

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	DOCKET UG-060518
)	
	)	ORDER 03
AVISTA CORPORATION, D/B/A)	
AVISTA UTILITIES,	)	PREHEARING CONFERENCE
	)	ORDER. REVISING SCHEDULE;
)	
For an Order Authorizing	)	REVISED NOTICE OF HEARING
Implementation of a Natural Gas	)	(Set for December 5, 2006, at 9:30
Decoupling Mechanism and to	)	a.m.);
Record Accounting Entries)	
Associated With the Mechanism.	)	REVISED NOTICE OF
	)	PREHEARING CONFERENCE
	)	(Set for December 4, 2006, at 9:30
	)	a.m.)
.....)	

- 1 **NATURE OF PROCEEDING.** Docket UG-060518 involves a request by Avista Corporation for authority to implement a mechanism to decouple its rates for conducting business operations, in part, from its rates for commodity sales.

- 2 **CONFERENCE.** The Washington Utilities and Transportation Commission (Commission) convened a prehearing conference in this docket at Olympia, Washington on November 2, 2006, before Administrative Law Judge C. Robert Wallis at the request of parties to consider proposed agreed schedule changes to accommodate a multiparty settlement.

- 3 **APPEARANCES.** David Meyer, attorney, Spokane, Washington, represents Avista Corporation (Avista). Simon ffitch, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of the Attorney General (Public Counsel). Greg Trautman, Assistant Attorney General, Olympia, Washington, represents the Commission’s regulatory staff (Commission Staff or Staff). Ron Roseman, attorney, Seattle, represents intervenor The Energy Project. Nancy Glaser, Seattle, represents Intervenor The Northwest Energy Coalition, and Chad Stokes, attorney Portland, represents Intervenor Northwest Industrial Gas Users, or NWIGU.

4 **MULTIPARTY SETTLEMENT.** All parties except Public Counsel and The Energy Project have settled their differences and propose a settlement of all issues. Public Counsel and The Energy Project oppose the proposal.

5 **PROPOSED SCHEDULE.** The parties recognize that the process for reviewing a settlement differs from that for reviewing a fully contested filing. A settlement review is conducted pursuant to WAC 480-07-740 in which proponents and opponents of the proposal present evidence and argument, and the Commission determines whether to accept or reject the proposal, or to identify conditions necessary for its acceptance.¹

6 **PROCEDURAL SCHEDULE.** The parties suggest a schedule for presentation of evidence supporting the settlement proposal that includes prefiling of supporters' evidence; prefiling of opponents' evidence; and prefiling of rebuttal, followed by one day of hearing.

Proponents' direct testimony	November 3, 2006
Opponents' testimony	November 13, 2006
Proponents' rebuttal testimony	November 28, 2006
Exhibits on cross examination	November 30, 2006
Prehearing conference, as needed	December 4, 2006, at 9:30 a.m.
Hearing	December 5, 2006, at 9:30 a.m.
Simultaneous Briefs	None ²

7 **DISCOVERY.** The discovery rules, WAC 480-07-400 through 425, have been invoked. The parties have agreed to three-business-day turn-around on discovery requests made after the submission of proponents' direct testimony on November 3, 2006. It is understood that exceptionally high volume of requests, or exceptionally demanding requests, or exceptional circumstances faced by the responding party, might pose a barrier to timely completion of answers—if that occurs, parties facing the difficulties must promptly consult with the requesting party and attempt to reach accommodation.

¹ Public Counsel suggested that the Commission might have options beyond those identified in the rule; as the observation was a comment, not a motion, and as the matter is speculative at this time, we do not make any ruling.

² The Commission may ask the parties to present argument or memoranda on points of interest.

- 8 **NOTICE OF HEARING.** The Commission will hold an evidentiary hearing in this matter beginning **9:30 a.m., December 5, 2006**, in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S. W., Olympia, Washington.
- 9 **NOTICE OF PREHEARING CONFERENCE.** The Commission will convene a prehearing conference in this matter on **December 4, 2006, at 9:30 a.m.** in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S. W., Olympia, Washington to mark exhibits, including exhibits on cross examination, if any, and to address any procedural matters that the parties may present. If no matters warrant attention, the conference will be cancelled.
- 10 **ELECTRONIC SUBMISSION MODE.** The parties requested leave, and it was granted, for submission of filings in electronic format, with documents to be received in the Commission's records center by 9:00 a.m. on the following day. Documents will be considered timely filed if they meet these standards. **NOTE: documents must reach the Commission, in their entirety, no later than 3:00 p.m. of the date of the deadline to allow for internal distribution and copying, as needed. Documents arriving after that time, in whole or in part, may be rejected.**
- 11 **NOTICE TO PARTIES.** Any objection to the provisions of this Order must be filed within ten (10) days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review. Parties must provide courtesy copies of filings to the presiding administrative law judge.

Dated at Olympia, Washington, and effective November 3, 2006.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

C. ROBERT WALLIS
Administrative Law Judge

APPENDIX A				
PARTIES' REPRESENTATIVES DOCKET UG-060518				
PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Avista Corporation	David J. Meyer Vice President and Chief Counsel for Regulatory and Governmental Affairs P.O. Box 3727 1411 E Mission Ave., MSC-13 Spokane, WA 99220-3727	(509) 495-4316	(509) 495-8851	david.meyer@avistacorp.com
Public Counsel	Simon ffitc Public Counsel Section Office of Attorney General 800 Fifth Avenue Suite 2000 Seattle, WA 98104-3188	(206) 464-7744	(206) 389-2058	simonf@atg.wa.gov
The Energy Project	Ronald L. Roseman Attorney At Law 2011 14 th Avenue East Seattle, Washington 98112	(206) 324-8792	(206) 568-0138	ronaldroseman@comcast.net
The Northwest Energy Coalition	Nancy Glaser Nancy Hirsh 219 1 st Avenue South Suite 100 Seattle, WA 98104	(206) 621-0094 (206) 621-0094	(206) 621-0097 (206) 621-0097	naglaser@nwenergy.org nancy@nwenergy.org
Northwest Industrial Gas Users	Edward A. Finklea Chad M. Stokes Cable, Huston, Benedict, Haagenson & Lloyd, LLP 1001 SW Fifth Avenue Suite 2000 Portland, OR 97204-1136	(503) 224-3092	(503) 224-3176	efinklea@chbh.com cstokes@chbh.com
Commission Staff	Greg Trautman Assistant Attorney General P.O. Box 40128 1400 S. Evergreen Park Dr. S.W. Olympia, WA 98504-0128	(360) 664-1187	(360) 586-5522	gtrautma@wutc.wa.gov
Presiding Officers	C. Robert Wallis (Administrative Law Judge) Patricia Clark (Administrative Law Judge)	(360) 664-1142	(360) 664-2654	bwallis@wutc.wa.gov pclark@wutc.wa.gov

APPENDIX B
REVISED PROCEDURAL SCHEDULE³
DOCKET UG-060518

EVENT	DATES
<u>Proponents' direct testimony</u>	<u>November 3, 2006</u>
<u>Discovery requests made after the submission of proponents' direct testimony</u>	<u>Due within 3 business days from receipt</u>
Staff/Intervenor testimony	November 3, 2006
<u>Opponents' testimony</u>	<u>November 13, 2006</u>
Company, Cross-rebuttal and Answering testimony	November 20, 2006
Discovery responses on rebuttal/cross-rebuttal	Due within 3 business days from receipt
<u>Proponents' rebuttal testimony</u>	<u>November 28, 2006</u>
<u>Exhibits on cross-examination</u>	<u>November 30, 2006</u>
Prehearing conference	November 30, 2006 <u>December 4, 2006,</u> <u>9:30 a.m.</u>
Hearing	December 4-5, 2006 <u>December 5, 2006,</u> <u>9:30 a.m.</u>
Simultaneous Briefs	December 26, 2006 <u>None</u>

³ New procedural dates are underlined and reflected in bold.

APPENDIX C

**INFORMAL DISTRIBUTION LIST (In addition to counsel of record)
DOCKET UG-060518**

PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Avista Corporation	Brian J. Hirschhorn (Manager, Retail Pricing)	(509) 495-4723	(509) 495-8058	Brian.hirschhorn@avistacorp.com
	Kelly Norwood (Vice President – State & Federal Regulations)	(509) 495-4267	(509) 495-8851	Kelly.norwood@avistacorp.com
Public Counsel	Steve Johnson (Regulatory Analyst)	(206) 464-6253	(206) 389-2079	stevenj@atg.wa.gov
	Kathryn Zsoka (Legal Assistant)	(206) 389-3972	(206) 389-2079	kathrynz@atg.wa.gov
NW Energy Coalition	Steve Weiss	(503) 851-4054	(503) 393-8859	steve@nwenergy.org
	Danielle Dixon	(206) 621-0094	(206) 621-0097	danielle@nwenergy.org
The Energy Project	Chuck Eberdt	(360) 255-2169	(360) 671-2753	Chuck_eberdt@opportunitycouncil.org
Northwest Industrial Gas Users	Don Schoenbeck RCS, Inc. 900 Washington Street Suite 780 Vancouver, WA 98660			dws@r-c-s-inc.com
Commission Staff	Joelle Steward (Staff)	(360) 664-1308	(360) 586-1150	jsteward@wutc.wa.gov
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Commission Advisory Staff	Nicolas Garcia (Policy)		(360) 664-3604	ngarcia@wutc.wa.gov