BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)	DOCKET UE-060665
AVISTA CORPORATION d/b/a AVISTA UTILITIES,)	ORDER 01
Petitioner,)	
For An Accounting Order For Authorization to Defer the Cost of a Loan to Grid West)	ORDER APPROVING ACCOUNTING PETITION, AS MODIFIED BY THIS ORDER
)	

BACKGROUND

- On April 27, 2006, Avista Corporation d/b/a Avista Utilities, (Avista or Company) filed a petition seeking an Accounting Order under WAC 480-07-370(b)(i) to transfer the balance of a loan to Grid West from Federal Energy Regulatory Commission (FERC) asset Account 128 Other Special Funds, to Account 182.3 Other Regulatory Assets. Avista is not requesting accumulation of interest on the transferred loan balance, but requests that this balance remain in suspense in Account 182.3 pending ultimate resolution of recovery in its next rate case.
- In its July 26th memorandum in this Docket, Staff recommended that the Commission grant the accounting request to transfer the loan balance from Account 128 to Account 186 Miscellaneous Deferred Debits, and begin amortization on July 1, 2006, without interest over a five-year period and require Avista to address the recovery of any amortization included within the Company's test period costs in its next rate case.
- We find this a reasonable resolution of the issues brought about by this petition and issue our Order to that effect.

FINDINGS AND CONCLUSIONS

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, Chapter 80.28 RCW, Chapter 80.08 RCW and Chapter 80.12 RCW.

- 5 (2) Avista Corporation d/b/a/ Avista Utilities is an electric company and is a public service company subject to the jurisdiction of the Commission.
- 6 (3) WAC 480-07-370(b)(i), allows companies to file a petition including that for which Avista seeks approval.
- Staff has reviewed the petition in Docket UE-060665 including related workpapers. Staff believes the proposed accounting petition requested by Avista is reasonable and should be approved, subject to transferring the loan to Account 186 and beginning amortization of this loan balance July 1, 2006, without interest over five years.
- 8 (5) In its next rate case, Avista is required to show why any amortization of this loan balance included within its operating accounts during the test period should be borne by Washington ratepayers.
- 9 (6) This matter was brought before the Commission at its regularly scheduled meeting on July 26, 2006.
- After examination of the petition filed in Docket UE-060665 by Avista on April 27, 2006, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition filed should be approved with modifications.

ORDER

THE COMMISSION ORDERS:

- 11 (1) Avista Corporation d/b/a/ Avista Utilities' is authorized to transfer the Grid West Loan to Account 186. Any proceeds received from Grid West at dissolution will be netted against this balance.
- This authorization is conditioned upon amortization beginning July 1, 2006, without interest over a five-year period.

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In its next rate case, Avista is required to make a showing why expense associated with the amortization should be borne by ratepayers if it is included within its test period operating accounts.

- 14 (4) This Order shall not affect the Commission's authority over rates, services, accounts, evaluations, estimates, or determination of costs in any matters that may come before it, nor be construed as an acquiescence in any estimate or determination of costs claimed or asserted.
- The Commission retains jurisdiction over the subject matter and Avista Corporation d/b/a Avista Utilities to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective July 26, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner