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A P P E A R A N C E S

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A P P E A R A N C E S (Continued)

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OLYMPIA, WASHINGTON, OCTOBER 10, 2011

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12:00 P.M.

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P R O C E E D I N G S

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JUDGE FRIEDLANDER: Okay. Good afternoon. Let's go on the record.

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My name is Marguerite Friedlander. I am the Administrative Law Judge who will be handling this proceeding.

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It is October 10, 2011, and this is the time and place set for a prehearing conference in Dockets UE-110876 and UG-110877, consolidated, also known as the Washington Utilities and Transportation Commission, Complainant, versus Avista Corporation, d/b/a Avista Utilities, Respondent.

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On September 30th, the parties, minus Northwest Energy Coalition, filed a settlement stipulation or requested that the Commission convene a prehearing conference to address the current procedural schedule.

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So at this juncture, let's go ahead and take the appearances of the parties. Just give me your name and who you represent and we'll continue from there.

22

23

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Appearing on behalf of Avista?

MR. MEYER: Thank you, Your Honor. David Meyer for Avista.

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JUDGE FRIEDLANDER: Thank you.

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1 And, Mr. Roseman?

2 MR. ROSEMAN: Thank you, Your Honor. Ronald Roseman,  
3 representing The Energy Project.

4 JUDGE FRIEDLANDER: Thank you.

5 And appearing today on behalf of Northwest Energy  
6 Coalition?

7 MR. TRUE: Todd True, Your Honor, for the Northwest  
8 Energy Coalition with Earthjustice.

9 JUDGE FRIEDLANDER: And did you say your last name  
10 was True?

11 MR. TRUE: It is, indeed.

12 JUDGE FRIEDLANDER: Okay.

13 MR. TRUE: T-r-u-e.

14 JUDGE FRIEDLANDER: T-r-u-e. Okay. Great.

15 MR. TRUE: And I believe we have Danielle -- I hope  
16 we have Danielle Dixon from the Coalition on the phone.

17 JUDGE FRIEDLANDER: Okay. Great.

18 Ms. Dixon, are you on the conference bridge?

19 MS. DIXON: I am. There's so many beeps.

20 JUDGE FRIEDLANDER: Right.

21 MS. DIXON: This is Danielle Dixon with the Northwest  
22 Energy Coalition.

23 JUDGE FRIEDLANDER: Great. Thank you.

24 And appearing today on behalf of Industrial Customers  
25 of Northwest Utilities?

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1 MS. DAVISON: This is Melinda Davison, Your Honor.

2 JUDGE FRIEDLANDER: Great. Thank you.

3 And appearing today on behalf of the Northwest  
4 Industrial Gas Users?

5 MR. BROOKS: This is Tommy Brooks for NWIGU.

6 JUDGE FRIEDLANDER: Thank you.

7 Appearing today on behalf of Staff?

8 MR. TROTTER: Donald T. Trotter, Assistant Attorney  
9 General, appearing for UTC Staff.

10 JUDGE FRIEDLANDER: Thank you.

11 And appearing today on behalf of Public Counsel?

12 MS. SHIFLEY: Your Honor, this is Sarah Shifley,  
13 Assistant Attorney General, for Public Counsel.

14 JUDGE FRIEDLANDER: Thank you.

15 Is there anyone else who wishes to put in an  
16 appearance today?

17 Okay. Hearing nothing, we have a settlement on the  
18 table, and this, obviously, is going to impact the procedural  
19 schedule. One issue remains that has not been settled, and that  
20 is the issue of decoupling.

21 So having spoken with the Commissioners on how they  
22 would prefer to handle it, their preference at this point is  
23 bifurcation of the proceeding. And that would mean addressing  
24 the settlement agreement first with the bifurcation indicated  
25 and decoupling being handled after the settlement agreement has

0050

1 been adjudicated.

2 Are there any parties who care to weigh in on this?

3 MR. TRUE: Your Honor, just briefly, if I understand  
4 that correctly, I believe that works because the Northwest  
5 Energy Coalition believes that the decoupling mechanism can be  
6 put in place under the existing settlement terms.

7 And so we would be happy to file testimony that we  
8 think will allow that to happen and help the Commission do that.  
9 So I don't think that's a problem.

