

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

WASHINGTON UTILITIES AND	)	DOCKETS UE-090134
TRANSPORTATION COMMISSION,	)	and UG-090135
Complainant,	)	<i>(consolidated)</i>
	)	
v.	)	ORDER 02
	)	
AVISTA CORPORATION d/b/a	)	PREHEARING CONFERENCE
AVISTA UTILITIES,	)	ORDER; NOTICE OF HEARING
	)	<b>(Set for October 6-9, 2009)</b>
Respondent.	)	
	)	
.....	)	

- 1 **NATURE OF PROCEEDINGS:** On January 23, 2009, Avista Corporation d/b/a Avista Utilities (Avista) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-28, Electric Service in Docket UE-090134, and revisions to its currently effective Tariff WN U-29, Gas Service in Docket UG-090135. The stated effective date of the tariff revisions is February 23, 2009. The proposed revisions would implement a general rate increase of \$69.8 million, or 16.0 percent, for electric service and \$4.9 million, or 2.4 percent, for gas service. Avista also proposes to decrease the current Energy Recovery Mechanism surcharge by \$32.4 million, or 7.4 percent, resulting in an overall net increase of 8.6 percent for electric rates.
  
- 2 The Commission suspended the filings on February 3, 2009, consolidated the two dockets, and set the dockets for hearing. On February 4, 2009, the Commission entered a Notice of Prehearing Conference and appointed Administrative Law Judge Adam E. Torem as presiding officer in these proceedings.
  
- 3 **CONFERENCE.** The Commission convened a prehearing conference in this proceeding at Olympia, Washington on Tuesday afternoon, February 24, 2009, before Judge Torem.

- 4 **PARTY REPRESENTATIVES:** David J. Meyer, Vice President and Chief Counsel for Regulatory and Governmental Affairs, represents Avista. Simon ffitich, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of Attorney General (Public Counsel). Greg Trautman, Assistant Attorney General, Olympia, Washington, represents the Commission’s regulatory staff (Commission Staff or Staff).<sup>1</sup> S. Bradley Van Cleve and Irion Sanger, Davison Van Cleve, P.C., Portland, Oregon, represent the Industrial Customers of Northwest Utilities (ICNU). Chad M. Stokes and Tommy Brooks, Cable Huston Benedict Haagensen & Lloyd LLP, Portland, Oregon, represent Northwest Industrial Gas Users (NWIGU). Ronald Roseman represents The Energy Project.
- 5 **PETITIONS FOR INTERVENTION.** On February 10, 2009, ICNU filed a petition to intervene. On February 17, 2009, NWIGU filed a petition to intervene. The Energy Project orally petitioned to intervene during the prehearing conference.
- 6 These petitions were not opposed. Moreover, each petitioner demonstrated their substantial interest in this proceeding and that their participation will be in the public interest. WAC 480-07-355. The petitions to intervene by ICNU, NWIGU, and The Energy Project are granted.
- 7 **PROTECTIVE ORDER.** Avista requested that the Commission enter a protective order in these dockets pursuant to 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.
- 8 **DISCOVERY.** In Order 01, *Complaint and Order Suspending Tariff Revisions and Order of Consolidation*, the Commission invoked its formal discovery rules. At the prehearing conference, the parties jointly requested 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

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<sup>1</sup> In formal proceedings, such as this, the Commission’s regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as other parties to the proceeding. There is an “*ex parte* wall” separating the Commissioners, the presiding

business days following the Company's rebuttal filing. In addition, to expedite the exchange of potentially relevant information, all parties are required to provide 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.

- 9 **PROCEDURAL SCHEDULE.** The parties were unable to agree on a procedural schedule during the conference. The Commission adopts a procedural schedule that takes into consideration the issues raised by the parties to these proceedings as well as the press of other regulatory business before the Commission. The procedural schedule is set forth in Appendix B to this Order.
- 10 Public Counsel is required to submit, by **March 24, 2009**, a status report concerning its efforts to reach consensus with Staff and Avista on the content and format of any public notice Avista is required to issue in connection with these proceedings.
- 11 Public Counsel requested that the Commission hold two separate public comment hearings on the Company's proposed rate increases, one in Spokane and another in Colville, each on separate dates in either July or September. Public Counsel also requested that the Commission schedule these public comments hearings to begin no earlier than 6:30 p.m. on a Tuesday, Wednesday, or Thursday evening.
- 12 The Commission understands Public Counsel's desire to ensure the public receives ample opportunity to provide meaningful input into the ratemaking process. We have, on occasion, held multiple public comment hearings in past proceedings and agree that more than one opportunity for public comment is appropriate in these dockets. However, fiscal restraints preclude scheduling these public comment hearings so as to require multiple trips or overnight accommodations.
- 13 The Commission will hold two public comment hearings in this matter on a weekday to be determined in September 2009. The first session will be held in the early afternoon in the Spokane Valley; the second session will be held in the early evening

in downtown Spokane. The Commission will issue a separate Notice specifying the date in September for these public comment hearings and the specific times and venues for each.

- 14 The Commission may convene a further prehearing conference in this matter in late September 2009 to mark exhibits, including exhibits on cross examination, if any, and to address any procedural matters that the parties may present. If no matters warrant attention, the conference will not be scheduled.
- 15 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning on Tuesday, **October 6, 2009**, at 9:30 a.m., and continuing daily thereafter, as necessary, until Friday, **October 9, 2009**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.
- 16 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file the original plus **17 copies** of the unredacted versions of all pleadings, motions, briefs, and other prefiled materials. Parties must also file the original and 1 copy of any redacted version(s). 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.
- 17 All filings must be mailed or delivered to the Executive Director and 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.
- 18 A copy of all filings must be provided through the Commission's Web Portal ([www.utc.wa.gov/e-filing](http://www.utc.wa.gov/e-filing)) or by e-mail delivery to [records@utc.wa.gov](mailto:records@utc.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.

- 19 **ACCOUNTING EXHIBITS – FORMAT.** As noted at the prehearing conference, accounting exhibits must be filed in compliance with WAC 480-07-510. All parties’ testimony and supporting exhibits should begin from a common starting point, the “per books” filing made by Avista, as opposed to the Company’s adjusted filing. Further, for ease of tracking, all parties submitting testimony regarding the Company’s adjustments should explain whether they are contested or uncontested, explaining any disputes and differences with contested adjustments. Of course, any party may also submit its own proposed adjustments.
- 20 In addition, to ensure consistency in evaluating mathematical calculations, all parties’ calculations should rely on a “hard” rate of return rounded to 2 digits (e.g., 8.22 percent) and a “hard” conversion factor rounded to 6 digits (e.g., 0.620919). Finally, all parties submitting accounting exhibits which rely on formulae must ensure each formula is accessible in an “unlocked” version of the spreadsheet, database, or other supporting exhibit.<sup>2</sup>
- 21 **ELECTRONIC SUBMISSION OF DOCUMENTS.** Parties may submit documents electronically to the Commission on the filing deadline to expedite the filing process, but must file an original, plus **17** paper copies,<sup>3</sup> of the documents with the Commission by 12:00 noon on the first business day following the filing deadline established in the procedural schedule. *WAC 480-07-145(6)*. Parties may submit documents electronically through the Commission’s Web Portal ([www.utc.wa.gov/e-filing](http://www.utc.wa.gov/e-filing)) or by e-mail to [records@utc.wa.gov](mailto:records@utc.wa.gov). Finally, to perfect filing, parties must simultaneously provide e-mail courtesy copies of filings to the presiding administrative law judge and advisory staff identified on Appendix A to this Order as well as to the parties to the proceeding.

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<sup>2</sup> The company indicates that its filing complies with this requirement. Therefore, no separate bench request should prove necessary to seek this information.

<sup>3</sup> See, *supra*, ¶ 7, and Order 03, *Protective Order*, ¶ 6, for detailed filing requirements when documents include material designated confidential.

22 Electronic versions of all documents must be filed in accordance with WAC 480-07-140(6). Specifically, all documents must be filed in .pdf (Adobe Acrobat) format, supplemented by a separate file in .doc (MS Word), .wpd (WordPerfect), .xls (Excel), or .ppt (Power Point) format. In addition, as noted above, electronic versions of accounting exhibits must contain formulas to allow review of calculations for results of operations, not simply end-result values.

23 **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.

24 **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 February 27, 2009.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

ADAM E. TOREM  
Administrative Law Judge

<b>APPENDIX A-1</b>				
<b>PARTIES' REPRESENTATIVES</b>				
<b>DOCKETS UE-090134 and UG-090135</b>				
<b>PARTY</b>	<b>REPRESENTATIVE</b>	<b>PHONE</b>	<b>FACSIMILE</b>	<b>E-MAIL</b>
<b>Avista Corporation</b>	David J. Meyer Vice President and Chief Counsel for Regulatory and Governmental Affairs P.O. Box 3727 1411 E. Mission Ave., MSC-13 Spokane, WA 99220-3727	509-495-4316	509-495-8851	<a href="mailto:david.meyer@avistacorp.com">david.meyer@avistacorp.com</a>
<b>Commission Staff</b>	Gregory J. Trautman 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128	360-664-1187	360-586-5522	<a href="mailto:gtrautma@utc.wa.gov">gtrautma@utc.wa.gov</a>
<b>Public Counsel</b>	Simon J. ffitich Public Counsel Section Office of Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188	206-389-2055	206-464-6451	<a href="mailto:simonf@atg.wa.gov">simonf@atg.wa.gov</a>
<b>Industrial Customers of Northwest Utilities (ICNU)</b>	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	<a href="mailto:BVC@DVCLaw.com">BVC@DVCLaw.com</a> <a href="mailto:IAS@DVCLaw.com">IAS@DVCLaw.com</a> <a href="mailto:MAIL@DVCLaw.com">MAIL@DVCLaw.com</a>
<b>Northwest Industrial Gas Users (NWIGU)</b>	Chad M. Stokes Tommy Brooks Cable Huston Benedict Haagensen & Lloyd LLP 1001 SW Fifth Avenue Suite 2000 Portland, OR 97204-1136	503-224-3092	503-224-3176	<a href="mailto:cstokes@cablehuston.com">cstokes@cablehuston.com</a> <a href="mailto:tbrooks@cablehuston.com">tbrooks@cablehuston.com</a>
<b>The Energy Project</b>	Ronald L. Roseman Attorney At Law 2011 14 <sup>th</sup> Avenue East Seattle, WA 98112	206-324-8792	206-568-0138	<a href="mailto:ronaldroseman@comcast.net">ronaldroseman@comcast.net</a>

