

August 15, 2006

**VIA ELECTRONIC & ABC/LEGAL MESSENGER**

Carole Washburn, Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Re: Docket No. UG-060518  
Avista's Proposed Natural Gas Decoupling Mechanism

Dear Ms. Washburn:

On Friday, August 11, Public Counsel received from Avista a copy of a letter dated August 7, 2006, in the above docket. An electronic copy was emailed to us on August 10 by Commission Staff. The Avista letter represents that it is an amendment of the Company's April petition which initiated this docket.<sup>1</sup>

The letter states that "the amendments to the Company's original petition are the result of discussions and correspondence with the Commission Staff and other interested parties in the Docket." August 7 Letter, p. 1. Public Counsel is then listed as one of the other parties. The letter also states that "the Company believes that it has addressed the substantive issues raised by the parties involved in this Docket." *Id.*, p. 5

To the extent Avista's letter creates the impression, inadvertently or not, that Public Counsel has agreed to this amended proposal, that is not accurate. Public Counsel continues to have substantive issues with the Avista proposal. While Public Counsel has attended a number of meetings regarding the proposal, Public Counsel has repeatedly advised Avista and Commission Staff that it believes this significant matter should be set for hearing. Public Counsel has twice requested that the Commission set this docket for hearing, most recently in the Renewed Request for Adjudication of July 27.

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<sup>1</sup>The procedural status of this docket is somewhat unclear. Public Counsel notes that the April petition requested approval of a decoupling mechanism with an effective date of July 2006. That date has now passed without action by the Commission to approve or deny the petition, and without action by the Company to bring the matter to the Commission for decision prior to the July effective date. By its August 7 letter, Avista seeks to amend the petition and sets a new effective date of September 1, 2006. However, the letter did not by its terms request leave from the Commission to amend the petition under WAC 480-07-395(5). In addition, while Avista's letter refers to "parties," no parties have been identified for this proceeding in the manner provided for under the Commission procedural rules. WAC 480-07-340, 355.

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Public Counsel has been advised by Staff that this docket will be taken up at the August 30, 2006, Open Meeting, one day before the requested effective date of the filing. As we argued in our July 27 Renewed Request for An Adjudication, approval of decoupling is a major decision for the Commission which involves significant policy and factual issues and a direct impact on customer rates. It is not an appropriate matter to be decided at Open Meeting without a record. Public Counsel, therefore, repeats its request that this matter be set for adjudication, for the reasons set out more fully in the July 27 Renewed Request, which is incorporated by reference.

Thank you for your consideration of this recommendation.

Sincerely,

Simon J. ffitch  
Assistant Attorney General  
Section Chief, Public Counsel Section  
(206) 389-2055

SJf:cjw

cc: David Meyer (e-mail & first class mail)  
Sally Johnston (e-mail & first class mail)  
Nancy Glaser (e-mail & first class mail)  
Ed Finklea (e-mail & first class mail)  
Elizabeth Klumpp (e-mail & first class mail)