

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** BRANDON KARPEN  
DEPUTY ATTORNEY GENERAL

**DATE:** SEPTEMBER 21, 2018

**SUBJECT:** AVISTA'S APPLICATION TO REVISE TARIFF SCHEDULE 170  
NATURAL GAS RULES AND REGULATIONS; CASE NO. AVU-G-18-07.

On September 19, 2018, Avista Corporation dba Avista Utilities filed an Application requesting that the Commission approve changes to the Company's Tariff Schedule 170 relating to the Company's Natural Gas Rules and Regulations. The proposed changes stem from the Company's effort to comply with Commission Order No. 33953.

Generally, the Company proposes to incorporate pertinent provisions of the Commission's Service Rules for Gas Utilities (IDAPA 31.31.01), including rules for meter testing and accuracy as well as maintaining system maps and records. The Company proposes to move these relevant requirements into the Company's tariff.

### BACKGROUND

In July 2008, Staff received an inquiry from Avista regarding an apparent conflict between Commission Gas Service Rule 102, and Commission Safety Rule 202, relating to the Commission's adoption of the National Fuel Gas Code, the Uniform Mechanical Code, and the International Mechanical Code. After reviewing the issue, the Commission concluded that Gas Service Rule 102 is incompatible with the Commission's Safety Rules 202.02 and 203.02. Order 30625 at 2. Consequently, the Commission suspended Gas Service Rule 102, IDAPA 31.31.01.102. *Id.* at 3. The Commission further directed Staff to work with gas utilities and other interested persons and informally review the Gas Service Rules. *Id.*

Avista and other natural gas utilities provided Staff with proposed changes to IDAPA 31.31.01 in November 2016, consistent with current best practices. Further discussions led to an agreement that the integration of these revisions into the Company's tariffs would be beneficial to the Company and the Commission. As such, in the Company's 2017 General Rate Case, the matter of incorporating pertinent provisions from IDAPA 31.31.01 was made part of the ultimate settlement resolving the case.

On December 28, 2017, the Commission issued Order No. 33953, approving the Settlement Stipulation in the rate case. Therein, the parties agreed:

The Company and interested parties will meet and confer to review the Commission's Service Rules for Gas Utilities (IDAPA 31.31.01) to determine which provisions should be retained and/or modified, and, if the participants agree, incorporate those changes into the Company's tariff. Any changes requiring Commission approval, e.g., tariff revisions, will be submitted by the Company on or before [October 1, 2018].<sup>1</sup>

Stipulation and Settlement Para. 19. If the underlying Application is approved, the rules developed with Staff will be incorporated into Avista Natural Gas Tariff Schedule 170. Approval of the rules would not change rates. The Company requested that the Commission process this Application under Modified Procedure, with an effective date of November 1, 2018. Application at 8.

### **PROPOSED TARIFF CHANGES**

By way of summary, the Company seeks to add three new sections to Tariff Schedule 170, as follows:

1. **Meter Accuracy:** This change will add rules requiring the Company to afford customers with meters that provide adequate pressure, heat content, and accurate measurement of gas consumption.
2. **Meter Testing:** This change will add rules requiring the Company to maintain meter records, the parameters for new and installed meter testing programs, including methodology.

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<sup>1</sup> On June 25, 2018, Avista requested, and the Commission approved, an extension to a July 1, 2018, deadline to submit proposed rules to allow sufficient time to complete the work on the proposal. Order No. 34102.

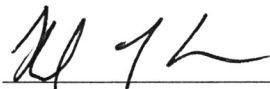
3. **Maps and Records of Facilities:** This change will add rules requiring the Company to keep maps and records that show the size, character, and location of each street main, district regulator, street valve, and service connection in the corresponding territory served.

**STAFF RECOMMENDATION**

Staff concurs that Modified Procedure is an appropriate means to process Avista's Application. Staff recommends that the Commission issue a Notice of Application and establish a general comment deadline of October 17, 2018, and an October 22, 2018 deadline for the Company to file a reply.

**COMMISSION DECISION**

Does the Commission find that Modified Procedure is an appropriate means to process this case with a general comment deadline of October 17, 2018, and an October 22, 2018 deadline for the Company to file a reply?

For:   
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Brandon Karpen  
Deputy Attorney General