

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

WASHINGTON UTILITIES AND	)	DOCKETS UE-110876 and
TRANSPORTATION COMMISSION,	)	UG-110877 ( <i>Consolidated</i> )
	)	
Complainant,	)	ORDER 04
	)	
v.	)	
	)	PREHEARING CONFERENCE
AVISTA CORPORATION d/b/a	)	ORDER
AVISTA UTILITIES,	)	<b>(Evidentiary Hearing set for</b>
	)	<b>December 13-15, 2011)</b>
Respondent.	)	
.....	)	

1     **NATURE OF PROCEEDING:** On May 16, 2011, Avista Corporation d/b/a Avista Utilities (Avista or the Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-28, Electric Service in Docket UE-110876 and revisions to its currently effective Tariff WN U-29, Gas Service in Docket UG-110877 for a general rate increase for electric and gas service. Avista requests an electric rate increase of \$38.3 million, or 8.7 percent, and a gas rate increase of \$6.2 million or 4.0 percent.

2     On June 1, 2011, the Commission entered Order 01 in this matter suspending the filing. On June 6, 2011, the Commission entered a Notice of Prehearing Conference, appointing Administrative Law Judge Marguerite E. Friedlander as presiding officer in this proceeding and consolidating the dockets.

3     **CONFERENCE.** The Commission convened a prehearing conference in this proceeding, as scheduled, at Olympia, Washington, on June 16, 2011, before Judge Friedlander.

4     **PARTY REPRESENTATIVES:** David J. Meyer, Vice President and Chief Counsel for Regulatory and Governmental Affairs, Spokane, Washington, represents Avista. Sarah Shifley, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of Attorney General (Public Counsel). Donald T. Trotter, 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). Ronald Roseman, Seattle, Washington, represents The Energy Project. Chad Stokes and Tommy Brooks, Cable Huston Benedict Haagensen & Lloyd LLP, Portland, Oregon, represent the Northwest Industrial Gas Users (NWIGU). David S. Johnson, Attorney, Seattle, Washington, represents the NW Energy Coalition (Coalition). A complete list of party representatives and interested persons, along with their contact information, is attached to this Order as Appendix A.

5 **PETITIONS FOR INTERVENTION.** On June 9, 2011, NWIGU filed a petition to intervene. ICNU, the Coalition, and The Energy Project filed petitions to intervene on June 10, 2011. The petitions were unopposed. Moreover, each petitioner demonstrated a substantial interest in this proceeding and that its participation will be in the public interest.<sup>2</sup> The petitions to intervene by NWIGU, ICNU, the Coalition, and The Energy Project are granted.

6 **PROTECTIVE ORDER.** The parties ask that the Commission enter a standard protective order in these dockets 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.

7 **DISCOVERY.** Discovery will be conducted pursuant to the Commission's discovery rules, WAC 480-07-400 – 425. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution.

8 *Data Requests – Shortened Response Periods.* All parties, with the exception of Public Counsel, presented a proposed procedural schedule that shortened the response

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<sup>1</sup> In formal proceedings, such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of the proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

<sup>2</sup> WAC 480-07-355.

times for data request as the case progresses towards hearing.<sup>3</sup> Specifically, after October 14, 2011, response time for data requests will be reduced to seven business days. After November 14, 2011, response time for data requests will be reduced to five business days. The Commission believes such a deviation from the discovery rules logically corresponds to the narrowing of issues that typically occurs during the course of the proceeding. The request to shorten the response time for data requests is granted.

9 **PROCEDURAL SCHEDULE.** During the prehearing conference, the parties were unable to agree on a procedural schedule. All parties, with the exception of Public Counsel, presented a proposed schedule. The proposal comports with the Commission's calendar and takes into consideration the Commission's increasing work load. Public Counsel opposes the discovery deadline and the compressed time frames in the schedule. After careful consideration of Public Counsel's concerns, the Commission substantially adopts the procedural schedule proposed at the prehearing conference, with exceptions to that schedule addressed below. The procedural schedule is more fully set forth in Appendix B to this Order.

