

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

AVISTA CORPORATION'S PETITION FOR)	CASE NO. AVU-G-20-02
APPROVAL OF A SETTLEMENT)	
AGREEMENT BETWEEN CLEARWATER)	NOTICE OF PETITION
PAPER CORPORATION AND AVISTA)	
CORPORATION)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 34668
)	

On April 7, 2020, Avista Corporation ("Company") filed a Petition seeking approval of a settlement agreement ("Agreement") with Clearwater Paper Corporation ("Clearwater") pursuant to Commission Rule of Procedure 53. IDAPA 31.01.01.053. The proposed Agreement resolves a dispute over a penalty that could have been imposed on Clearwater under the Company's Idaho Natural Gas Tariff, Schedule 146 – Transportation Service for Customer-Owned Gas ("Tariff"). The Company requests that the Petition be processed by Modified Procedure. *Petition* at 6.

With this Order, we provide notice of the Petition and set comment and reply deadlines.

NOTICE OF PETITION

YOU ARE HEREBY NOTIFIED that the Company has a special contract for natural gas transportation service with Clearwater. *Id.* at 2; *see also* Order 30307.

YOU ARE FURTHER NOTIFIED that the Company represents Section 7 of the special contract makes Clearwater responsible for imbalance charges or penalties as set forth in the Company's Tariff. *Id.*

YOU ARE FURTHER NOTIFIED that the Company states on October 9, 2018, the Enbridge-owned West Coast Pipeline experienced a rupture that reduced natural gas flows to the Sumas natural gas trading hub for the entire 2018-2019 wintertime period. *Id.* at 3. The Company asserts the rupture, coupled with Jackson Prairie system maintenance and outages, resulted in unusually high prices and volatility at Sumas. *Id.*

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YOU ARE FURTHER NOTIFIED that the Company asserts in February and March 2019, Northwest Pipeline issued certain entitlement notices requiring shippers on their pipeline to stay within a certain percentage of their nominated natural gas supplies. *Id.* The Company alleges it issued the same entitlement notices to its Clearwater and other transportation customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company alleges despite these notifications Clearwater exceeded its nominated natural gas volumes eight times between February 7, 2019 and March 4, 2019. Those eight exceedances led to imposition of \$926,202 entitlement penalties under the Company's Tariff ("Penalty"). *Id.* at 3-4.

YOU ARE FURTHER NOTIFIED that the Company and Clearwater agreed that the amount of the Penalty was unduly burdensome due to the unique circumstances that existed when it was incurred. *Id.* at 4. As a result, the Company asked the Commission for a limited waiver of certain penalty provisions in the Tariff and permission to enter into settlement discussions with Clearwater. *Id.*; *see also* Order No. 34549.

YOU ARE FURTHER NOTIFIED that after settlement negotiations the Company and Clearwater agreed to a reduced penalty of \$500,000. *Id.* at 5. The Company asserts this amount strikes a reasonable balance between providing meaningful deterrence due to the large dollar amount but not so high as to become unduly burdensome when there was significant turmoil in natural gas markets. *Id.* Further, the Company contends there was no financial harm to the Company's core customers, nor was it penalized by Northwest Pipeline. *Id.*

YOU ARE FURTHER NOTIFIED that the Petition is available for public inspection during regular business hours at the Commission offices. The Petition is available on the Commission's web site at www.puc.idaho.gov. Click on the "Natural Gas" tab first, then the "Open Cases" tab, and then the case number "AVU-G-20-02" as also shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code. The Commission may enter any final order consistent with its authority under Title 61.

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

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that anyone desiring to state a position on this Petition must file a written comment in support or opposition with the Commission **within twenty-one (21) days from the service date of this Notice**. The comment must explain why the person who filed them supports or opposes the Petition. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Petition should be sent electronically to the Commission and the Company at the email addresses reflected below:

Idaho Public Utilities Commission: Avista:

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
Email: secretary@puc.idaho.gov

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, ID 83714

Michael G. Andrea
Patrick Ehrbar
Avista Corporation
P.O. Box 3727
MSC-17
1411 E. Mission Ave.
Spokane, WA 99220-3727
Email: michael.andrea@avistacorp.com
patrick.ehrbar@avistacorp.com

If a person cannot send comments to the Commission by email, they may be submitted by mailing them to the addresses above. Comments should contain the case caption and case number shown on the first page of this document. Persons submitting comments by email may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment Form" under "Consumers", and complete the comment form using the case number, as it appears on the front of this document. These comments must also be sent to the Company.

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **within twenty-eight (28) days from the service date of this Notice**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

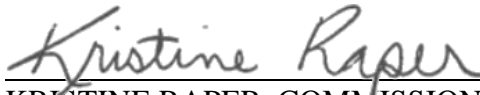
IT IS HEREBY ORDERED that this case be processed by Modified Procedure, Rules 201 – 204 (IDAPA 31.01.01.201 through .204). Persons wishing to file written comments must do so within twenty-one (21) days from the service date of this Notice. The Company must file any reply comments within twenty-eight (28) days from the service date of this Notice.

IT IS FURTHER ORDERED that parties continue to comply with Order No. 34602, issued March 17, 2020. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13th day of May 2020.



PAUL KJELLANDER, PRESIDENT

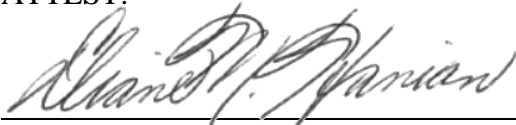


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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