

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

Respondent.
.....

In the Matter of the Petition of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

For an Order Authorizing Implementation
of a Natural Gas Decoupling Mechanism
and to Record Accounting Entries
Associated with the Mechanism.

DOCKETS UE-090134 and
UG-090135 (consolidated)

DOCKET UG-060518
(consolidated)

COMMISSION STAFF'S CROSS-
REPLY TO JOINT PARTIES'
OPPOSITION TO AVISTA'S
PETITION FOR INTERIM
EXTENSION OF DECOUPLING
MECHANISM

I Commission Staff has reviewed the Joint Memorandum of Public Counsel, Northwest Industrial Gas Users and The Energy Project in opposition to Avista's petition for an interim extension of its decoupling mechanism. Staff adheres to its previously stated position that it does not oppose Avista's petition for an interim extension of the mechanism, for the limited purpose of allowing the recording of deferral amounts from June 30, 2009, for approximately another six months, until the Commission ultimately decides whether to extend the mechanism on a permanent basis. If the Commission decides not to extend the

mechanism, the Company would reverse any deferrals recorded during the interim period and customers would not be affected.

2 Staff believes that Avista's request is reasonable and consistent with the Commission's prior orders. Staff disagrees with the view that granting an interim extension at this time is inconsistent with the public interest. Staff, however, reiterates its position that granting an interim extension should not in any way signify that a permanent extension of the decoupling mechanism will ultimately be granted. That question will be decided in the pending general rate case. At that time, Staff reserves its right to oppose the decoupling mechanism entirely, or to recommend modifications or adjustments to the mechanism.

DATED this 5th day of June, 2009.

Respectfully submitted,

ROBERT M. MCKENNA
Attorney General

GREGORY J. TRAUTMAN
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff