R O N A L D L . R O S E M A N A T T O R N E Y - A T - L A W

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June 21, 2011

Marguerite E. Friedlander Administrative Law Judge WUTC 1300 S. Evergreen Park Dr. SW Olympia, WA 98504-7250

Dear Judge Friedlander:

I appreciate your email this morning reiterating your directions from the pre-hearing conference in Avista's Dockets UE-110876/UG-110877. If Avista files supplemental testimony The Energy Project believes that Staff, PC and all other intervenors should be allowed to respond. If Avista files their supplemental testimony with their rebuttal testimony on November 14 the parties should also be allowed to respond.

The Energy Project has not carefully reviewed Avista's testimony nor have we retained a witnesses regarding Avista's lost margin recovery mechanism as of today. That said any evaluation of Avista's lost margin recovery mechanism should be evaluated against the Commission's policy statement in docket U-100522 and we believe our witness could do that. Our concern is the expense of suggesting a variety of additional alternatives and evaluating each one against the policy statement.

We appreciate the Commissions recognition of the expense that consumer intervenors have in participating in general rate cases. We are reluctant to commit to suggesting alternative lost margin recovery mechanisms in addition to responding to Avista's proposal without having a discussion with our witness.

Sincerely,

Ronald L. Roseman Attorney for The Energy Project.