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BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

| | |
|---------------------------------|-------------------|
| WASHINGTON UTILITIES AND |) |
| TRANSPORTATION COMMISSION, |)Docket UE-050482 |
| Complainant, |)Docket UG-050483 |
| |)Volume VI |
| vs. |)Pages 780-806 |
| AVISTA CORPORATION d/b/a AVISTA |) |
| UTILITIES, |) |
| Respondent. |) |

A hearing in the above-entitled matter was held at 9:03 a.m. on Thursday, October 20, 2005, at 1300 South Evergreen Park Drive, S.W., Olympia, Washington, before Administrative Law Judge KAREN CAILLE, Chairman MARK SIDRAN, Commissioner PATRICK OSHIE and Commissioner PHILIP JONES.

The parties present were as follows:

AVISTA CORPORATION, by David Meyer, Chief Counsel and Vice President, E. 1411 Mission Ave., Spokane, Washington 99220.

PUBLIC COUNSEL, by Simon ffitich, Assistant Attorney General, 900 Fourth Avenue, Suite 2000, Seattle, Washington 98164.

COMMISSION STAFF, by Gregory Trautman, Assistant Attorney General, 1400 S.W. Evergreen Park Drive, S.W., P.O. Box 40128, Olympia, Washington 98504-0128.

Barbara L. Nelson, CCR

Court Reporter

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1 JUDGE CAILLE: Good morning. We are here
2 for day four of the Avista multi-party settlement in
3 Dockets UE-050482 and UG-050483. And according to my
4 schedule of witnesses -- well, before we start, are
5 there any preliminary matters to take care of? All
6 right. Then my schedule shows that Mr. Hill will be
7 the next witness.

8 MR. FFITCH: Correct, Your Honor.

9 JUDGE CAILLE: If you'll please come take
10 the stand.
11 Whereupon,

12 STEPHEN G. HILL,
13 having been first duly sworn by Judge Caille, was
14 called as a witness herein and was examined and
15 testified as follows:

16 JUDGE CAILLE: Thank you. Mr. ffitch.

17

18 D I R E C T E X A M I N A T I O N

19 BY MR. FFITCH:

20 Q. Good morning, Mr. Hill.

21 A. Good morning, sir.

22 Q. I know it's a somewhat early morning for
23 you, having arrived at Sea-Tac near midnight last
24 night, so I'm hoping that you had a cup of coffee
25 this morning.

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1 A. More than one.

2 Q. You were retained by Public Counsel in this
3 case to provide cost of capital analysis and also
4 retained by Staff initially for that purpose;
5 correct?

6 A. That's correct.

7 Q. And did you prepare direct testimony and
8 exhibits that have been marked as Exhibits 261
9 through 277?

10 A. Yes, I did.

11 Q. And did you also prepare rebuttal testimony
12 and exhibits that have been marked -- or rebuttal
13 testimony that's been marked as Exhibit 278?

14 A. Yes.

15 Q. Do you have any corrections or changes to
16 your testimony or exhibits?

17 A. I have one.

18 Q. Please direct us to that.

19 A. It's in Exhibit 261, my direct testimony.
20 Page 93, the first word in line 12 is not a West
21 Virginia pronunciation of the word where; it should
22 be what. The word should be what, not whar.

23 Q. Page 93, line -- can you just give us that
24 line again, Mr. Hill?

25 A. Page 93, line 12.

0784

1 Q. Line 12.

2 A. That's all I found last night on the plane
3 reading this.

4 Q. Thank you.

5 CHAIRMAN SIDRAN: Mr. Hill, we could not
6 help but notice in reading your testimony that "whar"
7 you're from is Hurricane. Your town's been getting a
8 lot of press.

