

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: JOHN R. HAMMOND JR.
DEPUTY ATTORNEY GENERAL

DATE: MAY 8, 2020

SUBJECT: AVISTA'S PETITION FOR APPROVAL OF A SETTLEMENT AGREEMENT WITH CLEARWATER PAPER CORPORATION; CASE NO. AVU-G-20-02.

On April 7, 2020, Avista Corporation ("Company") filed a Petition seeking approval of a Settlement Agreement with Clearwater Paper Corporation ("Clearwater"). The Company requests that the Petition be processed by Modified Procedure. *Petition* at 6.

THE PETITION

The Company represents the Settlement Agreement resolves a disputed penalty that could have been imposed on Clearwater under the Company's Idaho Natural Gas Tariff ("Tariff"). During the period from February 7, 2019 to March 4, 2019, the penalties for Clearwater's unauthorized volumes during overrun entitlements were calculated to be \$926,202 ("Penalty"). *Id.* at 1. The Company alleges though that under the unique circumstances that gave rise to the Penalty, the Company asserts imposing it in the full amount was unduly burdensome. *Id.* Under the terms of the Settlement Agreement, the Company and Clearwater agreed to settle the Penalty for \$500,000. *Id.* at 1-2. The Company asserts that other customers were not harmed by Clearwater's entitlement violations, nor was the Company penalized by Northwest Pipeline. *Id.* at 4-5. Clearwater has authorized the Company to represent that it supports the Petition. *Id.* at 2.

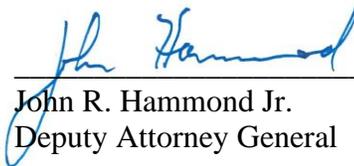
The Company represents it has provided notice of the Settlement Agreement to its Idaho transportation customers as required by Order No. 34549. *Id.* at 5.

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Petition and Notice of Modified Procedure, with comments and reply comments due within twenty-one and twenty-eight days, respectively, from the service date of the Notice.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Petition and Notice of Modified Procedure that establishes comments and reply comments must be filed within twenty-one and twenty-eight days, respectively, from the service date of the Notice?



John R. Hammond Jr.
Deputy Attorney General

I:\Legal\GAS\AVU-G-20-02\AVUG2002_dec memo 1_JH.doc