

BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	)	DOCKET NOS. UE-110876 and UG-110877 ( <i>Consolidated</i> )
	)	
Complainant,	)	
	)	NW ENERGY COALITION'S RESPONSE
vs.	)	TO REQUEST FOR PREHEARING
	)	CONFERENCE
AVISTA CORPORATION d/b/a AVISTA UTILITIES,	)	
	)	
Respondent.	)	
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Intervenor NW Energy Coalition (“NWEC”) provides this short response to the pending request for a prehearing conference in order to clarify its position regarding further proceedings herein in light of a proposed partial settlement among the other parties.

First, NWEC supports the request for a prompt prehearing conference to address proceedings on the remaining issue in these matters.

Second, NWEC agrees that the remaining unresolved issue is electricity rate decoupling in Docket No. UE-110876.

Third, in light of the Commission’s Policy Statement on Decoupling<sup>1</sup> and its Bench Order in these proceedings,<sup>2</sup> NWEC intends to present the Commission with testimony proposing a full decoupling mechanism for Avista’s electricity rates. NWEC expects to file this testimony on October 14, 2011, in accordance with the existing schedule for these proceedings. NWEC’s testimony will show that this decoupling mechanism can and should be adopted as part of the

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<sup>1</sup> Wash. Util. & Trans. Comm., Docket No. U-100522, Report and Policy Statement on Regulatory Mechanisms, Including Decoupling, to Encourage Utilities to Meet or Exceed Their Conservation Targets (“Decoupling Policy Statement”) ¶¶ 25-29 (2010).

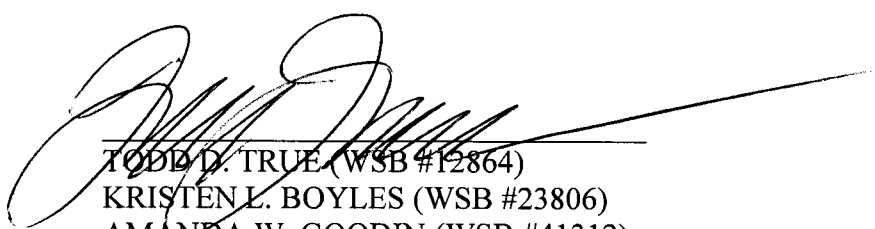
<sup>2</sup> Wash. Util. & Trans. Comm., Docket No. UE-110876, Notice of Bench Request (June 28, 2011).

Commission's resolution of this docket – UE-110876, in accordance with the Commission's guidance that decoupling should be addressed in the context of a general rate case. See Decoupling Policy Statement ¶ 28.

Fourth, NWEC's testimony on these issues will be provided by Mr. Ralph Cavanagh of the Natural Resources Defense Council and will explain that a full decoupling mechanism can be adopted for electricity rates in this matter without altering the particular terms of the partial settlement the other parties to these proceedings have proposed. NWEC's testimony and the resolution of the decoupling issue it will propose also should not delay the January 1, 2012, date to which the other parties have agreed as an effective date for the new rates described in the partial settlement. In fact, NWEC's testimony proposing a full decoupling mechanism for electricity rates will incorporate and rely on the terms of the proposed settlement. Thus, even if the decoupling issue itself is not fully resolved by January 1, 2012, allowing the proposed new rates to take effect will not affect resolution of the decoupling issue.

NWEC will be prepared to discuss these issues further at the prehearing conference.

Respectfully submitted this 3rd day of October, 2011.



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