10 Danielle, is that a problem that -- is there a  
11 problem that you see?

12 MS. DIXON: Nope, not at all.

13 JUDGE FRIEDLANDER: And by "testimony," are you  
14 indicating filing testimony with regards to the settlement  
15 agreement, or --

16 MR. TRUE: No.

17 JUDGE FRIEDLANDER: -- testimony in regards to  
18 decoupling?

19 MR. TRUE: Decoupling.

20 JUDGE FRIEDLANDER: I see.

21 MR. TRUE: Decoupling.

22 JUDGE FRIEDLANDER: I see. And the Northwest Energy  
23 Coalition's response to the motion put forward by the settling  
24 parties indicated that you would be filing testimony within --

25 MR. TRUE: This Friday.

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1 JUDGE FRIEDLANDER: This Friday?

2 MR. TRUE: On the regular schedule.

3 JUDGE FRIEDLANDER: I see.

4 MR. TRUE: We were prepared to do that.

5 JUDGE FRIEDLANDER: Okay.

6 MR. TRUE: But if there's a reason to change it, we  
7 can do that.

8 But we are -- Mr. Cavanah (phonetic) is preparing his  
9 testimony and is prepared to file it this Friday.

10 JUDGE FRIEDLANDER: That's fine. I just wanted to  
11 give you the opportunity to possibly file that at a later date,  
12 given the fact that we are going to address the settlement  
13 agreement first.

14 MR. TRUE: So at this point, his testimony has been  
15 prepared in light of the settlement agreement, to the extent  
16 that -- and I think pretty -- pretty completely. There may be  
17 some minor details that will still need to be addressed in light  
18 of the settlement, but I think we're pretty much there.

19 JUDGE FRIEDLANDER: Okay.

20 MR. TRUE: Again, I would just ask: Danielle, is  
21 there any reason that you think we should take some additional  
22 time?

23 MS. DIXON: Sorry. I keep getting beeps. I think I  
24 heard what you said.

25 So there is one component of his testimony which he



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1 has written based on the original filing because he didn't have  
2 time to retrieve additional data from Avista yet with regard to  
3 making that change in his testimony that would be more in line  
4 with the settlement agreement.

5 So that would be the only thing where I would see if  
6 the Bench were thinking about delaying testimony filing on  
7 decoupling for a little bit, then he would have the opportunity  
8 to get that data directly from Avista.

9 JUDGE FRIEDLANDER: And that's certainly fine with  
10 the Bench. Because the decoupling will be addressed at a later  
11 date, there's no reason for the Coalition to feel it absolutely  
12 has to file testimony on Friday.

13 MR. TRUE: Okay. Thank you, Your Honor.

14 JUDGE FRIEDLANDER: So...

15 MR. TRUE: Maybe we should talk with Mr. Meyer  
16 briefly. I think the other way to handle this would be to sort  
17 of connect the details on the settlement with some kind of  
18 compliance filing, but if there's -- if we can get those details  
19 and work them into Mr. Cavanah's testimony two weeks from now,  
20 or whatever, then we can do it that way.

21 JUDGE FRIEDLANDER: That would be fine --

22 MR. TRUE: I think it requires --

23 JUDGE FRIEDLANDER: -- if I'm understanding you  
24 correctly.

25 MR. TRUE: I think there are some schedules that need

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1 to be updated in light of the settlement, and that's what --  
2 that's the information that we're missing at this point.

3 MS. SHIFLEY: Your Honor? I'm sorry. This is Sarah  
4 Shifley with Public Counsel.

5 Directly after my last statement on the record, we  
6 had some telephone difficulties and lost whatever was said in  
7 the following one and two minutes.

8 Would it be possible to have the parties or the Bench  
9 repeat what was said?

10 JUDGE FRIEDLANDER: Certainly.

11 Mr. True, would you like to repeat your request?

12 MR. TRUE: Sure. So we are discussing -- the Energy  
13 Coalition anticipates filing testimony on the decoupling issue  
14 this Friday, and we are discussing whether it -- whether there  
15 would be an advantage to having that date moved back a week or  
16 two weeks -- I'm not sure what we're talking about -- so that  
17 Mr. Cavanah's testimony can take advantage of the updated  
18 schedules that Avista will be preparing in light of the  
19 settlement and address those rather than the original filing.

20 JUDGE FRIEDLANDER: I see what you're saying.

21 So the additional schedules you're anticipating from  
22 Avista within -- or should be with Mr. Cavanah within the next  
23 couple of days, or...

24 MR. TRUE: Is that...

25 MR. MEYER: I'll have to check with our people, and

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1 we'll get the clarification off the record as to what the  
2 potential holdup is.

3 May I just inquire further of the Bench?

4 JUDGE FRIEDLANDER: Certainly.

5 MR. MEYER: Because I assume that part of our  
6 challenge, what our tasks will be, perhaps off the record, to  
7 come up with a parallel schedule for the decoupling process that  
8 will play out. And you have indicated that that process will be  
9 on a more relaxed time frame, if you will, given the  
10 Commission's desire to deal with the settlement first.

11 But I just wanted to clarify that when you said that  
12 the Commission prefers to deal with the decoupling matter after  
13 adjudication of the settlement, then are -- you're envisioning,  
14 then, hearings on decoupling after the order actually issues in  
15 the settlement case?

16 JUDGE FRIEDLANDER: That's correct.

17 MR. MEYER: Okay.

18 JUDGE FRIEDLANDER: And I'm glad that you brought up  
19 potential schedule for the decoupling matter because I had not  
20 anticipated addressing that at this prehearing conference.  
21 Because it is going to be handled on a different time frame, I  
22 didn't anticipate having the parties get together and work on  
23 coming up with a schedule today.

24 We're going to address more prudently the issue of  
25 what to do about the evidentiary hearing, which is rapidly

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1 approaching, given the settlement agreement that has been filed.

2 Now, if parties want to work on their own, work  
3 collectively outside of this prehearing conference on a proposed  
4 schedule for decoupling, we'll certainly entertain that, but...

5 MR. MEYER: Yes.

6 JUDGE FRIEDLANDER: Okay.

7 MR. MEYER: Okay. So that could be something that we  
8 could either take up today or not?

9 JUDGE FRIEDLANDER: That's right.

10 MR. MEYER: Do you have a preference?

11 JUDGE FRIEDLANDER: Well, if the parties have not  
12 discussed potential time frames, I think it would be more  
13 prudent to address that at a later date, not today, and have the  
14 parties work collectively on proposing a schedule --

15 MR. MEYER: Fair enough.

16 JUDGE FRIEDLANDER: -- and after you all have talked.

17 MR. MEYER: Very well. So --

18 MS. DAVISON: Your Honor, this is Melinda Davison.  
19 I'm very supportive of that approach because I do not have the  
20 calendar of my expert witness.

21 JUDGE FRIEDLANDER: And that's fine. I assume that  
22 you all are in talks regularly, so I'm sure you can fit this  
23 topic in amongst the others.

24 MS. SHIFLEY: Your Honor, this is Sarah Shifley with  
25 Public Counsel. I'm wondering as to whether the Commission is

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1 still going to be requiring responses to Bench Request No. 1?

2 JUDGE FRIEDLANDER: And I have talked with the  
3 Commissioners about that and realizing the time issues coming up  
4 and -- and the fact that we do have a settlement. The answer to  
5 that is no. At this time we will not be requiring that Staff  
6 answer that bench request.

7 But if no one has anything further on the bifurcation  
8 issue, I do have some information on the Commissioners'  
9 preferences with regards to the evidentiary hearing on the  
10 settlement agreement. Okay. Hearing nothing, we'll go forward.

11 As many of you know, the Commission has undertaken an  
12 effort to educate the public in our processes and to try to  
13 convey to them the Ratemaking 101, if you will, approach that we  
14 have. It's a very complicated task.

15 And in furtherance of the ratepayer education, if you  
16 will, the Commission has decided that given the amount of  
17 interest in this case that they will hold the evidentiary  
18 hearing in Spokane, and we will be moving up the date because  
19 the prior date was assuming a statutory effective date of April  
20 16th. Now with the settlement agreement, we will be moving that  
21 date up to November 8th. It will coincide with a public comment  
22 hearing the Commission is holding that day and evening.

23 Yes, Mr. Roseman?

24 MR. ROSEMAN: Thank you. I'm just seeking some  
25 clarification.

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1                   So the evidentiary hearing in the settlement will be  
2 in Spokane November 11th; is that what --

3                   JUDGE FRIEDLANDER: No, I said November 8th.

4                   MR. ROSEMAN: November 8th?

5                   JUDGE FRIEDLANDER: Yes, to coincide with a public  
6 comment hearing we are having at noon that day, I believe, in  
7 Spokane Valley, and another public comment hearing we'll be  
8 having at six p.m. that day in the city of Spokane.

9                   MR. ROSEMAN: So do we know what time the evidentiary  
10 hearing will take place on that date?

11                   JUDGE FRIEDLANDER: More than likely it will convene  
12 to handle procedural matters at around ten o'clock. It will  
13 then be necessary to recess so that the Commissioners can attend  
14 the public comment hearing in Spokane Valley at noon. And then  
15 we will pick back up again at the same location for the  
16 evidentiary hearing approximately two, 2:30, whenever the  
17 Commissioners make it back from the public comment hearing in  
18 Spokane Valley.

19                   And we're still working on a location. We are  
20 attempting to get the Spokane City Council chambers; however, we  
21 will know more about that as the week progresses, and I will be  
22 issuing a notice rescheduling the hearing.

23                   MR. ROSEMAN: So I'm just wondering about how this  
24 will work with this different procedure and in light of your  
25 comment, which we applaud, trying to educate or inform the

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1 public at large about how rates are set. I think that's great,  
2 but it raises some issues if, in fact, that is one of your  
3 objectives. The way many times -- not all the time, certainly,  
4 that we have dealt with these settlements, at least in my memory  
5 is -- and with my witnesses -- or witness in this case -- is via  
6 telephone over -- you know, the person calls in and -- and, you  
7 know, the testimony is prefiled, and then the Commissioners can  
8 ask questions.

9           What I wonder about is in light of your statement of  
10 educating the public, does -- does that change the receptive  
11 nature that the Commission's had on allowing us to do this by  
12 telephone, or do you -- are you going to require that the  
13 persons, the witnesses appear in the flesh, so to speak?

14           JUDGE FRIEDLANDER: I don't think it's so much a case  
15 of the Commissioners preferring witnesses testifying in person.  
16 I think it's a case of feasibility. The Spokane City Council  
17 chambers, to my knowledge, do not have a teleconference bridge.

18           MR. ROSEMAN: Ooh. Good point. Thank you.

19           JUDGE FRIEDLANDER: So that being the case, as I said  
20 before, we're still working on the venue. It may not be the  
21 Spokane City Council chambers, but if it is, be aware that they  
22 do not have the teleconference bridge.

23           MS. SHIFLEY: Your Honor, this is Sarah Shifley for  
24 Public Counsel. I just want to go back to one question that I  
25 had earlier regarding the bifurcation issue and what the

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1 Commission is considering. It's at least my understanding, our  
2 understanding here, that the outcome of any bifurcated  
3 decoupling procedure or case could actually reopen the  
4 settlement to extent that it changes a term of the settlement or  
5 we would have to go back and look at some issues in the  
6 settlement itself.

7           What is the Commission's idea as far as allowing or  
8 handling reopening of the settlement after the bifurcated  
9 decoupling case is concluded?

10           JUDGE FRIEDLANDER: Well -- and I wish I could give  
11 you a better answer, but until I have a request to reopen and  
12 certainly terms more specific, that would possibly require  
13 reopening, I can't tell you what the Commission would think of  
14 such a request.

15           We realize that the nature of bifurcating the  
16 proceedings can get a bit tricky if one portion of the  
17 proceeding has an impact on the other. But until that specific  
18 circumstance arises, I can't give you the Commission's position  
19 on that.

20           MR. TRUE: Your Honor, for what it's worth, we don't  
21 expect that the decoupling mechanism would effect any -- and, in  
22 fact, the decoupling mechanism testimony is being prepared in  
23 light of and with the settlement terms in mind, and we don't  
24 anticipate that there would be that need.

25           JUDGE FRIEDLANDER: Thank you.



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1           MR. TRUE: We think that mechanism can be implemented  
2 without reopening the settlement.

3           JUDGE FRIEDLANDER: Thank you, Mr. True. I  
4 appreciate that.

5           Does that -- go ahead.

6           MS. DAVISON: Your Honor, this is Melinda Davison.  
7 We certainly don't agree with Mr. True's perspective. If the  
8 decoupling mechanism is implemented, that certainly does  
9 trigger, as Ms. Shifley said, one provision of the settlement  
10 agreement where the settling parties are agreeing to abandon or  
11 not support Avista's, whatever, their version of decoupling that  
12 they filed in the case, and the settling parties are not  
13 supporting decoupling.

14          JUDGE FRIEDLANDER: And I appreciate that sentiment;  
15 however, I think at this time, it's a little premature to start  
16 addressing reopening a case that the record isn't closed on. I  
17 think that there is always that possibility, and parties are  
18 certainly welcome to make that request.

19          But at this time I don't think that that's really an  
20 issue on the table; however, should it -- should it become an  
21 issue, please feel free to raise it.

22          MS. SHIFLEY: Your Honor, this is Sarah Shifley,  
23 again, for Public Counsel, and I would just want to say on the  
24 record, then, that Public Counsel has some serious concerns with  
25 bifurcating, given what you have just said about the -- how the

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1 outcome of the bifurcated procedure might impact the settlement.  
2 And I don't know if there is going to be a way for parties to  
3 oppose any sort of bifurcation, if that is what ends up being  
4 ordered, but I do want to say that we definitely have some  
5 concerns given what's been discussed here today.

6 JUDGE FRIEDLANDER: Can you please readdress your  
7 concerns to the Bench at this time? I guess I'm not  
8 understanding.

9 If I'm leaving the door open to reopening the  
10 proceedings in the settlement case, what would Public Counsel  
11 have to oppose the bifurcation process?

12 MS. SHIFLEY: Your Honor, a term of the settlement,  
13 and when you look at the settlement as a whole that parties  
14 agreed to, one very key term was that there was going to be no  
15 approval of any decoupling-like mechanism, and that we  
16 understand that the ROE set in the settlement reflects no  
17 decoupling mechanism. No party supported, and actually the  
18 parties supported abandoning, as Ms. Davison said, the Company's  
19 proposal for a decoupling-type mechanism, and it is a very key  
20 term of the settlement that that is not a part of what is being  
21 set here today.

22 So any consideration of a decoupling mechanism would  
23 change that term of the settlement, and that would, therefore,  
24 require parties to potentially take a different view on the  
25 settlement.

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1 MR. TROTTER: Your Honor, may I make a brief comment?

2 JUDGE FRIEDLANDER: Yes, please.

3 MR. TROTTER: I'm not aware of the term that  
4 Ms. Shifley is referring to. If she's referring to a reference  
5 to the Energy Efficiency Load Adjustment mechanism, that was  
6 specific to an adjustment.

7 But, perhaps, Ms. Shifley could quote from the  
8 order -- or excuse me -- from the agreement.

9 JUDGE FRIEDLANDER: Ms. Shifley?

10 MR. TROTTER: Because I'm not aware of the term that  
11 she's referring to.

12 MS. SHIFLEY: Mr. Trotter is correct that it is the  
13 party -- it is the term that removes the Energy Efficiency Load  
14 Adjustment. And, I'm sorry, I do have the stipulation in front  
15 of me, and I'm not clear if there's additional language, but  
16 there's also a footnote to that term -- and I'm in Paragraph  
17 6 -- that states that the ROE adjustment would be an issue with  
18 any decoupling proposal which then also implicates the ROE  
19 term -- or the rate of return term of the settlement  
20 stipulation.

21 MR. TROTTER: Well, Your Honor, I think your earlier  
22 statement is right on, that you should cross the bridge when you  
23 come to it on -- on this issue because we don't read, I don't  
24 think, a fair reading of -- the section on the EELA says  
25 anything about a broader decoupling mechanism.

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1                   And certainly -- there's like -- as I assume there's  
2 even argument, that that's a decoupling mechanism. You know,  
3 the Staff believes one way and other parties may believe  
4 another.

5                   But I think the settlement is clear, the terms are  
6 clear enough, and if there is a conflict down the line, then we  
7 address it at that time.

8                   JUDGE FRIEDLANDER: Thank you. Ms. Shifley, if I'm  
9 hearing you correctly, and I think I have, you have voiced a  
10 concern about the bifurcation. That will be duly noted, and I  
11 think that at this point we should probably move on.

12                   MS. SHIFLEY: Thank you, Your Honor.

13                   JUDGE FRIEDLANDER: Thank you. And so the parties  
14 are aware. We will, again -- and just to reiterate, the  
15 evidentiary hearing will be in Spokane on November 8th. We're  
16 still working on our venue, and I will be issuing a notice  
17 rescheduling the evidentiary hearing.

18                   That being said, I do have some other matters to  
19 address with the parties today.

20                   First of all -- and going back to my earlier point  
21 about educating the ratepayers and the public as to our process,  
22 I would like to ask that the parties come up with a very short  
23 fact sheet. And when I say "very short," I do mean limited in  
24 scope. And this fact sheet is for the sole purpose to give to  
25 the ratepayers, to the public that attend the public comment

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1 hearing scheduled on the eastern side of the state. More than  
2 likely, they have not got a chance to review the settlement  
3 agreement. They may have read about certain terms in the  
4 settlement agreement. They may also have read about the  
5 original filing and have some confusion as to which version we  
6 are currently working off of.

7           That being said, it would be beneficial to the public  
8 if the settling parties would work on this fact sheet with --  
9 this is what I'm envisioning -- with possibly two columns or two  
10 tables, the first listing what was originally filed, the  
11 proposed terms in the original filing by Avista, and the second  
12 column or table, however you want to do it, listing the proposal  
13 in the settlement agreement. That way they will have a starting  
14 point and they'll know where we are at this juncture.

15           And I would like that to be delivered to our Consumer  
16 Protection people no later than a week before the public comment  
17 hearing, which is November 8th.

18           So if you could have that to our Consumer Protection  
19 people by November 1st, I think that would be a great help to  
20 the public at these comment hearings.

21           MR. MEYER: Then, Your Honor, I assume your Consumer  
22 Protection Office will take it from there and make their  
23 requisite copies and arrange for display and that sort of thing?

24           JUDGE FRIEDLANDER: That's correct.

25           MR. MEYER: All right.

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1 JUDGE FRIEDLANDER: Yes.

2 MR. MEYER: And Avista will be happy to jump start  
3 that process and circulate a draft among the parties.

4 JUDGE FRIEDLANDER: I appreciate that.

5 Does anyone have any questions?

6 MR. ROSEMAN: Yes, Your Honor. So the Company will  
7 circulate one, but each party is responsible for their own  
8 positions or issues that are addressed in the settlement, or we  
9 are all coming up with one?

10 JUDGE FRIEDLANDER: This is going to be a non -- oh,  
11 how do I say it?

12 MR. ROSEMAN: Adversarial?

13 JUDGE FRIEDLANDER: Non-advocate -- yes. None of the  
14 parties are to advocate in this document at all. It's simply a  
15 fact sheet. Where did we start. What was the original increase  
16 request. Where does the settlement agreement put us. That's  
17 all.

18 MS. SHIFLEY: Your Honor, Public Counsel normally  
19 develops a separate handout that comes directly from our office  
20 as the ratepayer advocate. I'm assuming that this would still  
21 allow parties to develop their own informative handouts for  
22 ratepayers?

23 JUDGE FRIEDLANDER: And if that's what Public Counsel  
24 has done in the past, then I am not going to stop you from doing  
25 that this time. But this will be something that -- what I'm

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1 envisioning here in the fact sheet that I have talked about is  
2 something that isn't from an advocating sense. So this is going  
3 to just list the facts and take no position on them. Just to  
4 inform the public where we're at.

5               So moving on, then -- and that deadline is November  
6 1st.

7               So I have not seen any testimony supporting the  
8 settlement agreement. When I read the settlement agreement,  
9 that was anticipated to be provided to the Commission on or  
10 before today.

11              So is that currently in the works? Are we expecting  
12 that today?

13              MR. TROTTER: The plan is to file it today, Your  
14 Honor.

15              JUDGE FRIEDLANDER: I appreciate that.

16              I would like to caution the parties that I have read  
17 the settlement agreement and -- that's not the caution by the  
18 way. The caution comes in the fact that I find it to be quite  
19 vague, and that's an understatement. There are certain  
20 provisions within the settlement agreement that I do feel need  
21 to be fleshed out a little bit, and certainly we need some  
22 comprehensive testimony to come in. Otherwise, we're going to  
23 have some bench requests and questions raised during the  
24 evidentiary hearing because there is a lot of -- a lot that  
25 needs to be addressed.

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1           Mr. Roseman, you look like you have something to say.

2           MR. ROSEMAN: Well, rather than us trying to  
3 anticipate or guess where these holes are -- and, you know, I  
4 don't have any problem with trying to bring clarity to this. It  
5 would be useful prior to this -- you know, when our witnesses  
6 appear if you could tell us if there are some specific issues --  
7 and I'm not interested in the questions, per se, but where you  
8 think there is vagueness that we could at least alert our  
9 witness. If it's -- let's say it's a -- one of my issues, you  
10 know, what the Commission's interested in, so we could be  
11 somewhat prepared to respond. Otherwise...

12           JUDGE FRIEDLANDER: I think I know where you're  
13 going.

14           MR. ROSEMAN: Okay.

15           JUDGE FRIEDLANDER: And I will say this. I'm not  
16 attempting to hide the ball. Just keep in mind that this was  
17 noticed as a prehearing conference, and I don't want to get into  
18 substantive matters. And that's why I'm a bit hesitant to  
19 address anything specifically; however, I can tell you that, for  
20 example, some of the provisions laid out in Section -- I believe  
21 it's Paragraph C on page 4 of the settlement stipulation, they  
22 are very vague, and some of them I've read I quite frankly don't  
23 even understand.

24           So I don't think I'm -- I'm certainly not prejudging  
25 anything. I have many questions, though, about the clarity



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1 offered by these adjustments.

2 MR. ROSEMAN: And this is Section C or Paragraph C?

3 What did you...

4 JUDGE FRIEDLANDER: Yeah. It's the A&G expenses.

5 MR. ROSEMAN: Okay.

6 JUDGE FRIEDLANDER: And I believe there's around

7 13 --

8 MR. ROSEMAN: Right.

9 JUDGE FRIEDLANDER: -- that have been listed.

10 In addition, it would not -- it would not hurt to  
11 take a look at the sentence on ROR because I think that's fairly  
12 vague.

13 Again, this is just asking for some more details for  
14 what is intended by the parties because otherwise, we will be  
15 having to ask for some more information in a bench request or  
16 clarifying questions from the Bench.

17 MR. MEYER: Perhaps Mr. Roseman is on to something,  
18 and let me suggest that after you do receive the testimony  
19 today, which is finished. It just awaits filing. And rather  
20 than just try and reconstruct that -- I anticipate you had other  
21 questions -- just get that in the door.

22 And then if there are a series of questions -- and we  
23 very much want to be helpful to you and the Commission in  
24 understanding it -- whether it's in a bench request or just in a  
25 notice to the parties of the various items you would like to

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1 inquire further about, we could have that in advance, and then  
2 have witnesses available to testify to that.

3 JUDGE FRIEDLANDER: And I will do my utmost to give  
4 you all advance notice of whether it's the opportunity to file  
5 supplemental testimony or respond to a bench request. I will  
6 attempt to give you a heads-up as to what we need clarity on  
7 prior to the hearing, but realize that there's other cases going  
8 on, so the Commissioners are reviewing the settlement agreement.  
9 Our policy advisors are reviewing the settlement agreement. And  
10 now the testimony coming in, we have approximately three weeks  
11 before the hearing will take place, so you may not know  
12 everything that we need clarity on prior to the evidentiary  
13 hearing.

14 MR. MEYER: And that's fair enough. Thank you.

15 JUDGE FRIEDLANDER: Sure.

16 Are there any other questions relating to the  
17 schedule or anything else we have discussed today?

18 MR. MEYER: Just one, one housekeeping matter. And  
19 at one point in the prehearing conference, there was discussion  
20 about a so-called issues list, and I assume that we're relieved  
21 of that obligation in light of the settlement?

22 JUDGE FRIEDLANDER: And I would agree. However, I  
23 guess at this point, I should take the temperature of the  
24 parties to find out if anyone has an objection to vacating the  
25 procedural schedule in light of the settlement agreement, but,

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1 obviously, keeping evidentiary hearing and the public comment  
2 hearings?

3 MR. MEYER: No objection from Avista.

4 JUDGE FRIEDLANDER: Great.

5 MR. TROTTER: No objection, and we understand the  
6 decoupling will be scheduled separately?

7 JUDGE FRIEDLANDER: Exactly. And that is  
8 something -- as we discussed previously, that will be handled on  
9 a separate track.

10 MR. ROSEMAN: No objection.

11 JUDGE FRIEDLANDER: Great.

12 MR. TRUE: No objection, Your Honor.

13 MS. SHIFLEY: No objection from Public Counsel, Your  
14 Honor.

15 JUDGE FRIEDLANDER: Okay. Thank you.

16 And does anyone have anything else that they wish to  
17 raise prior to adjourning?

18 Okay. Hearing nothing, then we are adjourned. Thank  
19 you.

20 (Proceeding concluded at 12:32 p.m.)

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