

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET NO. UE-991606
)	
Complainant,)	DOCKET NO. UG-991607
)	
v.)	
)	
AVISTA CORPORATION,)	
)	ORDER OF CONSOLIDATION;
Respondent.)	PREHEARING CONFERENCE
)	ORDER
)	
.....)	

PREHEARING CONFERENCES: A joint prehearing conference was held in these two proceedings in Olympia, Washington, on Thursday, December 16, 1999. The prehearing conference was held before Administrative Law Judge Marjorie R. Schaer.

APPEARANCES: The parties were present as follows: Avista Corporation ("Avista") by David Meyer, General Counsel; the Washington Utilities & Transportation Commission and its staff ("Commission Staff") by Robert D. Cedarbaum, Assistant Attorney General, Olympia; Public Counsel by Simon ffitich, Assistant Attorney General, Seattle; Industrial Customers of Northwest Utilities ("ICNU") by Michael T. Brooks, Duncan Weinburg, Genzer & Pembroke, P. C., Portland; Northwest Industrial Gas Users ("NWIGU") by Edward A. Finklea, Energy Advocates LLP, Portland; Northwest Energy Coalition ("NWECC") by Danielle Dixon, Policy Associate, Seattle; Spokane Neighborhood Action Programs ("SNAP") by Don Andre, Assistant Director, Housing Improvements, Spokane; and Washington Independent Telephone Association by Richard Finnegan, Attorney at Law, Olympia.

INTERVENTIONS: The petitions to intervene of ICNU, NWIGU, NWECC and SNAP were granted, with no objections, at the prehearing conference. The intervention of WITA was opposed by Avista, and was taken under advisement. WITA sought intervention in order to investigate whether the Avista subsidiary which operates a competitive local exchange company is subsidized by the Avista natural gas and electric operations. After consideration, the motion by WITA is denied.

WITA asks to intervene only on the issue of whether Avista's telecommunications subsidiary receives a subsidy from the regulated energy operations. That is outside the scope of this proceeding. The Commission will be inquiring into whether the rates Avista charges its electric and natural gas ratepayers are fair, just, reasonable and sufficient. WITA's inquiry goes to whether the telecommunications subsidiary's prices are subsidized, a very different question and one that is not before the

Commission in this Docket. The parties will be able to investigate whether Avista's overhead expenses are properly allocated without examining the books of the telecommunications subsidiary. The investigation should not go further.

CONSOLIDATION: The prehearing conference was a joint hearing in the two dockets listed above. The Commission Staff moved to consolidate the two filings; all parties agreed that this was appropriate. Avista indicated that it had structured the presentation of its filings following an assumption that the two would be consolidated. Counsel for Public Counsel and the intervenors indicated that it would be easier for parties with limited resources to participate if the two proceedings were consolidated.

ORDER OF CONSOLIDATION

IT IS HEREBY ORDERED That the three above-entitled applications are consolidated for hearing and determination. The Commission reserves the right to hold such separate hearings and to enter separate orders in the individual matters as it may deem appropriate.

COPIES OF PREFILED EVIDENCE: Parties must provide 24 copies of all documents, or such other quantity as the Commission may specify by letter. All materials filed in this case, including prefiled testimony and exhibits, must also be provided by e-mail attachment or upon computer diskette in an IBM-compatible format.

The parties are reminded that all testimony, exhibits, and pleadings filed with the Commission must be three-hole punched.

ISSUES: A well-developed general rate case will necessarily examine many important issues. At the outset of the case, the Commission wants to be sure that certain issues are not overlooked, given the importance and complexity of all the other rate-case matters. Avista and its predecessor Washington Water Power recently offered pilot programs to gain experience with various forms of customer choice or competition in electricity services.

The Commission would like to understand how, or if, information gleaned from these experiments has been used in the design and cost-analysis of the services and tariffs examined in this proceeding. Specifically, are unbundled distribution and/or other services necessary to provide a delivery-only electricity service proposed or examined? Are any "resource portfolio" type services proposed or examined? If any parties make proposals or take positions on these issues that have been informed by experience gained from the pilot programs, the Commission requests that they so indicate in their testimony. The Commission also would like the company to direct it to any portions of the testimony that indicate how the company's plans or design of its rates take into account the effect of net metering or possible future technologies.

SCHEDULE: After considerable discussion, the parties were able to agree upon a schedule for the remainder of the proceedings. The following schedule will apply:

Avista supplemental filing	January 26, 2000
Cross-examination of Avista direct case Commission Staff, Public Counsel, and Intervenors file direct cases	March 27-31, 2000
Avista rebuttal filing	May 5, 2000
Cross-examination of directs cases and Avista rebuttal	June 2, 2000
Briefs filed	July 10-14, 2000 August 11, 2000

The Commission expects to hold a hearing or hearings to gather input from members of the public. The dates and locations of these hearings will be announced.

DISCOVERY: The Commission discovery rule was invoked. The discovery processes in WAC 480-09-480 will be available to the parties. The parties have agreed to a seven (7) business day turn-around time on data requests served after the Commission Staff, Public Counsel and intervenors have filed their direct cases.

PROTECTIVE ORDER: The parties seek a protective order. The Commission will enter a protective order in this consolidated proceeding.

NOTICE TO PARTIES: Any objection to the provisions of this order must be filed within ten calendar days after the date of mailing of this statement, pursuant to WAC 480-09-460(2). In the absence of such objections, this prehearing conference order shall control further proceedings in this matter, subject to Commission review.

DATED at Olympia, Washington, and effective this *22nd* day of December, 1999.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Marjorie R. Schaer

MARJORIE R. SCHAER
Administrative Law Judge