**APPENDIX A-2**

**INTERESTED PERSONS  
DOCKETS UE-090134 and UG-090135**

<b>IP</b>	<b>REPRESENTATIVE</b>	<b>PHONE</b>	<b>FACSIMILE</b>	<b>E-MAIL</b>
<b>Avista Corporation</b>	Kelly Norwood Vice President, State & Federal Regulation Avista Corporation 1411 E. Mission Ave, MSC-7 Spokane, WA 99220-3727	509-495-4267	509-495-8856	<b>kelly.norwood@avistacorp.com</b>
<b>Avista Corporation</b>	Liz Andrews Manager, Revenue Requirements State & Federal Regulation Avista Corporation 1411 East Mission Ave, Spokane, WA 99220-3727	509-495-8601	509-495-8058	<b>liz.andrews@avistacorp.com</b>
<b>Avista Corporation</b>	Joe Miller Regulatory Analyst State & Federal Regulation Avista Corporation 1411 East Mission Ave, Spokane, WA 99220-3727	509-495-4546	509-495-8058	<b>joe.miller@avistacorp.com</b>
<b>Public Counsel</b>	Stefanie Johnson Regulatory Analyst Public Counsel 800 5 <sup>th</sup> Avenue, Suite 2000 Seattle, WA 98104-3188	206-389-3040	206-464-6451	<b>stefaniej@atg.wa.gov</b>
<b>Public Counsel</b>	Carol Williams Legal Assistant 3 Public Counsel 800 5 <sup>th</sup> Avenue, Suite 2000 Seattle, WA 98104-3188			<b>carolw@atg.wa.gov</b>



**APPENDIX A-2 (Cont.)**

**INTERESTED PERSONS  
DOCKETS UE-090134 and UG-090135**

<b>IP</b>	<b>REPRESENTATIVE</b>	<b>PHONE</b>	<b>FACSIMILE</b>	<b>E-MAIL</b>
<b>ICNU</b>	Brendan E. Levenick Davison Van Cleve, PC 333 S.W. Taylor, Suite 400 Portland, OR 97204	503-241-7242	503-241-8160	<b>bel@dvclaw.com</b>
<b>ICNU</b>	Donald W. Schoenbeck RCS, Inc. 900 Washington Street Suite 780 Vancouver, WA 98660	503-232-6155	360-737-7628	<b>dws@r-c-s-inc.com</b>
<b>NWIGU</b>	Paula Pyron			<b>ppyron@nwigu.org</b>
<b>The Energy Project</b>	Charles Eberdt	360-255-2169	360-671-2753	<b>Chuck_Eberdt@oppco.org</b>

**APPENDIX B  
PROCEDURAL SCHEDULE  
DOCKETS UE-090134 and UG-090135**

<u>EVENT</u>	<u>DATE</u>	<u>INTERVAL</u> (Days)
<b>Company Direct Testimony and Exhibits</b>	January 23, 2009	—
<b>Public Notice Report</b>	Thursday, March 24, 2009	25 days from this Order
<b>Issue Discussion/Settlement Conference (parties only)</b>	Week of July 20-24, 2009	118 days
<b>Public Comment Hearings</b>	TBD – September 2009	TBD
<b>Staff, Public Counsel and Intervenor Responsive Testimony and Exhibits</b>	Monday, August 17, 2009	29 days from July 20
<b>Company Rebuttal Testimony and Exhibits; Staff, Public Counsel and Intervenor Cross-Answering Testimony and Exhibits</b>	Friday, September 11, 2009	25
<b>Settlement Conference (parties only)</b>	Week of August 24-28, 2009	-----
<b>Prehearing Conference (if necessary)</b>	Late September 2009	-----
<b>Evidentiary Hearing</b>	October 6-9, 2009	24
<b>Simultaneous Briefs</b>	Friday, November 6, 2009	28
<b>Suspension Date</b>	December 23, 2009	47