

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKET UE-230817
AVISTA CORPORATION, d/b/a AVISTA UTILITIES	ORDER 01
For an Order Approving a Service Territory Agreement between Avista Corporation, d/b/a Avista Utilities and Public Utility District No.1 of Asotin County under RCW 54.48	GRANTING PETITION

**BACKGROUND**

- 1 On October 3, 2023, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition (Petition) for an order approving a service territory agreement (Agreement) under RCW 54.48.030 between Avista and Public Utility District No. 1 of Asotin County (Asotin County PUD or PUD).
- 2 Avista is an investor-owned utility that provides service to approximately 411,000 electric customers and 377,000 natural gas customers in a 30,000 square mile area in eastern Washington, northern Idaho, and Oregon. Avista provides electric service to approximately 269,000 retail customers in Washington.
- 3 Asotin County PUD was formed in November 1984 for the intended purpose of acquiring ownership of water systems through condemnation. In 1994, the PUD entered the electrical business by purchasing three miles of underground electrical distribution lines from Clearwater Power Company. This distribution line serves Quail Ridge Golf Course, the PUD's only electrical customer.
- 4 Asotin County PUD also provides electrical service to seven water wells with energy supplied by Bonneville Power Administration (BPA). Electricity is transmitted to such wells through Avista's transmission system under BPA's Network Integration Transmission Service Agreement (NITSA). The NITSA captures low voltage substation and distribution system charges for transmitting BPA power to each Asotin County PUD delivery point. The NITSA was revised to reflect the new Wastewater Treatment Plant delivery point electrically connected to Avista's Dry Gulch 1208 feeder.

5 The City of Clarkston City Council partnered with Asotin County PUD to explore a  
proposal whereby the PUD would take over the management of the City of Clarkston  
Wastewater Treatment Plant. An agreement was entered into between the City of  
Clarkston and the PUD that provides for contract operation of the city sewer system by  
the PUD, effective January 1, 2023.

6 Commission Staff (Staff) has reviewed the Agreement and believes that it is supported by  
statute and there is good cause to grant it.

### DICUSSION

7 The Agreement is filed pursuant to RCW 54.48.020 and 54.48.030. RCW 54.48.020  
encourages the service territory agreement between public utilities and cooperatives to  
avoid facility duplication. It states that:

[T]he duplication of the electric lines and service of public utilities and  
cooperatives is uneconomical, may create unnecessary hazards to the public  
safety, discourages investment in permanent underground facilities, and is  
unattractive, and thus is contrary to the public interest and . . . that it is in the  
public interest for public utilities and cooperatives to enter into agreements for  
the purpose of avoiding or eliminating such duplication.”

8 In order to implement the intent of the prior statute, RCW 54.48.030 authorizes:

[A]ny public utility and any cooperative . . . to enter into agreements with any  
one or more other public utility or one or more other cooperative for the  
designation of the boundaries of adjoining service areas which each such  
public utility or each such cooperative shall observe, for the establishment of  
procedures for orderly extension of service in adjoining areas not currently  
served by any such public utility or any such cooperative and for the  
acquisition or disposal by purchase or sale by any such public utility or any  
such cooperative or duplicating utility facilities . . .”

9 Avista asserts, and Staff agrees, that the negotiated Agreement is in the public interest  
and consistent with RCW 54.48.020. We agree. The Agreement will minimize the  
potential duplication of facilities between the two utilities. Given Avista’s history of  
positive partnership with Asotin County PUD, knowing that the PUD has self-served its  
own wells for many years, and given that the Wastewater Treatment Plant would be a

single, lone addition to the PUD, we agree that transferring service to the PUD for this limited purpose would be appropriate and in the public interest, and thus approve the Agreement.

### FINDINGS AND CONCLUSIONS

- 10 (1) The Commission is an agency of the State of Washington, vested by statute with authority to regulate rates, rules, regulations, practices, and accounts of public service companies, including investor-owned electric and natural gas companies.
- 11 (2) Avista is a public service company regulated by the Commission, providing service as an electric and natural gas company.
- 12 (3) The Commission has jurisdiction over the subject matter of this proceeding and over Avista.
- 13 (4) Staff has reviewed the Petition in Docket UE-230817.
- 14 (5) Staff submits that the proposed Service Territory Agreement is the result of negotiations and is supported by both parties. Staff submits that the terms of the Agreement are consistent with the public interest and the public policy set for in RCW 54.48.
- 15 (6) The Agreement between Avista and Asotin County PUD avoids the duplication of facilities by multiple utilities and cooperatives.
- 16 (7) Staff recommends the Commission grant the Petition.
- 17 (8) This matter came before the Commission at its regularly scheduled meeting on December 21, 2023.
- 18 (9) After reviewing Avista's Petition filed in Docket UE-230817 and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 19 (1) Avista Corporation, d/b/a Avista Utilities' Petition is granted.
- 20 (2) The Commission retains jurisdiction to effectuate the provisions of this Order.
- 21 The Commissioners, having determined this Order to be consistent with the public interest, directed the Acting Executive Director and Secretary to enter this Order.

DATED at Lacey, Washington, and effective December 21, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

KATHY HUNTER  
Acting Executive Director and Secretary