

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKETS UE-080416
TRANSPORTATION COMMISSION,)	and UG-080417
)	<i>(consolidated)</i>
Complainant,)	
)	ORDER 06
v.)	
)	
AVISTA CORPORATION d/b/a)	PREHEARING CONFERENCE
AVISTA UTILITIES,)	ORDER ESTABLISHING REVISED
)	PROCEDURAL SCHEDULE AND
Respondent.)	SCHEDULING HEARING
)	(Set for November 6 and 7, 2008)
.....)	

1 **NATURE OF PROCEEDINGS.** On March 4, 2008, 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-080416, and revisions to its currently effective Tariff WN U-29, Gas Service in Docket UG-080417. The proposed revisions would implement a general rate increase of \$36.6 million, or 10.3 percent, for electric service and \$6.6 million, or 3.3 percent, for gas service. The Commission suspended the filings on March 6, 2008, consolidated the two dockets, and set the dockets for hearing.

2 **BACKGROUND AND PROCEDURAL HISTORY.** On September 16, 2008, Avista, the Commission’s regulatory staff (Commission Staff or Staff),¹ Northwest Industrial Gas Users (NWIUGU), and The Energy Project filed a Multi-party Settlement Stipulation (Settlement) resolving all disputed issues between those parties. The Industrial Customers of Northwest Utilities (ICNU), joined in part, but not all, of the Settlement terms and conditions. The Public Counsel Section of the

¹ In formal proceedings, such as this, the Commission’s regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as other parties to the proceeding. There is an “*ex parte* wall” separating the Commissioners, the presiding Administrative Law Judge, and the Commissioners’ policy and accounting advisors from all parties, including regulatory staff. *RCW 34.05.455*.

Office of the Attorney General (Public Counsel) did not agree to the terms and conditions of the Settlement.

3 By Order 05, entered September 17, 2008, the Commission granted the joint motion to waive the responsive testimony deadline for signatories to the Settlement and scheduled a prehearing conference to discuss whether the procedural schedule in this proceeding should be modified. On September 19, 2008, Public Counsel and ICNU timely filed joint responsive testimony. On September 23, 2008, Avista, Staff, NWIGU, and The Energy Project filed joint testimony in support of the Settlement.

4 **CONFERENCE.** The Commission convened a prehearing conference in this proceeding at Olympia, Washington on September 26, 2008.

5 **APPEARANCES.** David J. Meyer, Vice President and Chief Counsel for Regulatory and Governmental Affairs, appeared for Avista. Simon ffitich, Assistant Attorney General, Seattle, Washington, appeared for Public Counsel. Greg Trautman and Michael Fassio, Assistant Attorneys General, Olympia, Washington, appeared for Commission Staff. S. Bradley Van Cleve, Davison Van Cleve, P.C., Portland, Oregon, appeared for ICNU. Chad M. Stokes, Cable Huston Benedict Haagenesen & Lloyd LLP, Portland, Oregon, appeared for NWIGU. Ronald Roseman appeared for The Energy Project

6 **PROCEDURAL SCHEDULE.** The parties agreed on a modified procedural schedule during the prehearing conference. The Commission adopts, in part, the procedural schedule agreed to by the parties. According to WAC 480-07-750, the Commission may accept, reject, or modify a proposed Settlement. The Settlement filed in these proceedings provides that the proposed rates will take effect on January 1, 2009. Under the modified procedural schedule proposed by the parties, it would not be feasible for the Commission to accept that term of the Settlement. Accordingly, it is reasonable to revise the procedural schedule to afford the Commission the opportunity to accept the Settlement if, after consideration of the record adduced in these proceedings, the Commission determines that the Settlement is lawful and consistent with the public interest. *WAC 480-07-750(1)*. The Commission adopts a procedural schedule that allows it to accept, reject, or modify the Settlement, considers the issues that remain in dispute and the interests of the

parties to these proceedings as well as the press of other regulatory business before the Commission. The procedural schedule is set forth in Appendix A to this Order.

- 7 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning **November 6, 2008**, at 9:30 a.m., and continuing thereafter, as necessary, beginning at 9:30 a.m., on **November 7, 2008**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.
- 8 **NOTICE OF PREHEARING CONFERENCE.** The Commission will convene a prehearing conference in this matter on **November 3, 2008, at 9:30 a.m.**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington, to mark exhibits, including exhibits on cross examination, if any, and to address any procedural matters that the parties may present. If no matters warrant attention, the conference will be cancelled.
- 9 **DISCOVERY.** Discovery will continue pursuant to the Commission's discovery rules, WAC 480-07-425. The parties request shortened response periods for data request responses. Given the procedural schedule adopted in this Order, the response time for data requests will be reduced to five business days, following the filing of reply testimony by Public Counsel and ICNU, and continuing through the filing of rebuttal testimony by Avista, Staff, NWIGU, and The Energy Project. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution.
- 10 **NOTICE TO PARTIES.** A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.

Dated at Olympia, Washington, and effective October 8, 2008.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

PATRICIA CLARK
Administrative Law Judge

**APPENDIX A
PROCEDURAL SCHEDULE
DOCKETS UE-080416 and UG-080417**

<u>EVENT</u>	<u>CURRENT DATE</u>	<u>REVISED DATE</u>
Public Counsel and ICNU – Testimony and Exhibits Reply to Multi-party Settlement	October 15, 2008 (Cross-answering testimony)	October 15, 2008
Settling Parties’ Testimony in Rebuttal to Public Counsel and ICNU Reply	October 15, 2008 (Rebuttal/Cross- answering testimony_	October 27, 2008
Prehearing Conference	November 24, 2008	November 3, 2008
Evidentiary Hearing	December 1-3, 2008	November 6-7, 2008
Simultaneous Briefs	December 23, 2008	November 24, 2008
Suspension Date	February 4, 2009	February 4, 2009