas Adjustments, Docket UG-220670*

Dear Director Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) respectfully submits these comments in advance of the October 27, 2022, Open Meeting. These comments are in response to Avista Corporation's (Avista or the Company) filings for tariff revisions in Docket UG-220670, which will become effective November 1, 2022, and address concerns about cost increases for natural gas customers.

Public Counsel's Recommendation

Public Counsel recommends that the Washington Utilities and Transportation Commission (Commission) consider the impact of Avista's rate increase when evaluating future increases and encourage the Company to be proactive in helping customers access available assistance and programs.

In Docket UG-220670, Avista outlines proposed tariff changes regarding their purchased gas adjustment (PGA). In the initial filing, the Company requested an overall revenue increase of \$25 million, or 12.3 percent.¹ The Company cites rising commodity and demand costs as the need for the increase. The average residential customer using 67 therms per month would see an increase of \$8.93 per month, or approximately 12.3 percent. After working with stakeholders, Avista modified the method of amortization of the gas cost deferral balance. These modifications reduce the amount residential customers pay during the heating season and increase the amount customers would pay in the non-heating season. The average residential customer using 109 therms per month in the heating season will see a monthly bill increase of \$10.27, or 8.4 percent. Without the amortization adjustment, a customer using the winter average of 109 therms per

¹ Avista Washington PGA Cover Letter at 1 (filed Sept. 2, 2022).

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To: Amanda Maxwell, Executive Director
Re: *Avista Corporation's Revisions to Tariff No. WN U-29, (Schedules 150 and 155) Purchased Gas Adjustments, Docket UG-220670*
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month would see a higher monthly increase. This filing comes after the approval of the following adjustments that also increased customer rates:

Adjustment	Approval Date	Average Residential Bill Impact (\$)	Average Residential Bill Impact (%)
Out of Cycle PGA	6/30/2022	\$7.80	12%
Demand Side Management Tariff Revision	10/3/2022	\$1.38	2.1%
Decoupling Mechanism Adjustment	10/3/2022	\$1.99	3%

Customers may see additional potential natural gas rate increases that could result from Avista's latest general rate case, Docket UG-220054. The Commission will make a decision on the rate case later this fall, with this other potential rate increase to take effect December 21, 2022. Without taking the pending rate case into account, and after accounting for the amortization adjustment, the combined average residential bill impact the out-of-cycle PGA, the demand side management tariff revision, the decoupling mechanism adjustment, and this PGA filing is over \$20 per month in only six months.

Public Counsel understands that there are a number of national and international factors influencing the price of natural gas and appreciates Avista's efforts to mitigate those impacts on customers. Public Counsel supports the amortization adjustments to reduce the impact to customers during the heating season, and we appreciate the collaboration on behalf of Staff and the Company to arrive at the mitigating efforts. However, we remain concerned about the series and scale of these rate increases and the impacts, particularly on Vulnerable Populations and Highly Impacted Communities who are the most affected by the current cost increases. The National Energy Assistance Directors' Association believes that average nationwide winter heating bills will increase 17 percent compared to last year, resulting in average winter heating costs of \$1,202 per household.² We believe that the Commission should keep these recent rate increases in mind when considering future larger rate increases.

Avista should closely track requests for low-income assistance, and if requests increase as a result of these cumulative filings, the Company should ensure that funds are available for eligible

² Press Release, Nat'l Energy Assistance Directors' Ass'n, *Home Heating Costs Reach Highest Level in More than 10 Years Families will Pay 17.2% More for Home Heating this Winter* (Sept. 12, 2022), <https://neada.org/wp-content/uploads/2022/09/winter2022-23PR.pdf>.

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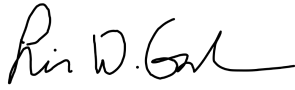
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customers. It is particularly important that the Company closely monitor the impact of this filing on customers and bill assistance inquiries, given historically and currently low subscription rates in bill assistance programs compared to the share of income-eligible customers in Avista's service territory. This may include increasing low-income assistance funding.

Public Counsel also believes that the Commission, Avista, and other utilities should consider revising the timing of filing the PGA. WAC 480-90-233 requires a filing within a maximum of 15-months of the previously filed PGA. Utilities typically file in late summer or early fall for a November 1 effective date. This sets up a potential rate increase in the winter months when heating costs are higher and could cause more rate shock for customers. We believe the Commission could explore altering the timeline and effective date of the PGA to mitigate the impact of any increase.

Again, we appreciate the opportunity to submit these comments. If you have any questions about this filing, please contact Shay Bauman at Shay.Bauman@ATG.WA.GOV.

Sincerely,

/s/ 

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