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BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND TRANSPORTATION )  
 COMMISSION, )  
           Complainant, )  
           vs. ) Dockets UE-110876  
 AVISTA CORPORATION d/b/a AVISTA ) and UG-110877  
 UTILITIES, ) (Consolidated)  
           Respondent. ) Pages 72-84

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SETTLEMENT HEARING, VOLUME III

Pages 72-84

ADMINISTRATIVE LAW JUDGE DENNIS MOSS

10:05 A.M.

NOVEMBER 8, 2011

Spokane City Council Chambers  
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Spokane, Washington

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1 SPOKANE, WASHINGTON; NOVEMBER 8, 2011

2 10:05 A.M.

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5 P R O C E E D I N G S

6

7 JUDGE MOSS: Good morning, everyone. My name is  
8 Dennis Moss. I'm an administrative law judge with the  
9 Washington Utilities and Transportation Commission.

10 Some of you are known to me and know me, but we  
11 will nevertheless begin our proceedings in the manner styled  
12 WUTC against Avista, dockets UE-110876 and UG-110877,  
13 consolidated, by taking appearances. So let's start with  
14 Mr. Meyer.

15 MR. MEYER: Your Honor, appearing on behalf of  
16 Avista is David Meyer, and my particulars are of record.

17 JUDGE MOSS: Yes. Yes. We will take the short  
18 form this morning. Let's go ahead and get in Mr. Trotter.

19 MR. TROTTER: Do you want me to use the  
20 microphone, your Honor, or can you hear?

21 JUDGE MOSS: I suppose it would be a good idea for  
22 us to get in the habit of using the microphones, yes. Are  
23 there microphones out there where you are, Mr. Meyer?

24 MR. MEYER: There are not.

25 JUDGE MOSS: We'll have to figure something about

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1 that.

2 MR. TROTTER: We can pass them around. Donald T.  
3 Trotter. I'm assistant attorney general representing the  
4 Washington Utilities and Transportation Commission.

5 JUDGE MOSS: I believe public counsel is sitting  
6 behind you there.

7 MS. SHIRLEY: Thank you, your Honor. Sarah  
8 SHIRLEY, Assistant Attorney General for Public Counsel.

9 JUDGE MOSS: Pass it along to Mr. Sanger and just  
10 carry across the room, please.

11 MR. SANGER: Irion Sanger. That's I-r-i-o-n,  
12 Sanger, S-a-n-g-e-r. Appearing on behalf of the industrial  
13 customers of Northwest Utilities, ICNU.

14 MR. BROOKS: Good morning. My name is Tommy  
15 Brooks, and I'm appearing on the behalf of the Northwest  
16 Natural Gas Users.

17 JUDGE MOSS: Welcome, Mr. Brooks.

18 MR. ROSEMAN: Hello. Good morning. My name is  
19 Ronald Roseman, R-o-s-e-m-a-n. And I'm appearing on behalf  
20 of the Energy Project.

21 MR. TRUE: Todd True, your Honor, on behalf of the  
22 Northwest Energy Coalition.

23 JUDGE MOSS: Welcome. Are there any others who  
24 wish to enter appearances this morning in the hearing room?  
25 Apparently not.

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1           I understand that we do have a speaker phone in  
2 the room, but I don't think anyone is on it presently. We  
3 don't have the conference bridge line facility that we have  
4 in Olympia, so we -- I'm not going to ask for appearances in  
5 that fashion.

6           Judge Friedlander I think will be listening in on  
7 that bridge -- on that conference line this afternoon, but  
8 we will make her get off if we need to call Mr. Ebert, for  
9 example, or utilize it in some other information.

10          I am told that there is limited access to the  
11 Ethernet or Internet cloud or whatever it is. So for those  
12 of you who wish to try that, you can. I'll be trying it  
13 later.

14          All right. The purpose of our hearings today is  
15 twofold. One is that we will have a settlement hearing, the  
16 one Mr. Meyer referred to off the record a moment ago as a  
17 technical hearing, what I will refer to as an evidentiary  
18 hearing. We will do that this afternoon beginning at 2:30  
19 in this room. And that will carry through as late as 5:00.

20          However, we also are here for purposes of  
21 conducting public comment hearings so that we can hear from  
22 members of the public, rate payers in particular, who may  
23 have an interest and wish to convey that interest to us  
24 through their oral comments.

25          And of course, we have received written comments

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1 in connection with this case, which will become part of the  
2 record.

3 So we will break this session here shortly and  
4 travel to Spokane Valley. And in the council chambers  
5 there, we will hold our first public comment hearing of the  
6 day. And that is scheduled from noon to 1:30.

7 And then, as I mentioned, we will be returning  
8 here by 2:30 to commence the evidentiary proceedings. And  
9 we'll break by 5:00 for one hour.

10 And then at 6 o'clock, again in this room, we will  
11 have a second public comment hearing today. And that's  
12 scheduled to go as late as 7:30.

13 As you all know or many of you know, it -- the  
14 length of the public comment hearings depends on how many  
15 members of the public turn out and wish to speak. And so we  
16 might go the full time or we might break early.

17 Tomorrow, if we need to, we will convene here  
18 early. I'll know that by the end of today at 5:00 or  
19 before. And if we need to continue in the morning, I'll set  
20 a time that works, taking into consideration that we need to  
21 be in Pullman by noon tomorrow for our third public comment  
22 hearing. And that's scheduled from noon to 12:30 in the  
23 Pullman council chambers.

24 And presumably after that we will all go our  
25 separate ways to our respective businesses or homes or what

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1 have you. So that's our basic plan.

2 I would like to take care of a few preliminary  
3 matters this morning, and if you all remind me if I miss  
4 any. One is, as I read the file -- I understand that you,  
5 the parties wish to stipulate in the pre-file direct  
6 testimony exhibits that were submitted as part of this  
7 filing. Is that correct?

8 MR. MEYER: That is correct, your Honor.

9 JUDGE MOSS: Okay. I have prepared an exhibit  
10 list. It lists -- well, I shouldn't say that. Judge  
11 Friedlander prepared an exhibit list that I believe contains  
12 a list of those, and I'll provide them to the court  
13 reporter.

14 THE REPORTER: I'm sorry?

15 JUDGE MOSS: You looked puzzled. I wanted to make  
16 sure you got the record. You're okay? Okay. Good. All  
17 right. So I will provide that to the parties and to the  
18 court reporter by e-mail after we finalize it today.

19 In addition to those exhibits -- and I assume that  
20 there is no objection to them or any of them? Hearing no  
21 objection, they will be admitted as marked.

22 In addition we have the settlement stipulation the  
23 parties filed, and we will mark that as Joint Parties  
24 Exhibit 1. And we also have joint direct testimony of Kelly  
25 O. Norwood for Avista, Thomas E. Schooley for Commission



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1 staff, Donald W. Schoenbeck for ICNU and Northwest  
2 Industrial Gas Users, Lea Daeschel for Public Counsel, and  
3 Charles M. Ebert for the Energy Project. And that will be  
4 Joint Parties Exhibit 2.

5 Are there any other exhibits we need to mark? And  
6 we need to save a place for the public comments, and that  
7 will -- if there's no other joint exhibits, that will be  
8 Joint 3. We'll append, but we'll get that later.

9 Okay. So with that -- and those, of course, I'm  
10 sure will be admitted without objection. All of our  
11 witnesses are not present this morning. So although I'd  
12 planned to swear them this morning, we won't do that.

13 This afternoon when we reconvene at 2:30, I think  
14 the best plan will be to just have the witnesses come up  
15 here, and we'll swear them and begin our proceedings.

16 As I understand it, the parties do not anticipate  
17 the need for opening statements, but we will consider the  
18 preferences the commissioners may have in that regard, and  
19 I'll let you know this afternoon.

20 I want to make one comment about what we're here  
21 for today in terms of our more substantive proceedings, but  
22 also, of course, in the sense for the public comment  
23 hearings.

24 This is a proceeding now about the settlement  
25 that's been filed. It is comprehensive, with the exception

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1 of one issue that we call, for lack of a better description,  
2 decoupling.

3 That aspect of the case or that issue will be  
4 heard on its own schedule, which I understand as of  
5 yesterday was still being worked out. So that's something  
6 that we'll handle separately. I won't be mentioning it  
7 again in these next two days.

8 I also want to remark that I understand, and the  
9 commissioners understand, that some parties do not  
10 affirmatively agree to every detail in the settlement, but  
11 that no parties oppose any part of the settlement.

12 I don't see the need to say anything more about  
13 that or hear anything from the parties about that, either.  
14 I realize there may be some fine points, and you will want  
15 to stand up and say, "Well, we don't agree with that  
16 particular point." Well, that's not necessary. We're aware  
17 of it and we will, of course, have it in mind as we consider  
18 what to do in this case.

19 Are there any questions or any other matters of  
20 business the parties would like to bring forth as a  
21 preliminary issue now or a question?

22 MR. MEYER: Yes, your Honor. Where's the  
23 microphone?

24 JUDGE MOSS: I believe you did indicate there was  
25 a correction to the testimony.

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1           MR. MEYER: Right. We have a very minor  
2 housekeeping matter. And we could defer this until the  
3 commissioners are here so they could make the one edit in  
4 their books, if you like.

5           JUDGE MOSS: That would make sense.

6           MR. MEYER: Let's do it then, because it's just a  
7 wording change.

8           JUDGE MOSS: Let's do that. Remind me.

9           MR. TRUE: Your Honor, I do have one procedure.

10          JUDGE MOSS: Come up to the mic.

11          MR. TRUE: Just -- Todd True for Northwest Energy  
12 Coalition. You mentioned the schedule for the decoupling  
13 proceedings, and we received an e-mail this morning with  
14 some suggested dates for those hearings.

15                 We have conferred here, and I believe there's an  
16 agreement that the dates January 30th and 31st are good  
17 dates for us. I would only add that I'm out of the country  
18 the February dates. So if it's possible to do those January  
19 dates, the Energy Coalition would appreciate it.

20          JUDGE MOSS: Okay. And I would imagine that  
21 e-mail came to you from Judge Friedlander?

22          MR. TRUE: It did indeed.

23          JUDGE MOSS: Well, I would say communicate back  
24 with her that that's what you all wish to do, and she will  
25 be handling that scheduling matter.

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1           MR. TRUE: Okay. Then we have a resolution on the  
2 discovery issue as well, and I will communicate that with  
3 her as well.

4           JUDGE MOSS: That would be appreciated. Thank you  
5 very much. Okay. All right. Anything else? All right.  
6 Well, thank you all very much for being here this morning so  
7 we could get the preliminary matters out of the way. And we  
8 will be breaking now until 2:30 this afternoon. We'll see  
9 you all back here at that time.

10           (The proceedings were concluded at 10:16 AM.)

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1                   C E R T I F I C A T I O N.

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3   STATE OF WASHINGTON

4   COUNTY OF KING

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6                   I, Kathleen Hamilton, a Certified Shorthand  
7   Reporter and Notary Public in and for the State of  
8   Washington, do hereby certify that the foregoing transcript  
9   of the settlement hearing on NOVEMBER 8, 2011, is true and  
10   accurate to the best of my knowledge, skill and ability.

11                   IN WITNESS WHEREOF, I have hereunto set my hand and  
12   seal this 17TH day of NOVEMBER, 2011.

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KATHLEEN HAMILTON, RPR, CRR, CCR

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19   My commission expires:

20   APRIL 2014

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