

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

In the Matter of the Petition of)	DOCKET UG-060518
)	
Avista Corporation d/b/a Avista)	
Utilities)	NOTICE OF OPPORTUNITY FOR
)	COMMENT
For an Order Authorizing)	(Due Monday, March 17, 2008)
Implementation of a Natural Gas)	
Decoupling Mechanism and to Record)	NOTICE OF HEARING
Accounting Entries Associated With the)	(Set for March 24, 2008, at 1:00 p.m.)
Mechanism.)	
.....)	

- 1 On February 1, 2007, the Washington Utilities and Transportation Commission (Commission) entered Order 04 in this proceeding, approving a settlement agreement (Settlement) in which the parties agree to implement a pilot decoupling program. In the Settlement, the parties agreed that Avista Corporation, d/b/a Avista Utilities (Avista or the Company), “Commission Staff, and other interested parties will develop, through a collaborative process, a draft evaluation plan to be filed with the Commission no later than December 31, 2007.” *Settlement*, ¶ 6.J. The parties further agreed that the Company may request to continue the program by filing an evaluation of the mechanism and any proposed modifications. *Id.* In the Order approving the Settlement, the Commission stated it “will carefully evaluate the mechanism, and will only consider an extension upon a convincing demonstration that the mechanism has enhanced Avista’s conservation efforts in a cost-effective manner.” *Order 04*, ¶ 33.

- 2 The Company did not file its draft evaluation plan with the Commission by December 31, 2007, as required by the Settlement and the Commission’s Order. On January 31, 2008, Public Counsel filed a letter with the Commission notifying the Commission of Avista’s failure to timely convene collaborative discussions to develop an evaluation plan or file its plan. Avista filed a letter with the Commission on February 1, 2008, advising the Commission that it plans to convene collaborative discussions and file a plan by April 30, 2008.

3 The Commission heard comments at its February 28, 2008, open meeting about Avista's failure to timely develop or file its evaluation plan from representatives of the Company, Commission Staff, Public Counsel and the Northwest Energy Coalition. After considering these comments, the Commission agreed to provide an additional opportunity for parties to file comments on the issue and determined that the matter should be set for hearing. Specifically, the Commission seeks comments on and schedules a hearing to permit testimony and agreement limited to the issue of whether the substantive value of the evaluation plan and final evaluation report have been irreparably undermined through Avista's delay, and what remedy or sanction, if any, is appropriate.

4 **STATUTORY AUTHORITY:** The Commission has jurisdiction over this matter under Title 80 RCW and has legal authority to regulate the rates, services, and practices of gas utilities. The statutes that apply to this matter include chapters 80.01, and 80.04, including but not limited to RCW sections 80.01.040 and 80.04.020, 80.04.380 and 80.04.385. The rules that apply to this matter include those within chapter 480-90 WAC, relating to gas companies.

5 The Commission will hear this matter under the Administrative Procedure Act (APA), particularly Part IV of chapter 34.05 RCW relating to adjudications. The provisions of the APA that relate to this proceeding include but are not limited to RCW 34.05.413, RCW 34.05.422, RCW 34.05.431, RCW 34.05.440, RCW 34.05.449, and RCW 34.05.452. The Commission will also follow its procedural rules in chapter 480-07 WAC in this proceeding.

6 **THE COMMISSION GIVES NOTICE That parties have an opportunity to file written comments on the issue described above by Monday, March 17, 2008.** Parties may submit comments electronically on the deadline, with an **original and six (6) paper copies** filed with the Commission the following business day.

7 **THE COMMISSION GIVES FURTHER NOTICE That it will hold a hearing in this matter at 1:00 p.m., on March 24, 2008, Room 206, the Main Hearing Room, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. Parties unable to appear may enter their appearance via the Commission's teleconference bridge, by calling 360-664-3846 five minutes prior to the time of the hearing.**

- 8 The Commissioners of the Washington Utilities and Transportation Commission and Administrative Law Judge Adam E. Torem, from the Commission's Administrative Law Division, will preside during this proceeding.
- 9 The Commission will give parties notice of any other procedural phase of the proceeding in writing or on the record, as appropriate during this proceeding.

DATED at Olympia, Washington, and effective March 5, 2008.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN
Executive Secretary