## Docket Nos. UE-220053 and UG-220054 (Consolidated) Vol. II

## WUTC v. Avista Corporation

February 28, 2022

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## BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND ) DOCKETS UE-220053 and TRANSPORTATION COMMISSION, ) UG-220054

Complainant, )
vS.
AVISTA CORPORATION, d/b/a
)
AVISTA UTILITIES,
Respondent.

VIRTUAL PREHEARING CONFERENCE
VOLUME II
Pages 42-70
ADMINISTRATIVE LAW JUDGE ANDREW J. O'CONNELL

Washington Utilities and Transportation Commission
621 Woodland Square Loop Southeast Lacey, Washington 98503
(All participants appeared via videoconference.)

DATE TAKEN: FEBRUARY 28, 2022
REPORTED BY: ROSE DETLOFF, RPR, CCR \#21036100

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1:36 p.m.
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PROCEEDINGS

JUDGE O'CONNELL: Let's be on the record.
Good afternoon. The time is approximately
1:30 p.m. My name is Andrew O'Connell. I am an
administrative law judge with the Washington Utilities and Transportation Commission, and I'll be presiding in this matter along with the Commissioners.

We are here today for a second virtual
prehearing conference in Avista's 2022 general rate case, which is consolidated Dockets UE-220053 and UG-220054.

Okay. Let's take appearances on the record, starting with the Company.

MR. MEYER: Good afternoon, Your Honor.
David Meyer on behalf of Avista.
JUDGE O'CONNELL: Thank you.
And for Staff?
MS. CAMERON-RULKOWSKI: Good afternoon, Your
Honor. Jennifer Cameron-Rulkowski, Assistant Attorney General, appearing on behalf of Staff.

And with me today is Jeff Roberson, also

Assistant Attorney General.
JUDGE O'CONNELL: Thank you.
And for Public Counsel?
MS. SUETAKE: Good afternoon. Nina Suetake, Assistant Attorney General for Public Counsel Unit.

And today, I'm joined by Assistant Attorney General, Ann Paisner.

JUDGE O'CONNELL: Thank you.
For the Alliance of Western Energy Consumers?
MR. PEPPLE: Good afternoon, Judge
O'Connell. Tyler Pepple for the Alliance of Western Energy Consumers.

JUDGE O'CONNELL: Thank you.
For Northwest Energy Coalition?
MR. SANGER: Irion Sanger, appearing on
behalf of the Northwest Energy Coalition.
JUDGE O'CONNELL: Thank you.
For The Energy Project?
MR. ZAKAI: Good morning, Your Honor. Yochi
Zakai with Shute Mihaly \& Weinberger, appearing on behalf of The Energy Project.

JUDGE O'CONNELL: And for the Sierra Club? MS. SMITH: Gloria Smith, for Sierra Club. JUDGE O'CONNELL: Thank you.

For Small Business Utility Advocates?

MR. WINMILL: Hi, Your Honor. Jeff Winmill on behalf of Small Business Utility Advocates.

JUDGE O'CONNELL: Thank you.
And for Walmart?
MS. BALDWIN: Thank you. This is Vicki
Baldwin on behalf of Walmart.
JUDGE O'CONNELL: Thank you.
I mentioned briefly before we went on the record that there were three things $I$ wanted to address at this conference.

First, I want to address Walmart's late-filed petition to intervene. I want to then address paper copies of filings in this case with new direction. And last, I wanted to discuss intervenor funding and set certain finite deadlines for those items.

So first, regarding Walmart, I have reviewed Walmart's petition, and I am also aware that Walmart has a history of participating in general rate cases before the Commission. The Commission received responses from Avista and Staff to Walmart's late-filed petition to intervene. Neither objected to Walmart's intervention.

Before I make a decision, does any party want to be heard regarding Walmart's petition?

MR. ZAKAI: Your Honor, The Energy Project does not object to Walmart's intervening.

JUDGE O'CONNELL: Thank you Mr. Zakai.
Okay. Hearing no objection from any of the parties, I'm going to grant Walmart's petition to intervene and memorialize that decision in the prehearing conference order.

I am also going to update the contact list that was contained in Appendix A to the first prehearing conference order with the contact information for Walmart as well as certain corrections to any of the e-mails that were contained in that list. And if there are any corrections that need to be made that I've not already been made aware of, please e-mail me and let me know.

Next, I want to address paper copies in this case. In the prehearing conference order, there was confusion about when the Commission will require paper copies to be filed in this docket. Thank you, Mr. Zakai and Ms. Suetake, for pointing that out for me. And in the e-mails with the parties as recently as this morning, I had indicated to you that paper copies would be required only for testimony and exhibits. I'm going to alter that guidance again today.

The Commission has been moving away from paper copies for some time, and now for this case, the Commission will not be requiring the filing of any paper

1 copies. And I will memorialize that decision in the 2 second prehearing conference order as well.

My understanding is that this will be consistent with other general rate cases going on at this time. And I do think there's value to having the same filing requirements across the proceedings that are going on at the same time, especially given the size and importance of both of the cases.

Are there any questions regarding paper copies or filing requirements of any kind?

Okay. Now I'll move on to the schedule for intervenor funding filings. I want to -- I think I understand the deadlines that need to be set and the filings to expect from the parties, but I do believe that -- even though I have reviewed the intervenor funding agreement and the Commission order approving that agreement, I want to hear from the parties to make sure that $I$ haven't missed anything and that we are addressing everything that we need to at the correct time.

Now, my understanding is that a number of the deadlines become triggered when the Commission takes action. So, for example, the budget -- the filing of budgets is to be filed 30 days after the Commission makes the decision on case certification.

Let me back up a step, and I apologize for jumping ahead of myself.

In the agreement, it says that case certification and the notice from the parties should be filed with the Commission by the prehearing conference or at a date and time specified by the Commission because it allows that flexibility for the Commission to establish a different deadline than the prehearing conference. In this case, I intend to set a future date not too far in the future for the filing of case certification and notices from the parties.

I'm also aware that the PSE general rate case is occurring concurrently, and they're going to be similar filings in both cases. I want to make sure that we keep this case on track, and because Avista's case was filed first, I want to give some separation in the time of deadlines between when things are filed in this case and when things will be filed in the PSE general rate case.

So my thinking and my -- I'd like to ask the parties if it is reasonable to set a deadline date of one week from today, next Monday, as a filing deadline for case certification and notices from the parties.

Let me first start with -- I would like to hear from the Company, Mr. Meyer. Perhaps I should ask the

1 parties who expect to be making these filings if that 2 amount of time would be sufficient. of this week. So it would be good if we could get to

1 the middle of next week to be able to gather everything

JUDGE O'CONNELL: Okay, thank you.
Okay. For the Alliance of Western Energy Consumers, Mr. Pepple?

MR. PEPPLE: Well, Judge, as you noted, we've already filed. So we'll defer to other parties in terms of what they believe is reasonable.

JUDGE O'CONNELL: Okay, thank you.
For the Sierra Club, Gloria?
MS. SMITH: Thank you, Your Honor.
Sierra Club won't be seeking intervenor
funding.
JUDGE O'CONNELL: Okay, thank you.
And for Small Business Utility Advocates, Jeff?
MR. WINMILL: Hi, Your Honor.
Yes, next week is appropriate. We're also prepared to file today as necessary.

One thing that we would notice -- that maybe like, I think, Sierra Club -- we are still attempting to identify experts among other things. So I guess that will be addressed in the budget that's due 30 days following the certification.

But nonetheless, we're prepared to file by next
week.
JUDGE O'CONNELL: Thank you.
Yes, my understanding is that there's an expectation the Commission will try to issue a decision within 14 days after receiving the case certification and notices from the parties. And then once the Commission makes that determination, it will trigger a 30-day window for the filing of the budgets.

MR. WINMILL: Thank you.
JUDGE O'CONNELL: Yes, thank you.
And I'm saying this out loud in the hopes that if I'm mistaken, that someone is going to correct me.

MR. ZAKAI: Yes, Your Honor, if you'd like to --

JUDGE O'CONNELL: Go ahead, Mr. Zakai.
MR. ZAKAI: Thank you, Judge O'Connell.
Yeah, as $I$ read the Participant Funding Agreement, Section 6.3, the deadline is 30 days after the prehearing conference by default. But if no prehearing conference is held, then the deadline is 30 days after the Commission decides on the request for case certification.

Of course the agreement also preserves the Commission's discretion to set any other date as the Commission designates. And in this particular

1 circumstance, TEP thinks it would be reasonable to set
2 the date as 30 days after the Commission decides on case

And then after that, there's a 14-day period within which the Commission should act on those -- on

1 that petition and notice of intent. And then $I$ think a
2 fair reading of the agreement -- as was just

And leaving aside for a moment changes to the budget or interim funding, when the case concludes, then there's a period of time within which -- and I think

1 it's 60 days -- in which parties must submit their
2 request for funding. And that request for funding will
3 contain all of the documentation of what they actually 4 spent, not what they proposed to spend. And that gets 5 reviewed for items following -- which then, you issue an 6 order approving that itemized budget, and then we pay 7 according to that order. anyone on the spot. I am just trying to plan for what $I$

1 need to make sure is on my radar.

So yes, please, Mr. Pepple, go ahead. MR. ZAKAI: I'm happy to defer to

Mr. Pepple. Thank you.
MR. PEPPLE: So my understanding is you would not need to put anything in the final order for the case.

Essentially, how it works is that parties will submit the proposed budget, as Mr. Meyer said. The Commission will rule on that proposed budget, but that does not authorize any funding at that point. It's only at the end of the case, within 60 days after the final order has become nonappealable, the party will submit a request for payment, and then they will itemize all of those expenses.

And then after receiving the request for payment, then the Commission would issue an order either approving or denying the request. So that would be a separate order.

JUDGE O'CONNELL: Okay. So I think -- and I'm going to open up for anyone who would like to be heard in just a moment.

But I think my next step is to include in the second prehearing conference the filing deadline for case certification and notice of intent. And I'm going

1 to take the recommendation that $I$ set that deadline for

1 to overlap and not to spend, you know -- let me start 2 over.

1 topic that was mentioned -- that the parties were going 2 to cooperate.

Is there, in the agreement, language that requires such cooperation, Mr. Meyer? I'm asking because $I$ don't recall and I'd like to ask.

MR. MEYER: Yeah, that's a fair question. I'm just going through it now.

MR. ZAKAI: If I may assist, Your Honor. JUDGE O'CONNELL: Yes, Mr. Zakai.

MR. ZAKAI: Yes, Your Honor. Section 6.6 of the agreement asks for parties to cooperate including before submitting proposed budgets. I think that it's adequately -- the need for cooperation is adequately included in the agreement.

Commission direction is always welcome, but if you do not feel so inclined to provide that, the agreement already includes sufficient encouragement. JUDGE O'CONNELL: Okay. Thank you.

Well, we've covered everything that I had intended to bring up for the parties to be heard about.

But I want to open the discussion up to the parties for if there's anything else that we should discuss as it regards to intervenor funding at this second prehearing conference.

MR. WINMILL: Your Honor, Jeff Winmill, on

1 behalf of SBUA.

JUDGE O'CONNELL: Go ahead, Jeff.
MR. WINMILL: I had a question that perhaps may be -- I don't know if you could answer, Your Honor, or perhaps some of the other parties.

But SBUA is not currently a signatory to the interim funding agreement that was approved by the Commission or -- and it looks like filed in this docket.

Would the appropriate thing to do, then, for SBUA to file a signature page to that agreement in this docket, or perhaps in a different one? Does that make sense?

JUDGE O'CONNELL: Yes, I understand your question.

The only thing $I$ know for sure is that, yes, you should submit a signature page. I think it would be sufficient for you to submit in this docket. However, the intervenor funding agreement was approved in another docket.

MR. WINMILL: Yeah, that's my question.
JUDGE O'CONNELL: Let me turn to Mr. Meyer.
My understanding from listening to the open meeting was that the updated agreement and updated signature pages were submitted in that docket that was addressed at the open meeting; is that correct?

MR. MEYER: That is correct. The reason I submitted last Friday what I had in hand was to make sure that in this docket, this rate case docket, there was something of record informing you and all the parties of their obligations. I just recommend that you file your signature page in both dockets at this point.

Next time around, when we have a little more experience, then maybe the parties can just have one on file with the underlying intervenor funding agreement. MR. WINMILL: That's perfect. Thank you, David.

JUDGE O'CONNELL: Thank you, Mr. Meyer.
MR. ZAKAI: Your Honor, if I could address this issue as well.

JUDGE O'CONNELL: Please go ahead, Mr. Zakai.

MR. ZAKAI: Yes. At least I think from The Energy Project's perspective, we contemplated that all signatory pages would be in the generic docket only, and that the funding agreement itself only needs to be in the generic docket only. And then the Commission's order can reference that docket which approved the participant funding agreement and has all those filings.

From a practical perspective, I would encourage the Commission and parties to think about what it means

1 to have such an agreement and signature pages filed in each general rate case before it, and for the purposes of administrative efficiency, that might not be necessary. Thank you.

JUDGE O'CONNELL: Thank you, Mr. Zakai.
That makes good sense to me to keep it all in that one generic docket.

So for SBUA, Jeff, please do -- if you sign -if you were to submit the signature page, please include it in that generic docket.

MR. WINMILL: Will do, sir.
JUDGE O'CONNELL: Okay.
Okay. Is there anything --
MR. MEYER: Your Honor?
JUDGE O'CONNELL: Mr. Meyer.
MR. MEYER: And that resolution is just fine by me, but if -- and it's really -- it's not a matter of a special concern to Avista, but there are parties, even in this case, that may not have been parties to that generic docket. And they may want to -- so they won't be served with a petition by any other party in the generic case -- or not petition, but a signature page in the generic case.

If that matters that they are not aware of another signature page being filed in the generic case,

1 then we're just fine. I just wanted to avoid confusion,
2 because keep in mind not everyone was involved in that
3 generic case.

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MR. ZAKAI: Your Honor, if I may respond. JUDGE O'CONNELL: One moment.

I think you both make a lot of sense. Before Mr. Zakai -- before we go around again, I'd like to ask if there are any other parties who want to be heard regarding where this is properly filed so that everyone is aware of who is requesting intervenor funding and who has submitted pages.

Okay. Mr. Zakai?
One moment. Ms. Suetake, thank you.
MS. SUETAKE: You know, I had been concerned about this at the outset of intervenor funding proceeding, so thank you for raising it here.

Is there -- and I think it needs a larger fix at some point. But in the interim, would it be possible for the parties to file in both places? Or does that not work? I'm not sure. Or serve -- sorry, serve -- on both this docket and file it in the other proceeding. JUDGE O'CONNELL: Okay, thank you.

Mr. Zakai?
MR. ZAKAI: Thank you, Your Honor.
When parties request case certification and

1 file their notice of intent to request their fund grant, 2 the agreement requires that that document be served on 3 all parties in the proceeding.

But in the agreement before this Commission here in Washington State, I don't see that requirement to show the signature page.

JUDGE O'CONNELL: Before we go to you
Mr. Pepple, Mr. Meyer, it was your original suggestion that we ask the parties to file a signature page in both dockets. I don't recall seeing a requirement for the signature page to be filed along with case certification, but I'm going to wonder out loud for the parties whether it wouldn't be appropriate to have that included along with the request for case certification.

So I would like to hear from the parties, and Mr. Meyer, can you please go first.

MR. MEYER: Oh, okay. I think we're making this harder than we need to, and maybe a couple of iterations into this as we get more practice with this, we can decide how we want to work it.

But for -- I think it's very easy just to file that one signature page in both dockets. That way we can all keep track of who's in and who's not, and we don't have to wait around to figure that out until we check both dockets.

So either way, it will work. It really will. But it just seems to me it would be pretty easy to do it in both for this case and be done with it.

JUDGE O'CONNELL: Thank you.
Mr. Pepple, would you like to be heard?
MR. PEPPLE: No, not particularly. I generally agree with Mr. Meyer. I think, you know, this probably isn't a huge issue either way.

JUDGE O'CONNELL: Okay. Thank you.
Is there anyone else who wants to be heard?
Okay. I am planning not to make any additional requirements. I would expect that the parties file a signature page, for now, in both dockets. I think that this is something that can be worked out as we have more cases that will be part of intervenor funding. But for now, please just -- to cover all bases, please submit a signature page in both dockets.

And I'm going to issue a prehearing conference order setting a deadline for next Wednesday for the filing of case certification and notices from those seeking or planning to seek intervenor funding. And I will make clear when the proposed budgets are going to be due, and that will be 30 days after the Commission makes a decision on case certification.

Is there anything else that we need to discuss today?

MR. PEPPLE: Judge O'Connell, sorry, just one final question, not to belabor this longer.

So are you requesting that parties who already signed the agreement file their signature pages in this docket, too? Or is it just new signatories?

JUDGE O'CONNELL: Thank you for the clarification. Good question. I had only intended for those parties who have not already signed.

MR. PEPPLE: Okay.
JUDGE O'CONNELL: So if there are any new signatories, please submit them in both dockets.

Okay. Is there anything else from the parties?
Okay. Then we will adjourn for today. I will
issue an order soon.
We are adjourned. Thank you very much. (Hearing adjourned at 2:13 p.m.)

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STATE OF WASHINGTON
COUNTY OF KING

I, Rose Detloff, a Certified Court Reporter in and for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill and ability.


ROSE DETLOFF, RPR, CCR \#21036100

My commission expires:
DECEMBER 6, 2022

