

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET NO. UG-021584
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	
	)	
v.	)	
	)	NOTICE OF PREHEARING
AVISTA CORPORATION d/b/a	)	CONFERENCE
AVISTA UTILITIES,	)	(February 27, 2003)
	)	
Respondent.	)	
.....	)	

- 1     On December 2, 2002, Avista Corporation d/b/a Avista Utilities (Avista) filed certain tariff revisions directly affecting Avista Tariff Schedule 163, which would modify and extend Avista's "Natural Gas Benchmark Mechanism" (Benchmark Mechanism) for two years. The Benchmark Mechanism (current and proposed) establishes the natural gas costs for the Purchased Gas Adjustment deferral purposes.
  
- 2     By order of the Commission, the operation of the tariff revisions have been suspended pending hearing or hearings concerning all such changes and the justness and reasonableness thereof. To accommodate Avista and the hearing process in this docket, the Commission permitted Avista to change the expiration date on the existing Benchmark Mechanism tariff from March 31, 2003 to January 29, 2004.
  
- 3     Hearing in this matter is being held pursuant to Part IV of chapter 34.05 RCW pertaining to adjudicative proceedings, including but not limited to RCW 34.05.413, RCW 34.05.422, RCW 34.05.431, RCW 34.05.440, RCW 34.05.449, RCW 34.05.452, and RCW 34.05.455. The Commission has jurisdiction over this matter pursuant to Title 80 RCW, having legal authority to regulate the rates, services, and practices of natural gas companies. The statutes and rules involved, in addition to those previously cited, include those within chapters 80.04, 80.16, and 80.28 RCW, and chapters 480-09, 480-80 and 480-90 WAC.

- 4 The ultimate issues include whether the proposed tariff revisions are just, fair, reasonable, sufficient, and in the public interest. The ultimate issues also include whether the current Benchmark Mechanism tariff on file and in effect with the Commission is just, fair, reasonable, and sufficient and in the public interest. Issues also include consideration of alternative tariff and/or rate design or structure for purchased gas cost recovery and other matters associated with the current and proposed Benchmark Mechanism. The Commission broadly views the range of possible outcomes in this docket. The Commission may retain the existing Benchmark Mechanism, accept the Benchmark Mechanism as proposed by Avista, accept other changes to the Benchmark Mechanism, eliminate the Benchmark Mechanism entirely, or establish a different mechanism. Issues include the extent to which the tariff revisions are consistent with the Commission's Policy Statement in Docket Nos. UG-940778 and UG-970001, and whether the expiration date of January 29, 2004 on the current Benchmark Mechanism tariff should be changed to a date either before or after January 29, 2004. In accordance with the provisions of RCW 80.04.130, or because Avista is the proponent of the tariff change, the burden of proof shall be upon Avista, the Respondent.
- 5 NOTICE IS HEREBY GIVEN That in accordance with WAC 480-09-700(1)(a), the Commission has determined that good cause exists for this matter to be heard upon shortened notice.
- 6 **NOTICE IS FURTHER GIVEN That a prehearing conference in this matter will be held at 9:30 a.m., on February 27, 2003, in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.**
- 7 The purpose of the prehearing conference is to take interventions, establish dates for distribution of the Company's direct evidence and workpapers and other scheduling matters, consider formulating the issues in the proceeding and to determine other matters to aid in its disposition, as specified in WAC 480-09-460. Because this proceeding involves, among other things, important policy questions regarding possible structures of purchased gas cost recovery mechanisms, the Commission declares this proceeding to be of a precedential nature, and hereby invokes the provisions of WAC 480-09-480. The Commission will establish a formal discovery schedule by later prehearing order, but the data request procedures in WAC 480-09-480 may be used now.

- 8 Petitions to intervene should be made in writing prior to the hearing date or made orally at the hearing. Appearances will be taken. If any party or witness needs an interpreter or other assistance, please fill out the form attached to this notice and return it to the Commission. The time and place for the evidentiary hearings will be set at the prehearing conference or by later written notice.
- 9 NOTICE IS FURTHER GIVEN THAT ANY PARTY WHO FAILS TO ATTEND OR PARTICIPATE IN THE HEARING SET BY THIS NOTICE, OR ANY OTHER STAGE OF THIS PROCEEDING, MAY BE HELD IN DEFAULT IN ACCORDANCE WITH RCW 34.05.440. THE PARTIES ARE FURTHER ADVISED THAT THE SANCTION PROVISIONS OF WAC 480-09-700(4) ARE SPECIFICALLY INVOKED.
- 10 The names and mailing addresses of all parties and their known representatives are as follows:

Complainant: Washington Utilities and  
Transportation Commission  
Chandler Plaza Building  
1300 S. Evergreen Park Drive S.W.  
P. O. Box 47250  
Olympia, WA 98504-7250  
(360) 664-1160

Representative: Donald T. Trotter  
Senior Counsel  
1400 S. Evergreen Park Drive S.W.  
P. O. Box 40128  
Olympia, WA 98504-0128  
(360) 664-1189

Respondent: Avista Corporation d/b/a Avista Utilities  
1411 E. Mission Avenue  
P. O. Box 3727  
Spokane, WA 99220  
(509) 777-5655

Representative: David J. Meyer  
Senior Vice President & General Counsel  
Avista Corporation  
1411 E. Mission Avenue  
P. O. Box 3727  
Spokane, WA 99220-3727  
(509) 495-4316

Public Counsel: Simon ffitich  
Office of Attorney General  
900 Fourth Avenue, Suite 200  
Seattle, WA 98164-1012  
(206) 646-7744

- 11 Marjorie Schaer has been designated as the Administrative Law Judge from the Utilities and Transportation Commission's Administrative Law Division, 1300 S. Evergreen Park Drive S.W., Olympia, Washington 98504-7250, and will preside at the prehearing conference.
- 12 The Public Counsel section of the Office of the Attorney General has been designated by the Attorney General to represent the public. The address of the Commission, shown below, may be used for inquires of Public Counsel, or Public Counsel may be contacted directly by writing or calling the address or telephone number listed below.
- 13 Notice of any other procedural phase will be given in writing or on the record as the Commission may deem appropriate during the course of this proceeding.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN  
Executive Secretary

February , 2003

Inquires may be addressed to:

Executive Secretary  
Washington Utilities and  
Transportation Commission  
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1300 S. Evergreen Park Drive S.W.  
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