

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION TO INITIATE) **CASE NOS. AVU-E-14-05**
DISCUSSIONS WITH INTERESTED) **AVU-G-14-01**
PARTIES ON AN EXTENSION OF THE)
EXISTING RATE PLAN AND AVOID A) **NOTICE OF APPLICATION**
GENERAL RATE CASE)
) **NOTICE OF**
) **INTERVENTION DEADLINE**
)
) **NOTICE OF**
) **SETTLEMENT CONFERENCE**
)
) **ORDER NO. 33051**

On May 30, 2014, Avista Corporation filed an Application requesting the Commission open a case to allow interested parties to participate in settlement discussions regarding alternatives to Avista filing a general rate case this year. More specifically, the Application states that Avista is interested in identifying parties “that would like to participate . . . in settlement discussions to extend the existing rate plan.” Application at 1. In Avista’s last general rate case (AVU-E-12-08/AVU-G-12-08), the Commission approved a “Stipulation and Settlement” (the “Settlement”) that, among other elements, restricted the Company from increasing its base rates¹ before January 1, 2015. Order Nos. 32740 and 37269.

Avista serves more than 120,000 electric customers and more than 75,000 natural gas customers in northern Idaho. Avista also generates, transmits and distributes electricity in parts of eastern and central Washington. The Company also distributes natural gas in Idaho, Washington, and Oregon.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Avista has expressed an interest in extending its existing settlement rate plan in lieu of filing a new general rate case. The Company has had informal discussions with several customers and interested groups including Clearwater Paper

¹ Base rates are combined with the annual Power Cost Adjustment (PCA) rates to produce a customer’s overall energy rate.

Corporation; Idaho Forest Group; Community Action Partnership Association of Idaho (CAPAI); Idaho Conservation League (ICL); and Snake River Alliance (SRA); and Commission Staff. The Company states that the purpose of initiating discussions regarding possible alternatives to a rate case is to “avoid the necessity and associated expenses for all parties [by] avoiding a general rate case.” *Id.* at 2.

YOU ARE FURTHER NOTIFIED that the Company requests that the Commission initiate a case, set a deadline for intervention, and establish a schedule for settlement conferences to allow the parties to enter into settlement discussions pursuant to Rules 271-274. According to Rule 272, settlement negotiations are confidential, unless all participants to the negotiation agree to the contrary. IDAPA 31.01.01.272.

Based upon our review of the Application and Staff’s recommendation, the Commission finds it reasonable to initiate a case so that parties can engage in settlement discussions in an effort to avoid or narrow the issues in a general rate case. Because Avista has already had informal discussions with groups which normally appear in its rate cases, we find it appropriate to grant intervention to Clearwater Paper Corporation; Idaho Forest Group; Community Action Partnership Association of Idaho (CAPAI); Idaho Conservation League (ICL); and Snake River Alliance (SRA).² We find that intervention by these entities would serve the purpose of intervention as described by Rule 74, IDAPA 31.01.01.074. These parties need not file Petitions to Intervene in this case.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons other than those entities mentioned in the preceding paragraph desiring to intervene** in this matter for the purpose of engaging in settlement negotiations **must file a Petition to Intervene** with the Commission pursuant to this Commission’s Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate as parties in the settlement discussions must file a Petition to Intervene **no later than June 20, 2014**.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Avista’s representatives in this matter:

² Staff may participate as a party in any case. Rule 37, IDAPA 31.01.01.037.

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YOU ARE FURTHER NOTIFIED that once the deadline for intervention has passed, the Commission Secretary shall prepare a Notice of Parties.

NOTICE OF SETTLEMENT CONFERENCE

YOU ARE FURTHER NOTIFIED that given the assertions set out in Avista's Application, Staff counsel will convene a settlement conference for the parties on **WEDNESDAY, JUNE 25, 2014, IN THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO AT 9:30 A.M. (MOUNTAIN STANDARD TIME)**. The purpose of the settlement conference is to allow parties to explore alternatives to a general rate case. See Rule 124, IDAPA 31.01.01.124. Parties wishing to participate by telephone must contact Staff counsel at (208) 334-0312 to make arrangements for a telephone bridge.

YOU ARE FURTHER NOTIFIED that all hearings and settlement conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-Mail: secretary@puc.idaho.gov

YOU ARE FURTHER NOTIFIED that Rule 276 provides that the Commission is not bound by any settlement which may be reached by the parties. IDAPA 31.01.01.276. If a

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settlement is reached, the Commission will “independently review any settlement proposed to it to determine whether the settlement is just, fair and reasonable, in the public interest or otherwise in accordance with law or regulatory policy.” *Id.* The Commission may accept, reject or modify any settlement. Moreover, the proponents of settlement carry the burden of showing that the settlement is reasonable and in the public interest. Rule 275. When a settlement calls for Commission action, the Commission will prescribe an appropriate procedure to examine the proposed settlement. Rule 274.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted in accordance with the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

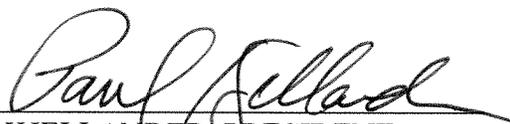
ORDER

IT IS HEREBY ORDERED that intervention is granted to Clearwater Paper Corporation; Idaho Forest Group; Community Action Partnership Association of Idaho (CAPAI); Idaho Conservation League (ICL); and Snake River Alliance (SRA).

IT IS FURTHER ORDERED that other persons desiring to intervene in this matter shall file a Petition to Intervene no later than June 20, 2014. Once the deadline for Petitions to Intervene has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that Staff counsel shall convene an informal settlement conference on June 25, 2014, so the parties may discuss extending the existing Settlement and rate plan in lieu of a general rate case for electric and natural gas customers.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th
day of June 2014.



PAUL KJELLANDER, PRESIDENT

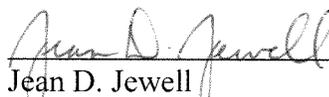


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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