

August 26, 2010

**NOTICE SUSPENDING PROCEDURAL SCHEDULE,
CONFIRMING DATE FOR PUBLIC COMMENT HEARING,
AND ESTABLISHING DATE FOR SETTLEMENT HEARING**
(Public Comment Hearing Set for October 6, 2010, at 5:30 p.m., in Spokane)
(Settlement Hearing Set for November 2, 2010, at 1:30 p.m., in Olympia)

RE: *WUTC v. Avista Corporation – General Rate Case*
Dockets UE-100467 and UG-100468 (*consolidated*)

TO ALL PARTIES:

On March 23, 2010, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-28, Electric Service in Docket UE-100467, and revisions to its currently effective Tariff WN U-29, Gas Service in Docket UG-100468. The stated effective date of the proposed tariff revisions was April 23, 2010. The proposed revisions would have implemented a general rate increase of \$55.3 million, or 13.4 percent, for electric service and \$8.5 million, or 6.0 percent, for gas service. The Commission suspended the filing on April 5, 2010. *Order 01.*

On August 25, 2010, all parties to this proceeding, (*i.e.*, Avista, Commission Staff,¹ Public Counsel Section of the Office of the Attorney General, Industrial Customers of Northwest Utilities, Northwest Industrial Gas Users, and The Energy Project (collectively, “Parties”)) filed a Joint Motion for Modification of Procedural Schedule and for an Order Approving Settlement Stipulation. The parties also filed a Settlement Stipulation memorializing the

¹ In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See RCW 34.05.455.*

terms which they agree the Commission should approve and adopt to resolve all issues in this docket. The Parties request that the Commission set September 16, 2010, as the deadline for the filing of Joint Testimony in support of the Settlement Stipulation. The Parties also note their readiness for a hearing on the proposed settlement earlier than November 1-5, 2010, but request Commission action prior to December 1, 2010, the proposed effective date for rates if the Commission approves and adopts the Settlement Stipulation.

The Commission determines it should suspend the current procedural schedule, set Thursday, September 16, 2010, as the filing deadline for the required Narrative supporting the proposed Settlement Stipulation as well as the Joint Testimony proposed by the Parties. The Commission also determines that it should conduct its previously noticed public comment hearing in Spokane on Wednesday, October 6, 2010, at 5:30 p.m., then conduct a settlement hearing in Olympia, Washington, on Tuesday, November 2, 2010, beginning at 1:30 p.m.

THE COMMISSION GIVES NOTICE THAT it suspends the current procedural schedule in this proceeding and establishes a deadline of Thursday, September 16, 2010, for the Parties to file the Narrative required by Commission rules as well as any Joint Testimony in support of the Settlement Stipulation.

THE COMMISSION CONFIRMS THAT it will conduct a public comment hearing on Wednesday, October 6, 2010, from 5:30 p.m. to 7:30 p.m., at Spokane City Council Chambers, 808 W. Spokane Falls Blvd, Spokane, Washington. The Commission will begin taking comments regarding the Parties' proposed settlement from members of the public at 5:30 p.m., ending when all present have been afforded the opportunity to be heard but no later than 7:30 p.m. The Commission will continue to accept written comments until Monday, November 1, 2010.

THE COMMISSION GIVES FURTHER NOTICE THAT it will conduct a settlement hearing in this proceeding in Olympia on Tuesday, November 2, 2010, at 1:30 p.m., in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

Sincerely,

ADAM E. TOREM
Administrative Law Judge