

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

In the Matter of the Petition of	)	DOCKET UG-060518
)	
AVISTA CORPORATION, D/B/A	)	ORDER 01
AVISTA UTILITIES,)	
	)	PREHEARING CONFERENCE
For an Order Authorizing	)	ORDER;
Implementation of a Natural Gas	)	NOTICE OF HEARING
Decoupling Mechanism and to	)	(Set for December 4, 2006, at 9:30
Record Accounting Entries	)	a.m.);
Associated With the Mechanism.	)	NOTICE OF PREHEARING
	)	CONFERENCE
	)	(Set for November 30, 2006, at 9:30
.....	)	a.m.)

- 1 **NATURE OF PROCEEDING.** Docket UG-060518 involves a request by Avista Corporation for authority to implement a mechanism to decouple its rates for conducting business operations, in part, from its rates for commodity sales.

- 2 **CONFERENCE.** The Washington Utilities and Transportation Commission (Commission) convened a prehearing conference in this docket at Seattle, Washington on September 6, 2006, before Administrative Law Judges Patricia Clark and C. Robert Wallis.

- 3 **APPEARANCES.** David Meyer, attorney, Spokane, Washington, represents Avista Corporation (Avista). Simon ffitth, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of the Attorney General (Public Counsel). Donald T. Trotter, Assistant Attorney General, Olympia, Washington, represents the Commission’s regulatory staff (Commission Staff or Staff).¹ Ron Roseman, attorney, Seattle, represents intervenor The Energy Project.

¹ In formal proceedings, such as this case, the Commission’s regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as any other party to the proceeding. There is an “*ex parte* wall” separating the Commissioners, the presiding Administrative Law Judge, and the Commissioners’ policy and accounting advisors from all parties, including Staff. RCW 34.05.455.

Nancy Glaser and Nancy Hirsh, Seattle, represent intervenor The Northwest Energy Coalition.

4 Contact information provided at the conference for the parties' representatives is attached as Appendix A to this order.

5 **PETITIONS FOR INTERVENTION.** The Energy Project and The Northwest Energy Coalition appeared at the conference and petitioned orally to intervene. No party objected to the interventions, which were granted. Each of the petitioners has established a substantial interest in this proceeding and we find that their participation will be in the public interest. These petitions to intervene are granted.

6 **LATE-FILED PETITION TO INTERVENE.** In addition, the Northwest Industrial Gas Users, or NWIGU, petitioned on September 8, 2006, for intervention. It failed to appear at the prehearing conference under a mistaken understanding that telephone conferencing would be available for the conference, which was held in Seattle. It attempted to communicate with the presiding officers during the prehearing conference, but was unable to reach them. NWIGU asks the Commission to accept its petition, filed two days after the conference.

7 We are including Mr. Finklea's contact information with that of parties. Any party who objects to NWIGU's petition for intervention may do so within ten days after the date of this order. Any objection must be served on all other parties, and answers may be submitted within five days following service of the objection.

8 The petition on its face shows an adequate interest in the proceeding, and the organization has participated in prior natural gas proceedings. There is no facially apparent prejudice to any party from the two-day delay in submission of the petition. In the absence of an objection showing cause for denial, NWIGU's petition will be deemed granted.

9 **PROTECTIVE ORDER.** The parties ask that the Commission enter a protective order in this docket under RCW 34.05.446, RCW 80.04.095, WAC 480-07-420 and WAC 80-07-423 to protect the confidentiality of proprietary information. The request was granted and a protective order will be entered in this docket.

10 **DISCOVERY.** The parties asked that the discovery rules be invoked in this docket, under WAC 480-07-400. The matter is one that qualifies for discovery, and the discovery rules WAC 480-07-400 – 425 are invoked.

11 **PROCEDURAL SCHEDULE.** The parties agreed upon the following procedural schedule during the conference. The Commission adopts this procedural schedule, which is set out below and is attached to this Order as Appendix B.²

Company direct testimony	September 26, 2006
Settlement conference for parties	October 16, 2006
Staff/Intervenor testimony	November 3, 2006
Company, Cross-rebuttal and Answering testimony	November 20, 2006
Discovery responses on rebuttal/ cross-rebuttal	Due within 3 business days from receipt
Prehearing conference	November 30, 2006
Hearing	December 4, 2006 ³
Simultaneous Briefs	December 26, 2006 ⁴

12 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning **December 4, 2006, at 9:30 a.m** in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S. W., Olympia, Washington.

13 **NOTICE OF PREHEARING CONFERENCE:** The Commission will convene a prehearing conference in this matter on **November 30, 2006, at 9:30 a.m.** in the Commission's Hearing Room, Second Floor, Chandler Plaza 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.

² Public Counsel informed the bench that he does not request a hearing to receive testimony from members of the public.

³ Facilities are available for Dec. 4 and 5, 2006.

⁴ There is no statutory deadline in this proceeding. The parties request that an order be entered in January, 2007.

- 14 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file an original plus 8 copies of all pleadings, motions, briefs, and other prefiled materials. These materials must conform to the format and publication guidelines in WAC 480-07-395 and WAC 480-07-460. The Commission requires 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.
- 15 All filings must be mailed or delivered to the Executive 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.
- 16 An electronic copy of all filings must be provided through the Commission's Web Portal (www.wutc.wa.gov/e-filing) or by e-mail delivery to <records@wutc.wa.gov>. Alternatively, parties may furnish an electronic copy by delivering with each filing a CD or a 3.5-inch IBM-formatted high-density diskette including the filed document(s). Parties should furnish electronic copies in .pdf (Adobe Acrobat) format, supplemented by a separate file in MS Word 6.0 (or later), or WordPerfect 5.1 (or later) format. Parties are required to follow WAC 480-07-140(5) in organizing and identifying electronic files.
- 17 **ELECTRONIC SUBMISSION OF DOCUMENTS.** Pursuant to WAC 480-07-145(6) the presiding officer may grant parties a one-day extension of the paper-filing requirement, allowing electronic submission of documents with the Commission on the filing deadline. Parties may only submit documents electronically with the Commission in this proceeding with the permission of the presiding officer. If, at any time during this proceeding, parties are authorized to submit documents with the Commission electronically under WAC 480-07-145(6), parties must submit the document through the Commission's Web portal (www.wutc.wa.gov/e-filing) or by e-mail to records@wutc.wa.gov, and file an original, plus 8 copies, of the document with the Commission by the following business day. Finally to perfect filing, parties must provide courtesy copies of filings to the presiding officer and advisory staff, as well as the parties to the proceeding. **PLEASE NOTE: The one-day extension of**

the deadline for paper filing is NOT the rule of the case, and is not available in the absence of PRIOR authorization from the presiding officer. Parties should request permission at least 48 hours prior to the stated filing deadline.

- 18 **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 360-664-1142.
- 19 **NOTICE TO PARTIES:** Any objection to the provisions of this Order must be filed within ten (10) days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review. Parties must provide courtesy copies of filings to the presiding administrative law judge.

Dated at Olympia, Washington, and effective September 13, 2006.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