10 *Joint Issues List.* Given the complexity of the issues involved, the Commission recognizes the value and utility of a joint issues list in this proceeding. Avista will compile an issues list based on its prefiled direct case and circulate this list to the parties by **September 14, 2011**. The parties will then supplement the list with issues they intend to raise and the corresponding monetary adjustments.<sup>4</sup> All adjustments will be based on Avista's test year actual results (or "per books"). Avista is responsible for compiling the parties' issues into a single joint issues list and filing it with the Commission by **October 21, 2011**.<sup>5</sup> The parties are welcome to format the list in a style of their choosing (*i.e.*, matrix, Excel spreadsheet, et cetera), as long as

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<sup>3</sup> WAC 480-07-405(7)(b) provides for a ten business day response time.

<sup>4</sup> If a party intends to raise an issue with Avista's direct case and does not intend to do so through the testimony of a witness, that party should still include those issues in the list.

<sup>5</sup> If the parties wish to submit their issues in a separate issues list, that should be done by October 21, 2011, as well. However, it is the Commission's preference to receive one, comprehensive issues list.

the list includes the above-referenced information. The issues list should be prepared without advocacy.

- 11 *Updated Issues List.* During the course of preparing testimony and settlement discussions prior to the evidentiary hearing, some issues will have been resolved making it unnecessary for the Commission to address them in the final order. As such, the parties will file an updated issues list with their post-hearing briefs.
- 12 *Cross-Examination Exhibits.* The parties will pre-distribute 8 hard copies of the cross-examination exhibits they have prepared for use during the evidentiary hearing to the Commission's Records Center by **December 6, 2011**. Cross-examination exhibits will also be served on all parties by this same date. The exhibits must be accompanied by an exhibit list and must be organized into sets that are tabbed, labeled, and grouped according to the witness the party intends to cross examine with the exhibits. Cross-examination exhibits not conforming to these requirements may be rejected. The parties will provide an electronic copy of all cross-examination exhibits to the administrative law judge by **December 6, 2011**. The parties will file all cross-examination exhibits offered or discussed on the record by **December 22, 2011**.
- 13 *Public Comment Hearing.* The Commission will conduct a public comment hearing to afford members of the public an opportunity to present oral comments on the issues in this case. A separate notice of public comment hearing will be issued setting forth the date, time, and location of the public comment hearing.
- 14 *Post-Hearing Briefs.* The proposed procedural schedule does not afford the Commission sufficient time to undertake the decision-making process and prepare a final order in advance of the statutory suspension deadline. Accordingly, the parties' post-hearing briefs and updated issues lists will be due **January 13, 2012**.
- 15 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning **December 13, 2011**, at 9:30 a.m., and continuing thereafter, as necessary, on **December 14 and 15, 2011**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

- 16 **NOTICE OF PREHEARING CONFERENCE.** The Commission will convene a prehearing conference in this matter on **December 9, 2011, 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, 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 be cancelled.
- 17 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file the original plus **16 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.
- 18 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.
- 19 **ELECTRONIC SUBMISSION OF DOCUMENTS.** 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.
- 20 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.

- 21 According to WAC 480-07-145(6), the parties may electronically submit documents to the Commission provided the electronic submission is received by 3:00 p.m. on the filing deadline and the Commission receives the original and required number of copies by 12:00 p.m. on the following business day. Parties must submit documents 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), and file an original, plus **16** paper copies, of the documents with the Commission by the following business day. Parties must provide courtesy copies of their electronic submissions to the administrative law judge at [mfriedla@utc.wa.gov](mailto:mfriedla@utc.wa.gov) and to the parties to the proceeding.
- 22 **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.
- 23 **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 June 20, 2011.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARGUERITE E. FRIEDLANDER  
Administrative Law Judge

