

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION.	)	
	)	DOCKET NO. UG-041515
Complainant,	)	
	)	
v.	)	Joint Motion of Avista Corporation,
	)	and the Staff of the Washington
	)	Utilities and Transportation
AVISTA CORPORATION, D/B/A	)	Commission for Early
AVISTA UTILITIES,	)	Implementation of Settlement Rates
	)	
	)	
Respondent.	)	
.....	)	

1. COMES NOW, Avista Corporation (“Avista” or the “Company”), and the Staff of the Washington Utilities and Transportation Commission (“Staff”), by and through their undersigned attorneys, and respectfully moves this Commission for an order allowing for the implementation of “Settlement Rates” (discussed below) on November 1, 2004, in the event the Commission has yet to finally approve the proposed Settlement Agreement.

2. This motion is brought pursuant to WAC Section 480-07-375 and the relief requested is within the Commission’s authority, insofar as it is necessarily incident to the exercise of the Commission’s express statutory authority to regulate the rates of jurisdictional utilities.<sup>1</sup>

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<sup>1</sup> Northwest Industrial Gas Users has advised joint movants that it does not oppose this motion.

3. On Friday, October 15, 2004 (coincident with the filing of this Joint Motion), the Company, Staff and NWIGU filed with this Commission a three-party Settlement Agreement which, subject to Commission approval, would resolve all issues in this docket for the signing parties. The Settlement provides for an increase in revenue of \$5.377 million (as compared with the Company's initial request of \$8.6 million). The parties to the Settlement, in arriving at a revenue requirement, have utilized only "Commission-basis" adjustments made in conformance with prior Commission orders, and have eliminated all proforma adjustments.<sup>2</sup> Other provisions addressing rate design and rate spread are as set forth in Settlement.<sup>3</sup> The Office of the Attorney General ("Public Counsel") and the Energy Project/Opportunity Council have not entered into the Settlement Agreement.

4. Tariffs designed to effectuate this increase in revenue requirement would become effective on November 1, 2004, in order to coincide with the effective date of Avista's proposed Purchased Gas Cost (PGA) adjustment, now pending before the Commission.

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<sup>2</sup> As stated in WAC 480-90-208 (2), the "intent of the 'commission basis' report is to depict the gas operations of a utility under normal temperature and gas supply conditions during the reporting period." Accordingly, the commission basis report includes booked results of gas operations and rate base, and all the necessary adjustments as accepted by the commission in the utility's most recent general rate case or subsequent orders, adjusted for out-of-period, nonoperating, nonrecurring, and extraordinary items, and which reflect operations under normal temperature conditions. Commission basis reports do not include adjustments that otherwise "annualize price, wage, or other cost changes during a reporting period, or new theories or approaches that have not been previously addressed and resolved by the commission." Id.

<sup>3</sup> Staff and NWIGU have completed their review of the filing and associated documentation and workpapers, which included an on-site audit by Staff during the week of September 27<sup>th</sup>. The Company has repeatedly offered to respond to any requests for discovery on an expedited basis. A Settlement Conference was held on October 5, 2004, which was attended by all participants in this proceeding, and afforded the further opportunity to discuss the issues and for the Company to respond to any questions. Drafts of the Settlement Agreement have been circulated, as well, to all parties in these proceedings.

5. The November 1 implementation date for settlement rates is an essential element of the Settlement Agreement. As noted, such a date would coincide with the proposed effective date of Avista's PGA now pending before the Commission and would serve the intended purpose of providing increased revenues to the Company on a timely basis. Moreover, in exchange for an earlier implementation of the rates proposed in the settlement, Avista is forgoing its opportunity to advocate for the rates under suspension in this docket. As part of this process, all proforma adjustments were eliminated and only standard "Commission-basis" adjustments remained.
  
6. In the event the Commission approves the Settlement Agreement prior to November 1, 2004, and allows rates to go into effect on November 1, this motion becomes moot. If, however, the Commission should decide to not act on the Settlement until such time as it has allowed for additional process, then joint movants request, by this motion, that the rates nevertheless be put into effect on November 1, 2004, subject to refund, until such time as the Commission does ultimately act on the Settlement. Accordingly, the request to put the rates into effect subject to refund will accommodate not only the provisions of the Settlement Agreement, but will also protect the interests of affected customers in the event the Commission should later reject the terms of the Settlement. In acting on this Joint Motion, movants request the Commission consider not only the arguments set forth herein, as well as the Settlement Agreement on file with the Commission, but also the testimony to be presented at the time of the October 22<sup>nd</sup> hearing set for the purpose of entertaining the Settlement Agreement.
  
7. In granting this Joint Motion, the movants respectfully request the tariffs designed to implement the settlement rates, appended as Attachment C to the Settlement Agreement, be accepted for purposes of the Company's compliance filing necessary to implement the Settlement Agreement as of November 1, 2004.

8. Finally, pursuant to WAC 480-07-110, movants request any such waivers as may be appropriate, including, but not limited to, the notice provisions of WAC 480-07-740. Any such waiver would be in the public interest, for the reasons set forth above and presented in testimony at the October 22<sup>nd</sup> hearing on the Settlement.

Respectfully Submitted this 15<sup>th</sup> day of October 2004.

Company:

By: \_\_\_\_\_

David J. Meyer  
VP, Chief Counsel for Regulatory and  
Governmental Affairs

Staff:

By: \_\_\_\_\_

Gregory J. Trautman  
Assistant Attorney General  
Counsel For Commission Staff