9 THE WITNESS: They are. Yes, they are.

10 Q. With that correction, is your testimony true
11 and correct, to the best of your knowledge?

12 A. Yes.

13 MR. FFITCH: Your Honor, we would offer
14 Exhibits 261 through 278.

15 JUDGE CAILLE: Is there any objection?

16 MR. MEYER: No objection.

17 JUDGE CAILLE: Then Exhibits 261 through 278
18 are admitted in the record.

19 MR. FFITCH: Your Honor, Mr. Hill is
20 available for cross-examination.

21 JUDGE CAILLE: Mr. Meyer.

22 MR. MEYER: Thank you.

23

24 C R O S S - E X A M I N A T I O N

25 BY MR. MEYER:

0785

1 Q. Good morning, Mr. Hill.

2 A. Good morning, sir.

3 Q. Would you agree that, under the standards of
4 Hope and Bluefield, that established ROEs first must
5 be commensurate with risks or with returns for
6 businesses of comparable risk and must allow a
7 utility the opportunity to preserve its financial
8 integrity and, lastly, should maintain the utility's
9 ability to attract new capital on reasonable terms?

10 A. Generally, I would agree with that. I'm not
11 sure what you mean by established ROEs. If you mean
12 equity returns that are to be allowed by regulatory
13 bodies for regulated entities, then the answer would
14 be yes.

15 Q. Yes, and that's -- that's what I did mean.
16 Thank you.

17 A. All right.

18 Q. Now, in your testimony, did you recognize
19 that this comparable risk standard is not restricted
20 to just regulated utilities, but it must be
21 comparable to returns that investors would expect in
22 the unregulated sector for assuming the same degree
23 of risk?

24 A. Yes, as a matter of fact, I think that's a
25 quote from my testimony. The problem is is that

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1 unregulated companies are not similar in risk to
2 regulated utilities, because of the level of
3 competition. So if it were possible to find
4 unregulated firms that have comparable risk to
5 companies like Avista, then that would be the focus,
6 but I've been doing this 20 years, and that's not the
7 focus.

8 The focus is generally a sample group of
9 similar risk utility companies, and you use,
10 generally, market determined methodologies to
11 estimate the cost of equity for that purpose.

12 Q. And that's where I'm going to next. So your
13 recommended cost of equity was based on results of
14 analyses for a proxy group of utilities; correct?

15 A. That's right.

16 Q. Now, is reliance on the proxy group results
17 based on the understanding that the investment risks
18 of this group are generally comparable to those of
19 Avista?

20 A. Yes, generally, that's correct. Investors
21 are not constricted in the marketplace as to the
22 place they put their capital, so Avista and the
23 sample group of utilities compete in the marketplace
24 with all kinds of other investments, utilities and
25 non-utilities alike, but because of the operating

0787

1 characteristics of utilities, I believe the
2 appropriate place to look for the opportunity cost of
3 capital in a proceeding like this is similar risk
4 utility groups.

5 Q. Now, do you know what the average authorized
6 rate of return is for the companies in your proxy
7 group?

8 A. I don't know the exact number, but I know
9 it's probably in excess by a hundred basis points or
10 more of the current cost of equity capital. The
11 allowed returns for any particular utility depend on,
12 A, the time period in which they were allowed, the
13 particular risk of that utility, and quite frankly,
14 the way that some regulators treat cost of capital.
15 In some regulatory jurisdictions, cost of capital is
16 sort of a fallout figure.

17 Q. Would you agree, subject to check, Mr.
18 Hill, that the average authorized rate of return for
19 the companies in your proxy group is 10.67 percent?

20 A. That sounds reasonable.

21 Q. In your direct testimony that's in Exhibit
22 261, and I don't believe you need to turn there for
23 purposes of this, did you acknowledge the Company's,
24 quote, somewhat higher financial risk, end of quote,
25 than the proxy group?

0788

1 A. Yes, even with a hypothetical capital
2 structure of 40 percent common equity, the company
3 has a little bit higher financial risk because the
4 average common equity ratio of the sample group of
5 companies I used was 43, I believe.

6 Q. Thank you, Mr. Hill. Let me just review my
7 notes for a minute.

8 A. All right.

9 MR. MEYER: I believe that's all I have.
10 Thank you.

11 JUDGE CAILLE: Any redirect?

12 MR. FFITCH: No, Your Honor.

13 JUDGE CAILLE: Any questions from the
14 Commissioners? No? Any questions from the
15 Commissioners? All right. Thank you. You're
16 excused.

17 THE WITNESS: Yes, ma'am.

18 JUDGE CAILLE: And our next witness will be
19 Mr. Dittmer.

20 Whereupon,

21 JAMES R. DITTMER,
22 having been first duly sworn by Judge Caille, was
23 called as a witness herein and was examined and
24 testified as follows:

25 JUDGE CAILLE: Thank you.

0789

1 D I R E C T E X A M I N A T I O N

2 BY MR. FFITCH:

3 Q. Good morning, Mr. Dittmer.

4 A. Good morning.

5 Q. You were retained by Public Counsel in this
6 case, were you not, to provide accounting analysis
7 and also to address Public Counsel's overall revenue
8 requirement recommendation?

9 A. That is correct.

10 Q. And did you prepare direct testimony, which
11 has been marked as Exhibits 231 through 234?

12 A. That's correct.

13 Q. And did you prepare rebuttal testimony,
14 which has been marked as Exhibits 235 through 237?

15 A. That is also correct.

16 Q. Do you have any changes or corrections to
17 your testimony or exhibits?

18 A. Yes, just a few. First, with regard to my
19 direct testimony, Exhibit 231, if you go to page
20 five, line 14, the word "columns," it should be
21 singular, so it just reads, "Column C," and then
22 strike through question marks and parens.

23 Q. Could you just restate that, please, Mr.
24 Dittmer?

25 A. On page five, line 14, the word "columns" is

0790

1 plural. I would like to change that to singular,
2 "column." So it just reads, "Column C," then scratch
3 -- strike through the word "through," and then
4 parenthesis, question mark, close parens.

5 Q. Thank you. Other -- do you have other
6 corrections?

7 A. Yes, I have a few others. Line -- or page
8 18, line seven, where it now reads, "It therefore,"
9 it should read, "It is therefore equitable." Insert
10 the word "is" after "it."

11 On page 28, on line eight, you see the words
12 "distribution function" in italics. Insert the words
13 "planned directly assigned," and then "vegetation
14 management." So it reads, "Washington jurisdictional
15 distribution function planned directly assigned
16 vegetation management cost."

17 Similarly, on the table on line 11, after
18 the words "Washington jurisdictional," insert the
19 word "planned directly assigned."

20 And one more time, on the top of page 29,
21 line one, after the words "historic" -- after the
22 word "historic," insert the word "Washington
23 jurisdictional planned direct assigned."

24 Q. That's line three on page 29?

25 A. That's line one.

0791

1 Q. Oh, I apologize.

2 A. And on page 33, line 11, it now reads,
3 "Schedule C, question mark - gas." It should be "C-4
4 gas."

5 Then, on Exhibit 232, which is the electric
6 accounting exhibits accompanying my direct, if you go
7 to Schedule C-6 --

8 Q. Which page of the exhibit?

9 A. It would be page 22, 22. In the heading, it
10 currently reads, "Adjusted operations for test year
11 ending December 31, 2004." Scratch that second line
12 that reads, "Reflect anticipated federal income tax
13 savings resulting."

14 JUDGE CAILLE: I don't think I'm on the same
15 page.

16 MR. MEYER: I believe it's page 19.

17 JUDGE CAILLE: It's page 19?

18 THE WITNESS: What did I say?

19 MR. MEYER: Twenty-two.

20 THE WITNESS: Sorry.

21 JUDGE CAILLE: Could you go over that again?

22 THE WITNESS: Yes. Page 19, I apologize,
23 which is also referred to as Schedule C-6, in the
24 heading, the second line says, "Reflect anticipated
25 federal income tax savings resulting." Scratch all

0792

1 of that, and in the second line, just also scratch
2 the second line. Just put "eliminate vegetation
3 management costs."

