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October 5, 2007

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

Re: *Avista Utilities Corp. - 2007 Standard Natural Gas Inspection*  
Docket PG-070013

Dear Ms. Washburn:

On October 1, 2007, Commission Staff submitted in this case a Stipulated Agreement to Close Docket and proposed Order Accepting Agreement and Closing Docket. Upon examination, we learned of deficiencies in the proposed Order. Please replace the proposed Order filed previously with the revised original and 12 copies submitted with this letter. I apologize for the inconvenience.

Sincerely,

MICHAEL A. FASSIO  
Assistant Attorney General

MAF:tmw  
Enclosures  
cc: Parties



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

In re Commission Investigation of the Gas  
Pipeline System of Avista Utilities

DOCKET PG-070013

ORDER 01

ORDER ACCEPTING  
AGREEMENT AND CLOSING  
INVESTIGATION

- 1 This docket involves an inspection by the Utilities and Transportation Commission (Commission) of the natural gas pipeline system owned and operated by Avista Utilities (Avista) in Spokane and Ritzville, in May 2007. Commission Staff (Staff) conducted the inspection. Staff sent an Inspection Report to Avista on July 12, 2007, alleging several probable violations of Commission statutes and rules, as well as areas of concern. Avista provided a written response to the report on August 15, 2007. These documents have been posted to this docket. Avista and Staff subsequently reached an agreement to resolve this docket. The agreement represents an appropriate way to address certain issues in this docket, including compliance, as well as a means for Avista to agree to take specific steps to improve its system and practices.
- 2 On October 1, 2007, Commission Staff and Avista filed a "Stipulated Agreement to Close Docket." The Agreement is attached to this Order as an appendix.
- 3 The Agreement provides that it is not effective until approved by the Commission.
- 4 The Commission has reviewed the Agreement and has determined that it provides an appropriate basis for concluding this docket, and is consistent with the public interest. Therefore, the Commission approves the Agreement, and closes the investigations.

**FINDINGS OF FACT**

- 5 (1) Avista Utilities operates a gas pipeline distribution system serving the public in the state of Washington.
- 6 (2) Commission Staff conducted an inspection of Avista's gas distribution system in its Spokane and Ritzville districts in Docket PG-070013.
- 7 (3) Commission Staff and Avista have entered into the Agreement as an appropriate resolution of the issues raised by the inspection in Docket PG-070013.
- 8 (4) The Commission has reviewed the Agreement. The Agreement is an appropriate resolution of the issues raised by the inspection in Docket PG-070013.

**CONCLUSIONS OF LAW**

- 9 (1) The Commission has jurisdiction under RCW 80.28 to regulate the safety of the gas plant owned and operated by Avista Utilities.
- 10 (2) The Agreement entered into between Avista and Commission Staff represents an appropriate resolution of the issues raised by the inspection in this docket. The Agreement is in the public interest. The Agreement should be approved, and this docket should be closed.
- 11 (3) The effective date of the Agreement is the date of this Order.

**ORDER**

12 THE COMMISSION ORDERS:

- (1) The Agreement between Avista Utilities and Commission Staff filed on October 1, 2007, is approved, and the investigation in this docket is closed.
- (2) The Commission retains jurisdiction to effectuate the terms of this Order, including enforcement of the Agreement, if necessary.

DATED at Olympia, Washington, and effective October \_\_\_\_, 2007.

**WASHINGTON STATE UTILITIES AND  
TRANSPORTATION COMMISSION**

**MARK H. SIDRAN, Chairman**

**PHILIP B. JONES, Commissioner**

**PATRICK OSHIE, Commissioner**