

WUTC REJECTS AVISTA CORPORATION'S REQUEST FOR RATE INCREASE

On December 15, 2016, the Washington Utilities and Transportation Commission ("WUTC" or "Commission") issued an order completely rejecting Avista Corporation's request for an electric rate increase as part of its 2016 general rate case. By a 2-1 majority, the Commission found that the Company had failed to carry its burden of proof to establish that existing rates are not fair, just, reasonable and sufficient for Avista. In other words, the Company's request for an overall 7.6%, or \$38.6 million, electric rate increase in 2017 was denied outright, along with Avista's additional request for a second, incremental electric rate increase of \$10.3 million on January 1, 2018. Davison Van Cleve represented a party that intervened in the proceeding and which opposed any electric rate increase for the Company.

In reaching its determination, the majority emphasized that Avista alone bears the burden of proof to establish the need for a rate increase. Having just been found to be revenue sufficient (i.e., justifying a rate reduction) in the amount of \$8.1 million by Commission order in January 2016, the majority was unpersuaded by Avista's evidence claiming that a \$38.6 million electric revenue increase was necessary, based on continued earnings attrition. Alongside continued evidence of overearnings on electric operations through 2016, the Commission determined that Avista had simply failed to persuasively demonstrate a need for another attrition adjustment or any sort of rate increase. Avista's petition for reconsideration (or, in the alternative, for rehearing) was denied by the Commission in its order issued on February 27, 2017.