

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKET UG-041515
TRANSPORTATION COMMISSION,)	
)	PUBLIC COUNSEL STATEMENT
Complainant,)	OF POSITION REGARDING
)	PROPOSED SETTLEMENT;
v.)	WAIVING FURTHER PROCESS
)	
Avista Corp. d/b/a Avista Utilities,)	
)	
Respondent.)	
.....)	
)	

1. The Public Counsel Section of the Washington State Attorney General’s Office (“Public Counsel”) hereby notifies the Washington Utilities and Transportation Commission (“Commission”) that it will not be filing testimony in this proceeding. Public Counsel hereby waives further process in this docket regarding the proposed settlement.

2. Public Counsel has employed the limited time granted by the Commission in its Fifth Supplemental Order to evaluate the Company's direct case and the terms of the proposed settlement. We retained experts to evaluate revenue requirement issues and rate spread and rate design. We were unable to retain a cost of capital witness who could evaluate the case on the schedule allowed by the Commission. Public Counsel issued 179 data requests to the Company and its experts engaged in some informal technical conversations on certain issues.

3. This level of scrutiny did not result in the identification of issues that would meaningfully alter the terms of the settlement as adopted by the Commission on an interim basis. However, Public Counsel continues to have strong reservations over the procedural disposal of this case and the imposition of interim rate relief. Consequently, while we no longer

oppose the imposition of the settlement for the purposes of setting final rates, we can not join in supporting it.¹

4. For the reasons set forth above, with respect to the proposed settlement, Public Counsel waives its right to present testimony, conduct further discovery, cross-examine witnesses at hearing, present additional evidence, and brief the questions of law and fact to the Commission in this proceeding.

RESPECTFULLY SUBMITTED this 22nd day of December, 2004.

CHRISTINE O. GREGOIRE
ATTORNEY GENERAL

By: _____
ROBERT W. CROMWELL, JR.
Assistant Attorney General
Public Counsel

¹ As the Commission itself notes in its Fifth Supplemental Order, early adoption of interim rates was a material component of the settlement. As we continue to believe such adoption was not in the public interest, we cannot support the settlement.