

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

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	DOCKET UE-070804
Complainant,)	
)	and
v.)	
)	DOCKET UG-070805
AVISTA CORPORATION d/b/a)	(consolidated)
AVISTA UTILITIES,)	
)	
Respondent.)	
)	
.....)	
)	
In the Matter of the Petition of)	
)	DOCKET UE-070311
AVISTA CORPORATION d/b/a)	(consolidated)
AVISTA UTILITIES,)	
)	ORDER 02
For an Accounting Order Regarding the)	
Appropriate Treatment of the Net Costs)	PREHEARING CONFERENCE
Associated with the Repurchase of Debt)	ORDER
.....)	

- 1 **NATURE OF PROCEEDINGS.** On April 26, 2007, Avista Corporation d/b/a Avista Utilities (Avista) filed with the Washington Utilities and Transportation Commission (Commission) certain tariff revisions designed to effect general rate increases for electric service (Docket UE-070804) and gas service (Docket UG-070805) in the state of Washington. The stated effective date is June 1, 2007. Avista requests an increase in electric rates of 15.8 percent and an increase in gas rates of 2.3 percent.

- 2 On February 14, 2007, Avista filed with the Commission a petition seeking an Accounting Order under WAC 480-07-370(b)(i) requesting retroactive approval to account for certain debt repurchase costs in a manner that deviated from the Commission's rules (Docket UE-070311). On May 3, 2007, the Commission entered

Order 02 consolidating Docket UE-070311 with Dockets UE-070804 and UG-070805 for hearing and determination pursuant to WAC 480-07-320.

- 3 **CONFERENCE.** The Commission convened a prehearing conference in this proceeding at Olympia, Washington on May 23, 2007, before Administrative Law Judge Dennis J. Moss.
- 4 **APPEARANCES.** David J. Meyer, Attorney, Spokane, Washington, represents Avista. S. Bradley Van Cleve and Irion Sanger, Davison Van Cleve, P.C., Portland, Oregon, represent Industrial Customers of Northwest Utilities (ICNU). Edward A. Finklea and Chad M. Stokes, Cable Huston Benedict Haagensen & Lloyd, Portland, Oregon, represent Northwest Industrial Gas Users (NWIGU). Ronald Roseman, Attorney, Seattle, Washington, represents the Energy Project. Simon ffitch, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of Attorney General (Public Counsel). Gregory J. Trautman, Assistant Attorney General, Olympia, Washington, represents the Commission's regulatory staff (Commission Staff or Staff).¹ Contact information provided at the conference for the parties' representatives is attached as Appendix A to this order.
- 5 **PETITIONS FOR INTERVENTION.** ICNU filed a petition to intervene on May 15, 2007. NWIGU and the Energy Project filed petitions to intervene on May 18, 2007. No party objected to any of the petitions for intervention. The Commission finds that ICNU, NWIGU and the Energy Project have each demonstrated their substantial interest in this proceeding and that their participation will be in the public interest. The petitions to intervene by ICNU, NWIGU and the Energy Project are granted.
- 6 **PROTECTIVE ORDER.** The parties ask that the Commission enter a protective order in this docket under RCW 34.05.446, RCW 80.04.095, WAC 480-07-420 and WAC 480-07-423 to protect the confidentiality of proprietary information. The request was granted and a protective order will be entered in this docket.

¹ In formal proceedings, such as this case, the Commission's regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as any other party to the proceeding. There is an "ex parte wall" separating the Commissioners, the presiding Administrative Law Judge, and the Commissioners' policy and accounting advisors from all parties, including Staff. RCW 34.05.455.

- 7 **DISCOVERY.** Discovery will continue pursuant to the Commission's discovery rules, WAC 480-07-400 – 425. The parties request shortened response periods for data request responses. The response time for data requests will be reduced to seven business days, following the filing of response testimony by Staff, Public Counsel and the intervenors. The response time for data requests will be further reduced to five business days following the Company's rebuttal filing. In addition, to expedite the exchange of potentially relevant information, all parties are required to provide to each other all work papers, including model runs and source documents, at the time they prefile testimony and exhibits, or as soon thereafter as possible. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution.
- 8 **PROCEDURAL SCHEDULE.** The parties agreed on a procedural schedule during the conference. The Commission adopts this procedural schedule as set forth below and in Appendix B to this Order.