4 And then, with regard to the rebuttal
5 exhibits, Exhibit 236, on page 21 of Exhibit 236, it
6 would be the same changes as we just made. Scratch
7 the second line that currently reads, "Reflect
8 anticipated federal income tax savings resulting,"
9 scratch that, and then, on the second line, scratch
10 the word "from," and just put eliminated -- or make
11 "eliminate vegetation management costs." Scratch the
12 D on eliminated. And that is all my changes.

13 Q. And with those changes, Mr. Dittmer, is your
14 testimony true and correct, to the best of your
15 knowledge?

16 A. It is.

17 MR. FFITCH: And Your Honor, we would then
18 offer Public Counsel Exhibits 231 through 237.

19 JUDGE CAILLE: Any objection?

20 MR. MEYER: No objection.

21 JUDGE CAILLE: Then Exhibits 231 through 237
22 are admitted into the record.

23 MR. FFITCH: Mr. Dittmer's available for
24 cross.

25 JUDGE CAILLE: Mr. Meyer.

0793

1 MR. MEYER: Thank you.

2

3 C R O S S - E X A M I N A T I O N

4 BY MR. MEYER:

5 Q. Good morning, Mr. Dittmer.

6 A. Good morning.

7 Q. Mr. Dittmer, isn't it true that the
8 multi-party settlement here incorporates a number of
9 the adjustments that Public Counsel proposed in its
10 original litigation position filed on August 26th of
11 this year?

12 A. I would agree with that, yes.

13 Q. In fact --

14 JUDGE CAILLE: Excuse me, Mr. Dittmer, will
15 you please pull the microphone just a little closer
16 to you?

17 THE WITNESS: Closer.

18 JUDGE CAILLE: Thank you.

19 THE WITNESS: Sure.

20 Q. In fact, isn't it true that the settlement
21 actually picks up three of your seven electric
22 rate-based adjustments and four out of ten of your
23 electric net operating income adjustments?

24 A. That sounds about right, without going
25 through and calculating.

0794

1 Q. Subject to check?

2 A. Yes.

3 Q. Okay. Thank you. Now, in regards to the
4 gas revenue requirement, isn't it also true that the
5 settlement incorporates all of Public Counsel's rate
6 base adjustments?

7 A. Yes, there was only one.

8 Q. And two out of three of your net operating
9 income adjustments?

10 A. I know they pick up two. I don't know if we
11 had three or four, but that sounds --

12 Q. Subject to check?

13 A. Yes.

14 Q. All right. Thank you. Now, just for the
15 record, would you accept, subject to check, that the
16 settlement incorporates the following seven
17 adjustments originally proposed, then, by Public
18 Counsel in its August 26th filing? First of all, the
19 Colstrip AFUDC rate base adjustment on the electric
20 side?

21 A. Those are all Mert Lott's adjustments. I
22 haven't spent much time trying to figure out which of
23 those were accepted and rejected.

24 Q. But in what was originally proposed by
25 Public Counsel in its August 26th filing, that was

0795

1 among the adjustments; correct?

2 A. Those -- those names all sound familiar,
3 yes.

4 Q. All right.

5 A. Those were sponsored by Mr. Lott.

6 Q. And secondly, in the group of seven,
7 Colstrip common AFUDC rate base adjustment, electric?

8 A. Again, those are Mr. Lott's adjustments. I
9 know he proposed them. What I'm not as certain about
10 is how much -- if the settlement agreement picked up
11 all or portions of those, but, again, Mr. Lott's
12 adjustments.

13 Q. All right.

14 MR. FFITCH: Excuse me, Your Honor. All of
15 these matters are clearly set forth on the record,
16 and I believe -- including Mr. Dittmer's exhibits,
17 and I don't know that this cross-examination, this
18 kind of general memory test about spreadsheets that
19 reflect all the various adjustments is perhaps the
20 best way to go. I might suggest that Mr. Meyer
21 simply direct the witness to the exhibits where this
22 is clearly shown and just walk through that if he
23 wants to do that.

