



Avista Corp.

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April 29, 2022

Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

VIA Commission Portal

Attention: Ms. Amanda Maxwell, Executive Director and Secretary

RE: Request for Approval – Special Contract for Electric Distribution Service

Attached for filing with the Commission is an electronic copy of a special contract for electric distribution service from Avista (Company) to Consolidated Irrigation District No. 19 (Consolidated Irrigation or Consolidated). The proposed Agreement is attached herewith as Attachment A. The Company respectfully requests Commission approval of the Agreement effective June 1, 2022. The Company believes that the proposed Agreement, in conjunction with the information presented herein, complies with the special contract filing requirements set forth in WAC 480-80-143.

Background

Consolidated operates eleven pumping facilities located in the Spokane Valley to provide irrigation and domestic water supply for lands lying east of the city of Spokane and extending eastward to the Washington-Idaho border. Consolidated has been operating and maintaining these Bureau of Reclamation-built project facilities, that were constructed and are designed to serve over 7,000 acres of irrigable land within the valley, since January 1, 1968. Consolidated receives electric power to operate these facilities from the Bureau of Reclamation.

The electric power is delivered through Avista transmission and distribution facilities to Consolidated's pumping facilities. Transmission service is provided under a separate Transmission Service Agreement under FERC jurisdiction. The special contract filed herein provides for distribution service from four Avista substations over 13.2 kV feeders to Consolidated's eleven pumping facilities. Historically Avista provided both transmission and distribution wheeling service under a single agreement filed with the FERC. In September of 2006 the Company chose to bifurcate its contract with Consolidated and began offering electric distribution service to Consolidated under a separate agreement filed with the Commission. The

Company continues to provide transmission service to Consolidated under an agreement set to expire September 30, 2026. The current Electric Distribution Service Agreement expired on September 30, 2021 but the Company continues to provide service under its continuation provisions until such time as the Agreement is approved by the Commission and made effective.¹ The annual charge for distribution service under the present agreement is \$109,255.68.² On average Avista transfers approximately 6.2 million kilowatt-hours annually to Consolidated's eleven pumps.

Terms of Agreement

The Agreement was executed on April 22, 2022 and Avista requests an effective date of June 1, 2022. The term of the Agreement is expected to expire concurrent with the current transmission agreement which is set to expire on September 30, 2026, pursuant to provision (3) below. Actual termination will be upon the earliest of the following events: (1) termination or expiration of the Bureau Energy contract, (2) termination of the Transmission Agreement, (3) expiration of the Transmission Agreement, provided, however, that in the event Consolidated continues to purchase transmission service from Avista following expiration of the Transmission Agreement, this Agreement shall remain in effect until such time as the Parties execute, and the Commission approves, a replacement Electric Distribution Service Agreement, or (4) upon termination by either Party after providing at least one year prior written notice of termination.

The monthly charge for distribution service under the proposed Agreement is \$8,628.18 per month, or \$103,538.18 per year, a decrease of 5.2 percent. The distribution charge is based on Consolidated's load ratio share of Distribution Facilities Costs derived from Avista's revenue and cost of service study in Docket No. UE-200900.³ The workpapers supporting the distribution charge are filed herewith as Attachment B.

Compliance with Special Contract Rule (WAC 480-80-143)

Avista believes the Agreement meets the requirements of WAC 480-80-143. The service provided under the Agreement is unique, and therefore more appropriately provided under a special contract rather than a filed tariff. Further, the contract is non-discriminatory and is not unreasonably preferential as required under RCW 80.28.090 and 80.28.100. Lastly, the incremental costs associated with providing service under the Agreement are less than the charge for service, therefore, the revenue received from the Agreement provides a contribution to Avista's fixed costs. The revenues from this agreement serve to reduce costs to Avista's retail customers.

¹ The 2016 Electric Distribution Service Agreement was allowed to become effective per the No Action Agenda on September 22, 2016 in Docket No. UE-161003.

² The initial annual charge for distribution service in October 2016 was \$85,382.36 which was subsequently updated upon approval of General Rate Cases occurring during the pendency of the 2016 five-year contract. The annual charge was updated to \$87,508.94 for Docket No. UE-170485 effective May 2018, \$89,243.40 for Docket No. UE-190334 effective April 2020, and \$109,255.68 for Docket No. UE-200900 effective October 2021.

³ Consolidated's three-year average loads from 2018-2020 were used to calculate its load ratio share, which most closely aligns with Avista's 2019 test year system load reflected in its UE-200900 case.

The Company respectfully requests that the Commission approve the proposed Agreement to be effective June 1, 2022. Questions regarding this filing should be directed to Tara Knox at (509) 495-4325 or myself at (509) 495-4546.

Sincerely,

/s/ Joe Miller

Joe Miller
Senior Manager, Rates and Tariffs
Enc.

cc: Shane Sheppard, Manager
Consolidated Irrigation District No. 19
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