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1                   BEFORE THE WASHINGTON UTILITIES AND  
2                   TRANSPORTATION COMMISSION

3   In the Matter of the Petition )  
4   of Avista Utilities for         )   Docket No. UG-021584  
5   Extension of the Natural Gas   )   Volume III  
6   Benchmark Mechanism.           )   Pages 53 to 57  
7   \_\_\_\_\_)

8                   A hearing in the above matter was held on  
9   September 22, 2003, from 9:45 a.m to 4:55 p.m., at 1300  
10   South Evergreen Park Drive Southwest, Room 206, Olympia,  
11   Washington, before Administrative Law Judge THEODORA  
12   MACE and Chairwoman MARILYN SHOWALTER and Commissioner  
13   PATRICK J. OSHIE.

14                   The parties were present as follows:  
15                   THE COMMISSION, by DONALD T. TROTTER, Senior  
16   Assistant Attorney General, 1400 South Evergreen Park  
17   Drive Southwest, Olympia, Washington 98504-0128,  
18   Telephone (360) 664-1189, Fax (360) 586-5522, E-mail  
19   dtrotter@wutc.wa.gov.

20                   AVISTA CORPORATION, by DAVID J. MEYER,  
21   General Counsel, East 1411 Mission Avenue, Spokane,  
22   Washington, 99220, Telephone (509) 495-4316, Fax (509)  
23   495-4361, E-mail dmeyer@avistacorp.com.

24                   THE PUBLIC, by ROBERT W. CROMWELL, JR.,  
25   Assistant Attorney General, 900 Fourth Avenue, Suite  
26   2000, Seattle, Washington, 98164-1012, Telephone (206)  
27   464-6595, Fax (206) 389-2058, E-Mail  
28   robertcl@atg.wa.gov.

29                   Joan E. Kinn, CCR, RPR  
30   Court Reporter

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1 P R O C E E D I N G S

2 JUDGE MACE: Let's go on the record in Docket  
3 Number UG-021584. This is the Avista Benchmark  
4 proceeding. My name is Theodora Mace, I'm the  
5 Administrative Law Judge who has been assigned to hear  
6 this case. The date is September 22nd, 2003, and we are  
7 convened at the offices of the Washington Utilities and  
8 Transportation Commission in Olympia, Washington. This  
9 is the first day we have scheduled for a two day  
10 evidentiary hearing.

11 It appears that the parties -- well, let me  
12 ask the parties to enter their appearances for the  
13 record, just the short form.

14 MR. MEYER: Thank you, Your Honor, David  
15 Meyer on behalf of Avista.

16 MR. CROMWELL: Robert Cromwell on behalf of  
17 Public Counsel.

18 MR. TROTTER: Donald T. Trotter, Assistant  
19 Attorney General for the Commission.

20 JUDGE MACE: Thank you.

21 The parties have had some discussions about  
22 settlement of this case, and at this point we are going  
23 to adjourn while I try to contact someone from ALD who  
24 may be able to facilitate discussions this morning and  
25 see where the parties can get to from there.

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1                   If all fails, we will go ahead with the  
2   hearing then today and tomorrow and accommodate the  
3   schedule of the Attorney General's witness who is now  
4   flying in so that she could be cross-examined. Again,  
5   the Commissioners may have to weigh in on that, but I  
6   believe that that would be a reasonable thing to do.

7                   So I will at this point adjourn indefinitely  
8   while I contact Judge Wallis and see whether he is  
9   available or someone can be available to conduct some  
10   discussions with the parties.

11                   (Recess taken.)

12                   JUDGE MACE: Let's be back on the record in  
13   Docket Number UG-021584. The commissioners are here  
14   with me this morning, Chairwoman Showalter and  
15   Commissioner Oshie, pardon me, this afternoon,  
16   Chairwoman Showalter and Commissioner Oshie, and I  
17   understand the parties have spent the day discussing  
18   settlement of this matter and have an announcement to  
19   make at this point. My understanding also is that  
20   Mr. Trotter will be the one to make that announcement,  
21   so will you go ahead.

22                   MR. TROTTER: Yes, Your Honor. I would  
23   report that the parties have been able to reach an  
24   agreement in principle that would resolve this docket.  
25   We do not have that agreement in writing, but we have it

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1 in our notes, and we're going to spend the evening and  
2 early part of tomorrow morning getting it into writing.  
3 It's not an overly complicated thing to write up anyway,  
4 and so we're confident we can get you a draft tomorrow  
5 morning. We're shooting for no later than noon, but I'm  
6 hopeful we can hammer it out before then. I'm committed  
7 to circulating copies tonight of a draft that has yet to  
8 be started. And then we had anticipated coming back  
9 tomorrow afternoon at 3:30 to hear any questions or  
10 concerns you have, and the witnesses would be available  
11 to respond to questions at that time. I think that's  
12 about it.

13 JUDGE MACE: Anyone have anything to add to  
14 that?

15 Would you have a witness panel.

16 MR. TROTTER: If desired, that's fine for  
17 Staff.

18 MR. CROMWELL: This is Robert Cromwell on  
19 behalf of Public Counsel. Ms. Elder is here, we would  
20 be willing and able to have her be part of a settlement  
21 panel presenting the settlement that we will have  
22 finalized tomorrow if that's your desire.

23 CHAIRWOMAN SHOWALTER: Well, since we haven't  
24 seen the agreement, it's hard for us to know, but I  
25 think if it's not too inconvenient for the parties to

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1 remain, that's probably safer to do.

2 Well, I will just say we haven't seen the  
3 agreement, because it doesn't exist in writing yet, but  
4 I really do appreciate all of the work that you must  
5 have put into today in order to get to your  
6 announcement, so regardless of the content of the  
7 agreement, congratulations on achieving it, and I look  
8 forward to reading it.

9 JUDGE MACE: Then we are adjourned until --  
10 do you have something else, Mr. Meyer?

11 MS. MEYER: No, I don't, thank you.

12 JUDGE MACE: All right, then we are adjourned  
13 until 3:30 tomorrow. Thank you.

14 (Hearing adjourned at 4:55 p.m.)

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