C. ROBERT WALLIS
Administrative Law Judge

APPENDIX A				
PARTIES' REPRESENTATIVES DOCKET UG-060518				
PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Avista Corporation	David J. Meyer Vice President and Chief Counsel for Regulatory and Governmental Affairs P.O. Box 3727 1411 E Mission Ave., MSC-13 Spokane, WA 99220-3727	(509) 495-4316	(509) 495-8851	david.meyer@avistacorp.com
Public Counsel	Simon ffitc Public Counsel Section Office of Attorney General 900 Fourth Avenue ⁵ Suite 2000 Seattle, WA 98164-1012	(206) 464-7744	(206) 389-2058	simonf@atg.wa.gov
The Energy Project	Ronald L. Roseman Attorney At Law 2011 14 th Avenue East Seattle, Washington 98112	(206) 324-8792	(206) 568-0138	ronaldroseman@comcast.net
The Northwest Energy Coalition	Nancy Glaser Nancy Hirsh 219 1 st Avenue South Suite 100 Seattle, WA 98104	(206) 621-0094 (206) 621-0094	(206) 621-0097 (206) 621-0097	nglaser@nwenergy.org nancy@nwenergy.org
Northwest Industrial Gas Users	Edward A. Finklea Chad M. Stokes Cable, Huston, Benedict, Haagenson & Lloyd, LLP 1001 SW Fifth Avenue Suite 2000 Portland, OR 97204-1136	(503) 224-3092	(503) 224-3176	efinklea@chbh.com cstokes@chbh.com
Commission Staff	Donald T. Trotter Assistant Attorney General P.O. Box 40128 1400 S. Evergreen Park Dr. S.W. Olympia, WA 98504-0128	(360) 664-1189	(360) 586-5522	dtrotter@wutc.wa.gov
Presiding Officers	C. Robert Wallis (Administrative Law Judge) Patricia Clark (Administrative Law Judge)	(360) 664-1142	(360) 664-2654	bwallis@wutc.wa.gov pclark@wutc.wa.gov

⁵ Public Counsel is in the process of moving to a new location. New contact information will be provided to all parties when it is available.

APPENDIX B
PROCEDURAL SCHEDULE
DOCKET UG-060518

EVENT	DATE	INTERVAL
Company direct testimony	September 26, 2006	
Settlement conference for parties	October 16, 2006	20 days
Staff/Intervenor testimony	November 3, 2006	18 days
Company, Cross-rebuttal and Answering testimony	November 20, 2006	17 days
Discovery responses on rebuttal/cross-rebuttal	Due within 3 business days from receipt ⁶	N/A
Prehearing conference	November 30, 2006	10 days
Hearing	December 4-5, 2006	4 days
Simultaneous Briefs	December 26, 2006	21 days

⁶ Electronic submission of discovery responses with hard copy to follow.

APPENDIX C

**INFORMAL DISTRIBUTION LIST (In addition to counsel of record)
DOCKET UG-060518**

PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Avista Corporation	Brian J. Hirschhorn (Manager, Retail Pricing)	(509) 495-4723	(509) 495-8058	Brian.hirschhorn@avistacorp.com
	Kelly Norwood (Vice President – State & Federal Regulations)	(509) 495-4267	(509) 495-8851	Kelly.norwood@avistacorp.com
Public Counsel	Steve Johnson (Regulatory Analyst)	(206) 464-6253	(206) 389-2079	stevenj@atg.wa.gov
	Kathryn Zsoka (Legal Assistant)	(206) 389-3972	(206) 389-2079	kathrynz@atg.wa.gov
NW Energy Coalition	Steve Weiss	(503) 851-4054	(503) 393-8859	steve@nwenergy.org
	Danielle Dixon	(206) 621-0094	(206) 621-0097	danielle@nwenergy.org
The Energy Project	Chuck Eberdt	(360) 255-2169	(360) 671-2753	Chuck_eberdt@opportunitycouncil.org
Northwest Industrial Gas Users	Don Schoenbeck RCS, Inc. 900 Washington Street Suite 780 Vancouver, WA 98660			dws@r-c-s-inc.com
Commission Staff	Joelle Steward (Staff)	(360) 664-1308	(360) 586-1150	jsteward@wutc.wa.gov
	Mike Parvinen (Staff)	(360) 664-1315	(360) 586-1150	mparvinen@wutc.wa.gov
Commission Advisory Staff	Nicolas Garcia (Policy)		(360) 664-3604	ngarcia@wutc.wa.gov