Prefiled Direct Testimony	April 26, 2007
Public Comment Hearing	October 2, 2007
Staff, Public Counsel, and Intervenor Response Testimony	October 17, 2007
Settlement Conferences	October 29, 2007 November 1, 2007
Company, Rebuttal and Cross- Answering Testimony	November 14, 2007
Evidentiary Hearing	December 10 – 14, 2007
Simultaneous Briefs	January 23, 2008
Suspension Date	April 1, 2008

- 9 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning **Monday, December 10, 2007, at 9:30 a.m.** in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S. W., Olympia, Washington.
- 10 **NOTICE OF PUBLIC HEARING.** The Commission will conduct a public comment hearing in this matter on **Tuesday, October 2, 2007, beginning at 7:00 p.m.** in the Council Chambers (lower level of City Hall) of the Office of the Spokane City Council, West 808 Spokane Falls Boulevard, Spokane, Washington. The Commission will take comments from members of the public until all persons present who have stated their intention to comment have been heard, or until 9:00 p.m.
- 11 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file an original plus fourteen (14) copies of all pleadings, motions, briefs, and other prefiled materials. These materials must conform to the format and publication guidelines in WAC 480-07-395 and WAC 480-07-460. The Commission prefers that materials be three-hole punched with *oversized* holes to allow easy handling. The Commission may require a party to refile any document that fails to conform to these standards.
- 12 All filings must be mailed or delivered to the Executive Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W. Olympia, Washington 98504-7250. Both the post office box and street address are required to expedite deliveries by the U.S. Postal Service.
- 13 An electronic copy of all filings must be provided through the Commission's Web Portal (www.wutc.wa.gov/e-filing) or by e-mail delivery to records@wutc.wa.gov. Alternatively, parties may furnish an electronic copy by delivering with each filing a 3.5-inch IBM-formatted high-density diskette or CD including the filed document(s). Parties must furnish electronic copies in MS Word 6.0 (or later) supplemented by a separate file in .pdf (Adobe Acrobat) format. Parties must follow WAC 480-07-140(5) in organizing and identifying electronic files.

- 14 **ELECTRONIC SUBMISSION OF DOCUMENTS.** At the request of the parties, the presiding officer granted a one-day extension of the paper-filing requirement under WAC 480-07-145(6), allowing electronic submission of documents with the Commission on the filing deadline. Parties must submit documents through the Commission's Web Portal (www.wutc.wa.gov/e-filing) or by e-mail to records@wutc.wa.gov, and file an original, plus fourteen (14) paper copies, of the documents with the Commission by noon on the following business day. Parties must provide courtesy copies of their electronic submissions to the presiding administrative law judge and the parties to the proceeding.
- 15 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission does have limited ability to provide dispute resolution services; if you wish to explore those services, please call the Director, Administrative Law Division, at 360-664-1144.
- 16 **NOTICE TO PARTIES:** A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.

Dated at Olympia, Washington, and effective May 30, 2007.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS
Administrative Law Judge

APPENDIX A				
PARTIES' REPRESENTATIVES DOCKET UE-070804 et al.				
PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Avista Corporation d/b/a Avista Utilities	David J. Meyer, Esq. VP and Chief Counsel for Regulatory & Governmental Affairs Avista Corporation P.O. Box 3727 1411 E. Mission Ave., MSC-13 Spokane, WA 99220-3727	(509) 495-4316	(509) 495-8851	david.meyer@avistacorp.com
Northwest Industrial Gas Users (NWIGU)	Edward A. Finklea Chad M. Stokes Cable Huston Benedict Haagensen & Lloyd LLP 1001 SW Fifth Ave., Suite 2000 Portland, OR 97204-1136	(503) 224-3092	(503) 224-3176	efinklea@chbh.com cstokes@chbh.com
Industrial Customers of Northwest Utilities (ICNU)	S. Bradley Van Cleve Irion Sanger Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204	(503) 241-7242	(503) 241-8160	mail@dvclaw.com
The Energy Project	Ronald Roseman, Attorney 2011 14 th Avenue East Seattle, WA 98112	(206) 324-8792	(206) 568-0138	ronaldroseman@comcast.net
Public Counsel	Simon J. Ffitch Public Counsel Section Office of the Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188	(206) 389-2055	(206) 389-2079	simonf@atg.wa.gov
Commission Regulatory Staff	Gregory J. Trautman Assistant Attorney General 1400 S. Evergreen Park Drive S.W. P.O. Box 40128 Olympia, WA 98504-0128	(360) 664-1187	(360) 586-5522	gtrautma@utc.wa.gov

APPENDIX B
PROCEDURAL SCHEDULE
DOCKET UE-070804, et al.

EVENT	DATE	INTERVAL
Prefiled Direct Testimony	April 26, 2007	
Public Comment Hearing	October 2, 2007,	159 days
Staff, Public Counsel, and Intervenor Response Testimony	October 17, 2007	173 days
Settlement Conference (Parties only)	October 29, 2007 November 1, 2007	
Company, Cross-Rebuttal and Answering Testimony	November 14, 2007	28 days
Evidentiary Hearing	December 10 – 14, 2007	26 days
Simultaneous Briefs	January 23, 2008	40 days
Suspension Date	April 1, 2008	69 days