

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

AVISTA CORPORATION d/b/a AVISTA
UTILITIES,

Petitioner,

For an Order Authorizing Accounting and
Ratemaking Treatment of Fees for
Payments Made by Residential Customers

DOCKET UE-160071 and
DOCKET UG-160072

ORDER 02

ORDER GRANTING EXTENSION
OF TIME

BACKGROUND

- 1 On January 12, 2016, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting an order authorizing accounting and ratemaking treatment of fees for credit and debit card payments made by residential customers (Petition). Under the program, costs for each credit card transaction would drop from \$3.50 paid directly by the customer to \$1.50, if paid directly by Avista. Avista sought to defer, for up to 36 months, all fees paid by Avista related to offering a fee-free program for payment of bills by Washington residential customers that use credit and debit cards.
- 2 On March 24, 2016, the Commission entered Order 01, approving the Petition. Order 01 also required Avista to report on the program's progress every three months. The Company is in full compliance with this requirement.
- 3 Avista's Fee-Free Payment Program and associated deferral began on February 1, 2017, and, based on a 36-month deferral period, will expire on January 31, 2020. At the time of the filing, the Company anticipated that an annual expense amount would be known and embedded in a general rate case test year.
- 4 On March 21, 2019, Avista filed a Motion for Extension of Time (Motion). In the Motion, Avista states the Company is anticipating a general rate case filing on or before May 1, 2019, using a 2018 test year. The Company anticipates a statutory suspension date on or before April 1, 2020. This date is two months after the end of the present deferral time period which ends on January 31, 2020. This would leave a time period during which the Company would have no approved mechanism to defer credit card processing costs before new rates resulting from the anticipated rate case filing would be

effective. Therefore, Avista requests a four month extension of the 36 month deferral period, through May 2020 or until whenever new base rates are approved by the Commission as the result of the anticipated 2019 general rate case filing. Approval of the continued deferral of these fees would allow Avista to continue to offer the Fee-Free Payment Program to Washington residents using credit and debit cards.

- 5 Commission staff (Staff) recommends the Commission grant the Company’s Motion and approve the extension of the deferral accounting petition until conclusion of the anticipated 2019 general rate case. Continuing the Fee-Free Payment Program would extend the Company’s payment of roughly \$1.50 per transaction, rather than subjecting customers to a \$3.50 “convenience charge” for these same credit and debit card payments. Approval of an extended deferral will also allow the record to reflect known-and-measurable customer behavior under a fee-free program without exposing the company to large losses.

DISCUSSION

- 6 We agree with Staff and grant the Company’s Motion for Extension of Time in order to extend the Fee-Free Payment Program. Avista’s proposed accounting treatment would enable the Company to continue with a fee-free program for residential customers paying by credit and debit card at a significantly lower cost for each payment processed. Accordingly, we find that the Motion is consistent with the public interest and should be granted.

FINDINGS AND CONCLUSIONS

- 7 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric and natural gas companies.
- 8 (2) Avista is an electric company, a natural gas company, and a public service company subject to Commission jurisdiction.
- 9 (3) WAC 480-07-370(1)(b), allows companies to file petitions, including the Motion Avista filed in this docket.
- 10 (4) Staff has reviewed the Petition and Motion in Dockets UE-160071 and UG-160072, including related work papers.

- 11 (5) Staff finds that Avista's Motion is reasonable and should be granted.
- 12 (6) This matter came before the Commission at its regularly scheduled meeting on April 11, 2019.
- 13 (7) After reviewing Avista's Motion filed in Dockets UE-160071 and UG-160072, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Motion should be granted.

ORDER

THE COMMISSION ORDERS:

- 14 (1) Avista Corporation d/b/a Avista Utilities's motion for extension of time, allowing deferral of all fees paid by Avista Corporation d/b/a Avista Utilities related to offering a fee-free program for payment of bills by Washington residential customers that use credit and debit cards is granted through May 31, 2020.
- 15 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs on any matters that may come before it. This Order shall not be construed as an agreement to any estimate, determination of costs, valuation of property claimed or asserted or to the possible recovery of, or return on, the amounts deferred to the regulatory asset.
- 16 (3) The Commission retains jurisdiction over the subject matter and Avista Corporation d/b/a Avista Utilities 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 April 11, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary