

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 20, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE December 20, 2016

DATE: December 6, 2016

TO: Public Utility Commission

FROM: Marianne Gardner *MG*

THROUGH: Jason Eisdorfer *JE* and Marc Hellman *MH*

SUBJECT: AVISTA UTILITIES: (Docket No. UG 325/Advice No. 16-15-G) Requests a general rate increase in the Company's Oregon annual revenues of \$8,539,000, or 9.0 percent overall.

STAFF RECOMMENDATION:

The Public Utility Commission of Oregon (Commission) should suspend Avista Utilities' (Avista, Company) application for revised tariff schedules in Advice No. 16-15-G for a period of nine months from the proposed effective date of December 30, 2016

DISCUSSION:

Issue

Whether the Commission should suspend Avista's application for revised tariff schedules for investigation for nine months.

Applicable Rule or Law

On November 30, 2016, the Company filed Advice No. 16-15-G, to effect a general rate revision for its natural gas customers in Oregon. Pursuant to ORS 757.210, the Commission may conduct a hearing to determine whether a rate or schedule filed by a utility is fair, just and reasonable. To investigate whether to make such a determination, ORS 757.215(1) allows the Commission to issue an order suspending the proposed rates for a period of six months beyond the time when such rate or schedule would otherwise go into effect. ORS 757.215(1) further allows the Commission to order suspension for an additional three months beyond the last day of the initial suspension,

if it finds the investigation of the proposed rates will not be completed by the end of the initial six-month suspension period.

Analysis

On November 30, 2016, Avista filed Advice No. 16-15-G, an application for revised tariff schedules with an effective date of December 30, 2016. The filing has been docketed as UG 325. The tariffs proposed to implement a general rate revision, increasing Avista's revenues by \$8.539 million, or 9.0 percent overall. This is the overall increase in total billed revenue, which includes natural gas costs and all other rate adjustments. On a margin revenue basis, which excludes the cost of natural gas and all other rate components, the overall proposed increase is 14.5 percent. The percentage increases by rate class are 14.5 percent for residential customers, 18.9 percent for general service customers, no change for large general service customers, and no change percent for transportation service customers. The filing provides that approximately \$7.2 million or 84 percent of the requested revenue increase is attributable to new plant investment. The remaining 16 percent relates to increases in operational and administrative and general costs net of the change in retail revenues.

Due to the complexity of the case, Staff believes an investigation cannot be completed within the initial six month suspension period, and a thorough investigation requires the additional three-month suspension period, for a full nine-month investigative period from the proposed effective date.

Conclusion

Based on the review of Avista's application, Staff concludes that a proper investigation of the filing will require a three month suspension period in addition to the initial six-month suspension period for a total suspension period of nine months.

PROPOSED COMMISSION MOTION:

Suspend the effective date of the revised tariff schedules in Avista's application, Advice No. 16-15-G, for a period not to exceed nine months from December 30, 2016.