

[Service Date October 12, 2011]

October 12, 2011

**NOTICE SUSPENDING PROCEDURAL SCHEDULE,
CONFIRMING DATES FOR PUBLIC COMMENT HEARINGS,
AND SCHEDULING SETTLEMENT HEARING**
(Settlement Hearing Set for November 8, 2011, at 10:00 a.m. in Spokane)

RE: *Washington Utilities and Transportation Commission, Complainant, v. Avista Corporation d/b/a Avista Utilities, Respondent, Dockets UE-110876 and UG-110877 (consolidated)*

TO ALL PARTIES:

On May 16, 2011, Avista Corporation d/b/a Avista Utilities (Avista) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-28, Electric Service in Docket UE-110876 and revisions to its currently effective Tariff WN U-29, Gas Service in Docket UG-110877 for a general rate increase for electric and gas service. Avista requested an electric rate increase of \$38.3 million, or 8.7 percent, and a gas rate increase of \$6.2 million or 4.0 percent.

On September 30, 2011, Avista, the Commission's regulatory staff,¹ the Public Counsel Section of the Washington Office of Attorney General, Northwest Industrial Gas Users, Industrial Customers of Northwest Utilities, and The Energy Project filed a Settlement Stipulation (Settlement) that resolves all issues in this matter as among these parties. The Settlement proposes an effective date for the revised tariffs of January 1, 2012. The only remaining party, NW Energy Coalition (NWEC), did not join in the Settlement because it intends to present testimony and pursue further litigation on the issue of electric decoupling.

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.

However, NWECA does not oppose the Settlement or the proposed January 1, 2012, effective date.

On October 10, 2011, the Commission convened a prehearing conference to address the process and schedule by which it would review the Settlement. The Commission determined it should suspend the current procedural schedule, and conduct, as noticed, its public comment hearings on November 8, 2011, in Spokane Valley and Spokane and on November 9, 2011, in Pullman. The Commission also determined that it should convene a settlement hearing in Spokane, Washington on November 8, 2011, beginning at 10:00 a.m., and continuing, as necessary, on November 9, 2011.

THE COMMISSION GIVES NOTICE THAT it suspends the current procedural schedule in this proceeding and will conduct, as previously noticed, public comment hearings at the following times and locations:

Tuesday, November 8, 2011

- Spokane Valley, Council Chambers
Noon-1:30 p.m.
- Spokane, Council Chambers
6:00-7:30 p.m.

Wednesday, November 9, 2011

- Pullman, Council Chambers
Noon -1:30 p.m.

The Commission will continue to accept written comments until Thursday, November 10, 2011.

THE COMMISSION GIVES FURTHER NOTICE THAT it will conduct a settlement hearing in this proceeding in Spokane, Washington, on Tuesday, November 8, 2011, at 10:00 a.m., in the Spokane City Council Chambers, 808 W. Spokane Falls Blvd., Spokane, Washington.

Sincerely,

MARGUERITE E. FRIEDLANDER
Administrative Law Judge