

SERVICE DATE

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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET UE-991606
)	
Complainant,)	
)	DOCKET UG-991607
v.)	
)	
AVISTA CORPORATION,)	FIFTH SUPPLEMENTAL ORDER
)	APPROVING CENTRALIA GAIN
)	BILL CREDIT COMPLIANCE
)	TARIFF
Respondent.)	
.....)	

MEMORANDUM

On September 29, 2000, the Commission entered its Third Supplemental Order ("Third Order") in this matter. In it, the Commission ordered Avista Corporation ("Avista" or "the Company") to present a proposal to return its customers' share of the Centralia sale proceeds by a bill credit to be completed by March 31, 2001.

On October 24, 2000, Avista filed with the Commission "First Revision Sheet 56" which provides for a bill credit over two months beginning with December 2000. The proposed tariff provides a bill credit to almost all of Avista's customers based on their electricity usage in the two-month period. However, the tariff includes a bill credit for pumping service (Schedules 30, 31, & 32) that does not begin until the July 2001 billing cycle. Avista proposed this credit, which is after the March 31, 2001 deadline in the Third Order, because the pumping service customers do not use electricity in the winter months; therefore there are no charges against which to apply a bill credit.

The October 24, 2000, proposal included a mechanism which provided Extra Large General Service (Schedule 25) customers a refund check for that schedule's allocated share of the gain. On November 15, 2000, Avista revised its proposal to include a bill credit mechanism for Schedule 25 customers that treats them consistently with other customers, rather than a refund check as originally proposed.

On November 16, 2000, the Commission Staff filed with the Commission a letter indicating that Staff reviewed the Company's compliance tariff filing and Schedule 25 bill credit proposal and believes that they comply with the Third Order. Staff agrees that the credit to pumping service customers beginning with the July 2001 billing cycle is consistent with the Commission's decision that Avista's customers promptly receive their portion of the benefits, since the pumping service customers

will receive their share of the gain in their first major billing after the refund was ordered. The Commission asked parties who wished to comment to do so by November 20, 2000.

5 On November 20, 2000, the Industrial Customers of Northwest Utilities ("ICNU") filed comments indicating a preference that Schedule 25 customers receive a check distributing their portions of the Centralia gain. ICNU indicated that if the Commission were instead to elect a bill credit approach, ICNU would then wish to see the undistributed portion of the Centralia credit continue to accrue interest until the entire credit is used. Public Counsel and the Northwest Energy Coalition provided notice that they would not file any comments regarding the compliance filing.

6 On November 20, 2000, the Commission Staff responded to ICNU's comments, noting that the Third Order at paragraph 316 indicates: "Avista must pay interest on the gain at its authorized rate of return until the bill credit is accomplished." Staff explained that to the extent that the bill credit to certain Schedule 25 customers takes longer than one month to be distributed, interest will accrue to the overall remaining balance of the undistributed gain. Staff went on to explain:

At the end of the credit period, if there is a residual balance (due either to actual volumes that receive the Schedule 56 credit being different than projected, and/or interest on the balance being different than projected), Avista's proposal is to net the residual balance (positive or negative) against the DSM tariff rider balance. Schedule 25 customers will receive their proportionate share of the residual Centralia gain through the Schedule 91 DSM tariff rider rates. There would, therefore, be no windfall to Avista, contrary to the suggestion of ICNU. For these reasons, Staff supports Avista's bill credit proposal to credit back the gain on the Centralia sale.

7 The Commission finds that the tariff revision filed by the Company on October 24, 2000, is consistent with the Commission's Third Order and concludes therefore that the tariff should be approved as filed.

ORDER

8 The tariff revision filed by Avista Corporation on October 24, 2000, in accordance with the Third Supplemental Order in this proceeding, shall become effective as filed, and the rates, charges, and conditions set forth in the tariff revision and Schedule 25 bill credit are the rates, charges, and conditions to be applicable to service on and after November 29, 2000.


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DATED at Olympia, Washington, and effective this 21st Day of November 2000.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION


MARILYN SHOWALTER, Chairwoman


RICHARD HEMSTAD, Commissioner