

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

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| In re the Matter of |) | DOCKET NO. UE-011514 |
| |) | |
| AVISTA CORPORATION, d/b/a |) | |
| AVISTA UTILITIES |) | |
| |) | PREHEARING CONFERENCE |
| For an Order Finding Avista's Deferred |) | ORDER |
| Power Costs Were Prudently Incurred |) | |
| and Are Recoverable |) | NOTICE OF HEARING |
| |) | (FEBRUARY 15, 2002) |
| |) | |

1 **PREHEARING CONFERENCE:** This proceeding concerns a November 13, 2001, filing by Avista Corporation d/b/a Avista Utilities (Avista). Avista requests that the Commission conduct expedited process to consider whether Avista's deferred power costs of \$198.5 million, as of September 30, 2001, were prudently incurred and recoverable. The Commission convened a prehearing conference in Docket No. UE-011514 in Olympia, Washington, on December 6, 2001, before Administrative Law Judge Dennis J. Moss.

2 **PETITION TO INTERVENE:** On November 20, 2001, the Industrial Customers of Northwest Utilities (ICNU) filed a Petition To Intervene. ICNU's Petition was heard at the prehearing conference. There being no objection, and ICNU having demonstrated by its filing both its substantial interest in the proceeding and that its participation would be in the public interest, the Petition was granted.

3 **PARTIES:** David Meyer, General Counsel, represents Avista Corporation. S. Bradley Van Cleve, Davison Van Cleve, P.C., Portland, Oregon, represents ICNU. Robert Cromwell, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section, Office of Attorney General (Public Counsel). Donald Trotter, Senior Assistant Attorney General, and Jonathan Thompson, Assistant Attorney General, Olympia, Washington, represent the Commission's regulatory staff (Staff).

4 **DISCOVERY / PROTECTIVE ORDER:** The Parties request discovery pursuant to WAC 480-09-480. Although this proceeding does not in itself involve a proposed change in Avista's rates, the matter has direct implications for Avista's rates that are the subject of other pending matters, including Avista's general rate filing in Docket No. UE-011595. Accordingly, it is appropriate to invoke the Commission's discovery rule.

- 5 Staff's request that there be an expedited response schedule for discovery is granted. Parties are required to respond to discovery requests within three calendar days following receipt. Parties may submit discovery requests to each other, and respond to discovery requests, using electronic media, including e-mail and facsimile to expedite the exchange of information.
- 6 Avista indicated the need for a protective order to expedite the exchange of information that may be commercially sensitive enough to require confidential treatment. The Commission will enter its standard form of protective order. Pending entry of the order, discovery should proceed.
- 7 All parties are expected to work cooperatively in the discovery process. If a party objects to a discovery request, that objection should be communicated to the requesting party within 24 hours after the discovery request is received by the intended respondent. The parties should work together to resolve any dispute. If they cannot resolve their dispute, the parties should request a discovery conference with the presiding Administrative Law Judge. Such conferences may be conducted via telephone, or in person, and may be recorded by audio tape without the necessity for a court reporter. Notice of discovery conferences will be made to all parties via e-mail; such conferences may be conducted on short notice.
- 8 **PROCESS AND PROCEDURAL SCHEDULE; NOTICE OF HEARING:** The following procedural schedule is set on a tentative¹ basis:

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| Avista Prefiled Direct Testimony | November 13, 2001 |
| Avista Supplemental Testimony | December 11, 2001 |
| Staff and Intervenor Prefiled Response Testimony | January 25, 2002 |
| Avista Prefiled Rebuttal Testimony | February 8, 2002 |
| Final Prehearing Conference | February 14, 2002 |
| Evidentiary Hearing | February 15, 2002 |
| Briefs | March 1, 2002 |

If more than one day is required for the evidentiary hearing, it will be recessed at the close of business on February 15, 2002, and will resume on February 19, 2002, and continue from day to day thereafter until completed.

¹ There are several related matters concerning Avista's costs and rates now pending before the Commission. A joint prehearing conference will be noticed and convened in the near term to consider the possibility of joint hearings and coordinated processes to maximize administrative efficiency and make the most judicious use of the parties' and the Commission's resources. The schedule established here may change as a result of that process.

9 **The Commission hereby gives notice that it will conduct a hearing in this matter at 9:30 a.m., beginning on February 15, 2002, in Room 206, at the Commission's offices in Olympia, Washington.**

10 **FILING; COPIES OF MATERIALS:** Electronic filing and service, supplemented by hard copy, will be permitted to promote efficiency in this proceeding. Electronic filings may be transmitted via e-mail attachment to: records@wutc.wa.gov. The subject line of the e-mail must include reference to Docket No. UE-011514.

11 Electronic filing and service must be completed by 2:00 p.m. on the indicated deadline. Parties that file electronically are required to supplement their filing with an original and four (4) copies of the filed document. Hard copy must be delivered promptly, preferably on the day following electronic filing and service.

12 Parties that do not file electronically must submit an original and 14 copies of the filed document by 4:00 p.m. on the indicated deadline. Hard copy filings must be supplemented within 24 hours by an electronic version of the filed document, submitted by e-mail to records@wutc.wa.gov, or by submitting to the Commission's Records Center a 3.5 inch diskette containing the electronic version of the filed document.

13 All hard copy filings should be directed to the Commission Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W. Olympia, Washington 98504-7250, or by hand delivery to the Commission Secretary at the Commission's records center at the Washington Utilities and Transportation Commission, 1300 S. Evergreen Park Drive, S.W., Olympia, Washington, 98504. Both the post office box and street address are required to expedite deliveries by U.S. Postal Service.

14 **NOTICE TO PARTIES:** Any objection to the provisions of this Order must be filed within ten (10) days after the date of mailing of this statement, pursuant to WAC 480-09-460(2). Absent such objections, this prehearing conference order will control further proceedings in this matter, subject to Commission review.

DATED at Olympia, Washington, and effective this 6th day of December 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS,
Administrative Law Judge