24 JUDGE CAILLE: Is that an objection, Mr.
25 ffitich, and is that the basis for your objection?

0796

1 MR. FFITCH: It's an objection. It's -- the
2 basis of the objection is that the witness is being
3 examined without reference to the exhibits that would
4 -- that he's being examined about.

5 MR. MEYER: Your Honor, we will go ahead and
6 move on.

7 JUDGE CAILLE: All right.

8 MR. MEYER: We can revisit that on brief if
9 need be.

10 JUDGE CAILLE: Thank you.

11 Q. Now, looking now at your rebuttal testimony,
12 did the multi-party settlement include a number of
13 additional adjustments as a result of Staff's audit
14 work that Public Counsel did not propose in its
15 original direct case?

16 A. That's correct, also.

17 Q. And just for clarification purposes, isn't
18 Public Counsel now adopting four additional non-power
19 supply revenue requirement adjustments, namely coal
20 rental revenues, the amortization of gains on sales
21 of real property, the elimination of expiring
22 computer lease costs and, lastly, a consolidated
23 adjustment identified as miscellaneous below the line
24 expense elimination?

25 A. That's correct, we did not pick those up in

0797

1 our direct testimony or exhibits.

2 Q. But these four -- these four adjustments are
3 already included in the settlement; is that correct?

4 A. That's correct.

5 MR. MEYER: Thank you. That's all the cross
6 I have.

7 JUDGE CAILLE: Any redirect?

8 MR. FFITCH: No redirect, Your Honor.

9 JUDGE CAILLE: Any questions from the bench?
10 Commissioner Jones.

11

12 E X A M I N A T I O N

13 BY COMMISSIONER JONES:

14 Q. I just have one question. If you could go
15 to Schedule C-5, Electric, I think it's Exhibit 232
16 of your direct testimony, relates to the issue of
17 lobbying costs and whether or not they're included in
18 cost of service.

19 JUDGE CAILLE: Do we have a page number,
20 Commissioner Jones?

21 COMMISSIONER JONES: Eighteen of 22.

22 JUDGE CAILLE: Thank you.

23 THE WITNESS: Yes, I'm there.

24 Q. Could you just restate your position again
25 on lobbying costs? I'd just like to understand the

0798

1 issue more generally why you're taking this position,
2 and is this the financial impact of the suggested
3 change, the 992,433?

4 A. The 992 is to reflect all of the income tax
5 savings from the production tax credit from Kettle
6 Falls, I believe it is. The Company proposed to
7 share the savings, the income tax savings from that
8 event, from the new change in the law, arguing that
9 their shareholders paid for the lobbying cost that
10 was instrumental -- purportedly instrumental in
11 getting this change in the tax law, which is
12 beneficial to ratepayers, so that the Company's
13 position was that they should retain half of the
14 income tax savings stemming from that change in the
15 tax law.

16 And I'm saying no, you know, lobbying costs
17 should be below the line, they are always below the
18 line. I don't personally know of a jurisdiction that
19 allows lobbying costs to be included in the cost of
20 service. The Company's proposal effectively --
21 arguably, they're asking for recovery of the lobbying
22 costs through this mechanism.

23 Q. So you do not know of any other regulatory
24 jurisdiction that allows regularly or even
25 occasionally this recovery of lobbying costs?

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1 A. I don't, and I've been in 20 states, but I
2 haven't been in all of them.

3 Q. And that is also consistent with FERC's
4 uniform system of accounting?

5 A. Yes, there's a presumption that -- it's to
6 be booked below the line and there's a presumption
7 that it's disallowed if it's booked down there.

8 COMMISSIONER JONES: That's all I have.
9 Thank you.

10 JUDGE CAILLE: Anything further, or any
11 other questions from the bench? All right. Thank
12 you, Mr. Hill (sic), you're excused. And I believe
13 that concludes our witnesses for this hearing.

14 If Counsel would like to stay behind, I'd
15 like to discuss the briefing schedule a little bit
16 further. Actually, before we start any discussion
17 about briefing, and I'm not sure that we're going to
18 reach a conclusion today, by the way, on that, but we
19 had issued three bench requests, and I am going to
20 mark those and admit them into the record.

21 Bench request -- and those are on your list
22 of -- at the very end, your exhibit list at the very
23 end. Bench Request Number Three is marked as 375;
24 Bench Request Number Four, 376; Bench Request Number
25 Five will be 377. And those are admitted. I don't

0800

1 think we have any other outstanding record requests
2 or bench requests.

3 MR. MEYER: Your Honor, I believe we do have
4 the one from --

5 JUDGE CAILLE: The risk.

6 MR. MEYER: -- the risk management.

7 JUDGE CAILLE: Yes.

8 MR. MEYER: As I indicated, we'll follow up
9 shortly with that response.

10 JUDGE CAILLE: Okay. Right. We have
11 somewhat of a conflict in briefing schedules with the
12 Verizon case and this case. We have a January 1
13 effective date for Avista's rates should the
14 Commission approve the settlement. And I believe in
15 the Verizon case there's some urgency -- it's the
16 Verizon merger. There's some urgency in getting a
17 brief completed, or briefing -- a decision by
18 mid-December, so this impacts Public Counsel.

19 And Mr. ffitch, if you'd just like to
20 present a showing of your difficulties in this
21 situation for the record.

22 MR. FFITCH: Thank you, Your Honor. The
23 difficulty. put in its simplest terms, is that the
24 opening brief in the Verizon merger case is due on
25 November 14th, which is the same date that briefs are

0801

1 called for in this case. And because I am the lead
2 attorney and the only attorney for Public Counsel in
3 both those matters, I represent that it would not be
4 possible for me to meet both those deadlines,
5 presenting -- doing a good job on both those briefs.

6 So I have had some very preliminary
7 conversations about -- on the Verizon side about how
8 to deal with this, but I haven't spoken with most of
9 the counsel over there, so I'm afraid I can't propose
10 a solution at this particular point in time, but I'm
11 hoping to have conferences with counsel in the next
12 -- today and tomorrow to try to -- frankly, what I'm
13 looking at, potentially, is one solution might be to
14 go to a single brief in the Verizon case and have one
15 of the briefs in this case -- one of the briefs due
16 on the 14th in one case and the other case due on the
17 23rd, the day before Thanksgiving holiday. I'm not
18 sure whether we'll be able to --

19 JUDGE CAILLE: That would be the one in the
20 Verizon case; right? No, no, no, that has to be --
21 okay. Go ahead.

22 MR. FFITCH: That would make some sense,
23 actually, in terms of the sequence of the hearings,
24 but, as I say, that obviously depends on some
25 discussions over on the Verizon side. Alternatively,

0802

1 if we could -- we would request, if we're not able to
2 move the Verizon dates, we would request that the
3 briefing date in this case be slipped to the end of
4 the month. I don't have a monthly calendar in front
5 of me, but November 30th, I believe, is a Wednesday.
6 See, the Thanksgiving holiday --

7 JUDGE CAILLE: And there is no other
8 attorney in your office that could assist with this,
9 is there, Mr. ffitch?

10 MR. FFITCH: That's correct. The other
11 attorney in the office is involved in other
12 significant matters.

13 JUDGE CAILLE: All right. Any comment from
14 other parties here?

15 MR. MEYER: Your Honor, in order to assist
16 in the process, we wouldn't object to, say, you know,
17 if I understood the -- one alternative recommendation
18 was slip this brief in this case to the 23rd. Did I
19 understand that correctly?

20 MR. FFITCH: Actually, I was suggesting to
21 the 30th.

22 JUDGE CAILLE: That's if the -- is that if
23 the Verizon -- if Verizon isn't pushed to the 23rd;
24 is that right? Am I following you right?

25 MR. FFITCH: Correct. One way to look at it

0803

1 is we could agree to a November 14th date and a
2 November 23rd date, although that's still a very
3 difficult schedule. Which case had which date is --
4 it could be -- there's two alternatives there. If
5 the Verizon dates cannot be moved, the Verizon dates
6 being the 14th and the 21st, then we would ask that
7 this brief be moved to the 30th.

8 I would note for the record that there are
9 no statutory deadlines in either this case or the
10 Verizon case that apply, and there are no Commission
11 orders that require either of these proceedings to be
12 completed by any particular date. The urgency or
13 pressure in both dockets comes from requests of the
14 moving parties and representations of the moving
15 parties, but we are not actually under any legal
16 strictures with regards to the schedules in the case,
17 in either case.

18 And in fact, in this case, Avista has agreed
19 to waive the suspension deadline, so the December --
20 the January 1st deadline is just an aspirational date
21 in the event that the settlement is adopted.

22 JUDGE CAILLE: But the -- and I believe it's
23 maybe the February 28th suspension that has been
24 waived, as you say. That is a deadline that I
25 believe the Commission said in its order that it

0804

1 would try to honor, and if the settlement isn't
2 accepted, we are going to need more process and
3 fitting that into the Commission's schedule is -- so
4 from the bench's point of view, we were going to try
5 to issue an order as quickly as we could, so that we
6 would know what the next step would be.

7 But I haven't seen the briefs yet, so I'm --
8 and we do need time to work with the Commission on
9 this matter. So I'm not -- I can't rate the
10 complexity of this with the Verizon merger, so I will
11 take all this information and, Mr. ffitch, if you
12 could somehow communicate with me and the parties
13 about what you learn in the Verizon case.

14 Now, let me just back up again. You could
15 do a brief by November 23rd if we stuck with the --
16 if Verizon insisted on that November 14th date?

17 MR. FFITCH: We could do a brief in this
18 docket by the 23rd?

19 JUDGE CAILLE: Yes.

20 MR. FFITCH: Yes, we're offering to have a
21 November 14th, November 23rd.

22 JUDGE CAILLE: And then the November 30th?

23 MR. FFITCH: Well, let me put it this way,
24 Your Honor, as I'm thinking out loud on my feet here.
25 Our preference at Public Counsel would be to file the

0805

1 Avista brief on November 14th.

2 JUDGE CAILLE: Okay.

3 MR. FFITCH: And then to -- and, coupled
4 with that, to have a single brief in the Verizon case
5 due on November 23rd, instead of two briefs.

6 JUDGE CAILLE: I see, I see.

7 MR. FFITCH: I believe our second choice
8 would be accommodating the Commission's desire for
9 some urgency in both dockets. Our second choice
10 would be the reverse of those two. The third
11 alternative that I see is if we're simply unable to
12 -- if the Commission orders the maintenance of the
13 Verizon dates of the 14th and the 21st, then we would
14 ask that the brief in this case not be due till
15 November 30th.

16 JUDGE CAILLE: Okay. So there's a -- a
17 response brief in Verizon due on the 21st?

18 MR. FFITCH: Right. And I'm going to
19 attempt to, as I say, with our preference being to
20 just have one brief in each case, I'm going to try to
21 bring that issue to the parties in that case. We'll
22 get David Meyer on the phone, too, to help advocate
23 that position, because in that choice, they get to do
24 the brief first, unless David would like more time.
25 I'm not sure.

0806

1 MR. MEYER: We're fine with the November
2 14th date.

3 JUDGE CAILLE: Okay. All right. Then if
4 there's nothing further, this hearing is adjourned.

5 MR. MEYER: Thank you, Your Honor.

6 MR. FFITCH: Thank you, Your Honor.

7 (Proceedings adjourned at 9:38 a.m.)

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