#  BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

Office of the Secretary

Service Date

May 21, 1999

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| **IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION FOR APPROVAL OF STANDARDS FOR COMPETITIVE PRACTICES RELATED TO THE CONSOLIDATION OF GAS PROCUREMENT OPERATIONS UNDER AVISTA ENERGY.**  | **)****)****)****)****)****)****)** | **CASE NO. AVU-G-99-1****ORDER NO. 28051** |

 On April 6, 1999, Avista Corporation dba Avista Utilities—Washington Water Power Division (Avista; Company) filed with the Idaho Public Utilities Commission (Commission) proposed Standards for Competitive Practices (Standards) which, if approved, would become part of the Company’s Tariff Schedule 163.

 The proposed Standards are being filed by the Company in compliance with the Commission’s Order No. 27908 in Case No. WWP-G-98-4. In that Order the Commission approved the Company’s proposed Tariff Schedule 163 experimental Natural Gas Benchmark Mechanism (Gas Benchmark), together with the proposed consolidation of the Company’s gas procurement operations under its affiliate, Avista Energy. In its Order the Commission stated that “customers may benefit from rules of conduct that promote full and fair competition”, and required the Company to file standards for competitive practices similar to those adopted for Intermountain Gas Company. Reference Case No. INT-G-98-3, Order No. 27799 (November 17, 1998).

 The proposed Standards will govern the relationship, transactions and dealings between Avista Utilities and Avista Energy regarding the gas procurement and management services provided by Avista Energy under the Gas Benchmark Mechanism in Tariff Schedule 163.

 The Company requests that the Commission approve the revisions to Tariff Schedule 163 to include the proposed Standards for an effective date of May18, 1999. Implementation of the Gas Benchmark Mechanism, including all provisions of Schedule 163, will occur on the first calendar day of the month following receipt of all necessary regulatory approvals and execution of the agency agreement between Avista Utilities and Avista Energy (estimated implementation date—June 1 or July 1, 1999).

 Commission Notices of Application and Modified Procedure in Case No. AVU-G-99-1 issued on April 23, 1999. The deadline for filing written comments was May 13, 1999. Commission Staff was the only party to file comments.

 Staff notes that the Company’s proposed Standards, while differing in some respects, are similar to the standards approved by the Commission for Intermountain Gas Company. Reference Order No. 27799. Staff contends, however, that the proposed Standards do not adequately or clearly prohibit the furnishing of market-sensitive non-public information by Avista Utilities personnel to its marketing affiliate, Avista Energy. The Company represents to Staff that it is concerned that communications among senior management personnel necessary to evaluate the financial performance of both companies not be prohibited. Staff is concerned that customer specific non-public information not be shared, e.g., customer identity, receipt points, number of therms to be transported and/or source of gas.

 Staff recommends that paragraph 4.1 of the proposed Standards be modified to read as follows:

 4.1. Without the prior written consent of the customer, Avista may not disclose to its gas marketing affiliate or any other market participant any non-public, customer-specific information that it has from any of the following:

 • a customer or gas supplier

 • a potential customer or gas supplier

 • an agent of a customer or gas supplier or potential customer or gas supplier

 • a marketer or other supply entities seeking to supply gas to a customer or potential customer that is located in the utilities service territory

Staff believes that the proposed modification will be a reasonable compromise in that it would allow exchange of aggregate non-public information while it would protect customer-specific, market-sensitive information.

 Staff believes the balance of the proposed Standards are acceptable. Staff reserves the right to seek modification in the future pending results of Commission Staff audits.

**COMMISSION FINDINGS**

 The Commission has reviewed the Company’s Application and Proposed Standards for Competitive Practices. Reference Tariff Schedule 163. The Commission has also reviewed and considered the written comments filed in this matter. The Commission continues to find that the issues presented in this case are suitable for processing under Modified Procedure, i.e., by written submission rather than by hearing. Reference IDAPA 31.01.01.204. The Commission finds Staff’s proposed modification related to sharing of non-public customer-specific information to be reasonable and is apprised that the Company accepts Staff’s proposed change. The Commission finds the remainder of the Company’s proposed standards for competitive practice to be just and reasonable. The Commission also finds the proposed implementation date to be reasonable.

**CONCLUSION OF LAW**

 The Idaho Public Utilities Commission has jurisdiction over this matter and Avista Corporation dba Avista Utilities—Washington Water Power Division, a natural gas utility, pursuant to the authority and power granted under Title 61 of the Idaho Code and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq*.

**O R D E R**

 In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the Application of Avista Corporation dba Avista Utilities—Washington Water Power Division for authority to add Proposed Standards for Competitive Practices to its natural gas Tariff Schedule 163 with the foregoing modification be approved effective May 18, 1999. The Company is directed to file an amended tariff conforming with this Order.

 THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

 DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this day of March, 16.

 DENNIS S. HANSEN, PRESIDENT

 MARSHA H. SMITH, COMMISSIONER

 PAUL KJELLANDER, COMMISSIONER

Myrna J. Walters

Commission Secretary

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