<b>APPENDIX A</b>				
<b>PARTIES' REPRESENTATIVES</b>				
<b>DOCKETS UE-110876 and UG-110877</b>				
<b>PARTY</b>	<b>REPRESENTATIVE</b>	<b>PHONE</b>	<b>FACSIMILE</b>	<b>E-MAIL</b>
<b>Avista</b>	David J. Meyer, Esq. VP and Chief Counsel for Regulatory and Governmental Affairs P.O. Box 3727 1411 E. Mission Avenue, MSC-29 Spokane, WA 99220-3727	509-495-4316	509-495-8058	<a href="mailto:David.meyer@avistacorp.com">David.meyer@avistacorp.com</a>
<b>Commission Staff</b>	Donald T. Trotter Assistant Attorney General 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128	360-664-1189	360-586-5522	<a href="mailto:dtrotter@utc.wa.gov">dtrotter@utc.wa.gov</a>
<b>Public Counsel</b>	Sarah A. Shifley Public Counsel Section Office of Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188	206-464-6595	206-389-2544	<a href="mailto:Sarah.shifley@atg.wa.gov">Sarah.shifley@atg.wa.gov</a>
	Lea Daeschel			<a href="mailto:Lead@atg.wa.gov">Lead@atg.wa.gov</a>
	Mary Kimball			<a href="mailto:MaryK2@atg.wa.gov">MaryK2@atg.wa.gov</a>
	Carol Williams			<a href="mailto:CarolW@atg.wa.gov">CarolW@atg.wa.gov</a>
<b>Industrial Customers of Northwest Utilities (ICNU)</b>	S. Bradley Van Cleve 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>
	Irion Sanger Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204			<a href="mailto:ias@dvclaw.com">ias@dvclaw.com</a>
<b>Northwest Industrial Gas Users (NIGU)</b>	Chad M. Stokes Cable Huston 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>
	Tommy A. Brooks Cable Huston 1001 SW Fifth Avenue, Suite 2000 Portland, OR 97204-1136			<a href="mailto:tbrooks@cablehuston.com">tbrooks@cablehuston.com</a>

<b>PARTY</b>	<b>REPRESENTATIVE</b>	<b>PHONE</b>	<b>FACSIMILE</b>	<b>E-MAIL</b>
<b>The Energy Project</b>	Ronald 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>
<b>The NW Energy Coalition (Coalition)</b>	David S. Johnson Attorney NW Energy Coalition 811 1 <sup>st</sup> Avenue, Suite 305 Seattle, WA 98104	206-621-0094	206-621-0097	<a href="mailto:David@nwenergy.org">David@nwenergy.org</a>
	Danielle Dixon			<a href="mailto:Danielle@nwenergy.org">Danielle@nwenergy.org</a>



**APPENDIX B  
PROCEDURAL SCHEDULE  
DOCKETS UE-110876 and UG-110877**

<u><b>EVENT</b></u>	<u><b>DATE</b></u>
<b>Company Direct Testimony and Exhibits</b>	May 16, 2011
<b>Public Notice Report</b>	July 6, 2011
<b>Avista Circulates Joint Issues List</b>	September 14, 2011
<b>Issue Discussion/Settlement Conference (<i>parties only</i>)</b>	September 22 & 23, 2011
<b>Public Comment Hearing</b>	Date and location to be determined by separate notice
<b>Staff, Public Counsel and Intervenor Responsive Testimony and Exhibits</b>	October 14, 2011
<b>Joint Issues List</b>	October 21, 2011
<b>Company Rebuttal Testimony and Exhibits Staff, Public Counsel and Intervenor Cross-Answering Testimony and Exhibits</b>	November 14, 2011
<b>Discovery Deadline – Last day to issue Data Requests</b>	November 29, 2011
<b>Pre-Distribution of Cross-Examination Exhibits</b>	December 6, 2011

**PROCEDURAL SCHEDULE (continued)**

<b><u>EVENT</u></b>	<b><u>DATE</u></b>
<b>Prehearing Conference to Mark Exhibits (if needed)</b>	December 9, 2011
<b>Evidentiary Hearing</b>	December 13-15, 2011
<b>File Cross-Examination Exhibits</b>	December 22, 2011
<b>Post-hearing Briefs and Updated Issues List</b>	January 13, 2012
<b>Suspension Date</b>	April 16, 2012