

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET NO. UE-051676
)	
Avista Corporation,)	ORDER NO. 01
)	
Petitioner,)	
)	
Seeking Exemption from the)	
Provisions of WAC 480-107-060(2)(a))	ORDER GRANTING
Relating to Filing Draft Request for)	CONDITIONAL
Proposals)	EXEMPTION FROM RULE
.....)	

BACKGROUND

- 1 On November 3, 2005, Avista Corporation (Avista or the Company) filed a petition requesting exemption from WAC 480-107-060(2)(a). Avista requested an exemption from this requirement until the later of January 31, 2006, or 45 days after the adoption of revised Chapter 107 WAC. The Commission has entered the final stage in its review of the chapter for how energy utilities plan for the future and acquire new resources to serve customers. The Commission will hold an adoption hearing for the new rules in Docket UE-030423 on February 22, 2006.
- 2 WAC 480-107-060(2)(a) requires electric companies to file a draft Request for Proposals (RFP) within 90 days of filing a Least Cost Plan. Avista filed such a plan September 1, 2005.
- 3 Avista stated that is has no need for capacity to serve native load until after 2009. Under current practice, this situation would have led a utility to issue an energy only RFP. The proposed revisions to Chapter 107 WAC state that the draft RFP requirement shall not apply in cases where capacity is unneeded for more than three years.
- 4 Commission staff reviewed the request and recommended granting Avista’s request for exemption, subject to the following condition(s): Avista must continue to monitor the power markets for short-term advantageous energy purchases, keep staff informed of its findings, and in particular, investigate the market for renewable power sources.

FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including electric companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.28 RCW.*
- 6 (2) Avista is engaged in the business of providing electric services within the state of Washington and is a public service company subject to the jurisdiction of the Commission under the provisions of Chapter 80.28 RCW.
- 7 (3) Avista is subject to the provisions of WAC 480-107-060(2)(a) requiring electric companies to file draft RFPs within 90 days of filing their Least Cost Plan.
- 8 (4) WAC 480-107-170 provides that the Commission may grant an exemption from the provisions of any rule in Chapter 480-107 WAC, if consistent with the public interest, the purposes underlying regulation and applicable statutes.
- 9 (5) This matter was brought before the Commission at its regularly scheduled meeting on February 8, 2006.
- 10 (6) After review of the petition filed in Docket UE-051676 by Avista on November 3, 2005, and giving due consideration, the Commission finds that the exemption is reasonable and should be granted.

ORDER

THE COMMISSION ORDERS:

- 11 (1) After the effective date of this Order, Avista Corporation is granted a conditional exemption from WAC 480-107-060(2)(a), requiring electric companies to file a draft Request for Proposals (RFP) within 90 days of filing a Least Cost Plan.
- 12 (2) This exemption is subject to the following conditions: Avista must continue to monitor the power markets for advantageous energy purchases and in particular

investigate the market for renewable power sources and inform staff of its findings.

- 13 (3) The Commission retains jurisdiction over the subject matter and Avista Corporation to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 8th day of February, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary