

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, D/B/A
AVISTA UTILITIES,

Respondent.

DOCKETS UE-160228 and
UG-160229 (*Consolidated*)

ORDER 03

PREHEARING CONFERENCE
ORDER; NOTICE OF HEARING
(Set for October 12, 2016)

- 1 **NATURE OF PROCEEDING.** On February 19, 2016, 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-160228 and revisions to its currently effective Tariff WN U-29, Natural Gas Service in Docket UG-160229 designed to effect a general rate increase for electric and natural gas service. The as-filed tariff sheets included a stated effective date of March 21, 2016.
- 2 Avista requests authority to increase charges and rates for electric service by approximately \$38.6 million, or 7.6 percent in billed rates, effective January 1, 2017, and requests an overall increase in electric base revenues of \$10.3 million, or 3.9 percent, to become effective January 1, 2018. Avista also requests authority to increase rates for natural gas service by approximately \$4.4 million, or 2.8 percent in billed rates, effective January 1, 2017, and is proposing a second-step natural gas revenue increase of \$0.9 million, or 1 percent in billed rates, effective January 1, 2018. The Commission suspended operation of the tariffs and consolidated the dockets for hearing by Order 01, entered on March 7, 2016.
- 3 **CONFERENCE.** The Commission conducted a prehearing conference in these dockets at Olympia, Washington, on March 23, 2016, before Administrative Law Judges Dennis

J. Moss and Rayne Pearson whom the Commission has designated as co-presiding officers in this proceeding.

4 **PARTY REPRESENTATIVES.** David J. Meyer, Vice President and Chief Counsel for Regulatory and Governmental Affairs, Spokane, Washington, represents Avista. Lisa W. Gafken, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel). Patrick J. Oshie, Jennifer Cameron-Rulkowski, Brett P. Shearer, and Andrew O'Connell, Assistant Attorneys General, Olympia, Washington, represent the Commission's regulatory staff (Staff).¹

5 Jesse E. Cowell, Davison Van Cleve, P.C., Portland, Oregon, represent the Industrial Customers of Northwest Utilities (ICNU). Chad M. Stokes and Tommy A. Brooks, Cable Huston, Portland, Oregon, represent the Northwest Industrial Gas Users (NWIGU). Ronald L. Roseman, attorney, Seattle, Washington, represents The Energy Project. Contact information provided at the conference for the parties' representatives is attached as Appendix A to this order.

6 **PETITIONS FOR INTERVENTION.** The following organizations filed petitions to intervene:

ICNU
NWIGU
The Energy Project

7 No one objected to the petitions to intervene. The Commission finds that the petitioners each demonstrated their substantial interest in this proceeding and that their participation will be in the public interest. The petitions to intervene are granted.

8 **CONSENT TO ELECTRONIC SERVICE.** All parties have agreed to service electronically. The Commission, therefore, may serve only electronic copies of notices and orders in this docket to the party and representative email addresses on file with the Commission.

¹ In formal proceedings, such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See*, RCW 34.05.455.

- 9 **PROTECTIVE ORDER.** Avista requested that the Commission enter a protective order in this docket under RCW 34.05.446, RCW 80.04.095, WAC 480-07-420 and WAC 480-07-423 to protect the confidentiality of proprietary information. The Commission granted Avista's request and entered Order 02 Protective Order, on March 9, 2016.
- 10 **DISCOVERY.** Discovery will continue pursuant to the Commission's discovery rules, WAC 480-07-400 – 425. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution.
- 11 **PROCEDURAL SCHEDULE.** The parties agreed to a procedural schedule at the prehearing conference. The Commission adopts this procedural schedule, which is attached to this Order as Appendix B.
- 12 The parties agreed to a shortened response time of seven business days for data requests received on or after August 17, 2016. The response time is shortened further to five business days for data requests received from September 19, 2016, through the close of discovery on September 26, 2016.
- 13 **EXHIBITS FOR CROSS-EXAMINATION.** Parties are required to file with the Commission and submit electronically all proposed cross-examination exhibits on **October 6, 2016**. The Commission requires **six** copies of the fully unredacted version of exhibits. The Commission also requires 1 copy of a redacted set of any confidential or highly confidential exhibits so that these can be made available by the Commission in response to a public records request or posted to the Commission's web pages.
- 14 **NOTICE OF HEARING.** The Commission will hold an evidentiary hearing in these dockets beginning **October 12, 2016 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. The hearing will continue until from day to day thereafter, or as otherwise scheduled, until completed. The Commission may alter this schedule by subsequent notice.
- 15 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file an original plus **6** copies of all pleadings, motions, briefs, and other prefiled materials. These materials must conform to the format and publication guidelines in WAC 480-07-395 and WAC 480-07-460. The Commission prefers that materials be three-hole punched with *oversized* holes to allow easy handling. The Commission may require a party to refile any document that fails to conform to these standards.

- 16 All filings must be mailed or delivered to the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W. Olympia, Washington 98504-7250. Both the post office box and street address are required to expedite deliveries by the U.S. Postal Service.
- 17 An electronic copy of all filings must be provided through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail delivery to records@utc.wa.gov. Alternatively, parties may furnish an electronic copy by delivering with each filing a DVD, CD, or flash drive including the filed document(s). Parties must furnish electronic copies in MS Word 6.0 (or later) supplemented by a separate file in .pdf (Adobe Acrobat) format. Parties must follow WAC 480-07-140(5) in organizing and identifying electronic files.
- 18 **ELECTRONIC SUBMISSION OF DOCUMENTS.** Parties may submit documents electronically to the Commission by 3:00 p.m. on the filing deadline to expedite the filing process, but must file an original, plus 6 paper copies, of the documents with the Commission by 12:00 noon on the first business day following the filing deadline established in the procedural schedule. WAC 480-07-145(6). Parties may submit documents electronically through the Commission's Web Portal (www.utc.wa.gov/efiling) or by e-mail to records@utc.wa.gov. Finally, to perfect filing, parties must simultaneously provide e-mail courtesy copies of filings to the presiding administrative law judge (dmoss@utc.wa.gov and rpearson@utc.wa.gov) as well as to the parties to the proceeding.
- 19 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission does have limited ability to provide dispute resolution services; if you wish to explore those services, please contact Gregory J. Kopta, Director, Administrative Law Division (gkopta@utc.wa.gov or 360-664-1355).

20 **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 March 28, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS
Senior Review Judge

APPENDIX A

**PARTIES' REPRESENTATIVES
DOCKETS UE-160228 & UG-160229 (Consolidated)**

PARTY	REPRESENTATIVE	PHONE	E-MAIL
Avista	Kelly O. Norwood* VP, State & Federal Regulation 1411 E. Mission Avenue, MSC-27 P.O. Box 3727 Spokane, WA 99220-3727	509-495-4267	kelly.norwood@avistacorp.com
	David J. Meyer, Esq.* VP and Chief Counsel for Regulatory and Governmental Affairs 1411 E. Mission Avenue, MSC-27 P.O. Box 3727 Spokane, WA 99220-3727	509-495-4316	david.meyer@avistacorp.com
	Patrick Ehrbar	509-495-8620	patrick.ehrbar@avistacorp.com
	Paul Kimball	509-495-4584	avistadockets@avistacorp.com
	Liz Andrews	509-495-8601	liz.andrews@avistacorp.com
Commission Staff	Patrick Oshie* Assistant Attorney General 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128	360-664-1188	poshie@utc.wa.gov
	Brett P. Shearer Assistant Attorney General	360-664-1187	bshearer@utc.wa.gov
	Jennifer Cameron-Rulkowski Assistant Attorney General	360-664-1186	jcameron@utc.wa.gov
	Andrew O'Connell Assistant Attorney General	360-664-1192	aconnell@utc.wa.gov
	Krista Gross Legal Assistant		kgross@utc.wa.gov
	Betsy DeMarco Legal Assistant		bdemarco@utc.wa.gov
	Thomas Schooley Assistant Director, Energy Regulation		tschoole@utc.wa.gov

PARTY	REPRESENTATIVE	PHONE	E-MAIL
Public Counsel	Simon ffitch* Assistant Attorneys General Public Counsel Unit Office of Attorney General 800 5th Avenue, Suite 2000 Mail Stop TB-14 Seattle, WA 98104-3188	206-464-7744	simonf@atg.wa.gov
	Lisa W. Gafken	206-464-6595	lisa4w@atg.wa.gov
	Kym Bostelle		kymh@atg.wa.gov
	Chanda Mak		chandam@atg.wa.gov
	Stefanie Johnson		stefaniej@atg.wa.gov
Industrial Customers of Northwest Utilities (ICNU)	ICNU* 818 SW 3 rd Avenue #266 Portland, OR 97204		
	Jesse E. Cowell* Davison Van Cleve, P.C. 333 SW Taylor, Suite 400 Portland, OR 97204	503-241-7242	jec@dvclaw.com
	Teresa Slominski		tts@dvclaw.com
	Jesse O. Gorsuch Paralegal		jog@dvclaw.com
	Michael Gorman		mgorman@consultbai.com
	Robert Stephens		bstephens@consultbai.com
	Sally Wilhelms		swilhelms@consultbai.com
	Bradley Mullins		brmullins@mwanalytics.com
Northwest Industrial Gas Users (NWIGU)	Ed Finklea* Executive Director NWIGU 545 Grandview Drive Ashland, OR 97520	541-708-6336	efinklea@nwigu.org
	Chad M. Stokes* Cable Huston 1001 SW Fifth Avenue, Suite 2000 Portland, OR 97204-1136	503-224-3092	cstokes@cablehuston.com

PARTY	REPRESENTATIVE	PHONE	E-MAIL
	Tommy A. Brooks Cable Huston	503-224-3092	tbrooks@cablehuston.com
	Shannon Kimmel		skimmel@cablehuston.com
	Mike Gorman		mgorman@consultbai.com
The Energy Project	Charles Eberdt* The Energy Project 3406 Redwood Avenue Bellingham, WA 98225	360-734-5121 Ext. 332	Chuck_eberdt@oppco.org (chuck_eberdt)
	Ronald L. Roseman* 2011 14 th Avenue East Seattle, WA 98112	206-324-8792	ronaldroseman@comcast.net
	Shawn Collins The Energy Project		shawn_collins@oppco.org
	Michael Karp The Energy Project		michael@awish.net

* Designee for official service per WAC 480-07-360. All others receive courtesy copies via email.

**APPENDIX B
PROCEDURAL SCHEDULE
DOCKETS UE-160228 and UG-160229**

EVENT	DATE
Public Notice Report	April 29, 2016
Avista Circulates Joint Issues List	June 17, 2016
Settlement Conference	July 13 – 14, 2016
Staff, Public Counsel and Intervenor Response Testimony and Exhibits ²	August 17, 2016
Settlement Conferences	August 24 – 25, 2016
Joint Issues List	August 31, 2016
Company Rebuttal Testimony and Exhibits and Staff, Public Counsel and Intervenor Cross-Answering Testimony and Exhibits ³	September 19, 2016
Public Comment Hearing	TBD (Exact date and location to be determined by separate notice)
Discovery Deadline – Last day to issue Data Requests ⁴	September 26, 2016
Deadline for Filing of Cross-Examination Exhibits	October 6, 2016
Evidentiary Hearing	October 12-14, 2016
Post-hearing Briefs and Updated Issues List	November 7, 2016
Avista’s Requested Effective Date ⁵	January 1, 2017
Suspension Date ⁶	January 21, 2017

² Response time to data requests relating to this testimony will be 7 business days.

³ Response time to data requests relating to this testimony will be 5 business days.

⁴ Response time to data requests will be 5 business days.

⁵ This date is not binding on the Commission.

⁶ Based on a 10 month suspension from the stated effective date of March 21, 2016, on the as-filed tariff sheets, per RCW 80.04.130.