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February 3, 2000

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Carole J. Washburn, Secretary
Washinton Utility & Transportation Comm'n.
1300 S. Evergreen Park Drive, SW
Olympia, , WA 98504-7250

RE: **Docket Nos. UE-9912455, UE-99-1262 and UE-991409**

Dear Ms. Washburn:

Please find enclosed for filing on behalf of Avista Corporation the original and nineteen (19) copies of a MOTION TO STRIKE PORTIONS OF THE BRIEF OF PUBLIC COUNSEL OR FOR ADMISSION OF SUPPLEMENTAL EXHIBIT SC-333, and in a separate sealed envelope, 2) the original and five (5) copies of a "SUPER CONFIDENTIAL" document as Attachment "B" to the Motion.

Please conform and return the additional copy of the Motion to Strike in the enclosed self-addressed stamped envelope. Thank you for your assistance.

Very truly yours,

PAINE, HAMBLÉN, COFFIN,
BROOKE & MILLER LLP


Gary A. Dahlke

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Enclosure

cc: Service List

RECORDED
RECEIVED
OFFICE OF THE
STATE OF WASH
UTIL AND TRANSP
COMMISSION
FEB -4 AM 9:30

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of)
)
AVISTA CORPORATION) DOCKET NO. UE-991255
)
for Authority to Sell its Interest in the)
Coal-Fired Centralia Power Plant)

In the Matter of the Application of)
)
PACIFICORP) DOCKET NO. UE-991262
)
for an Order Approving the Sale of its)
Interest in (1) the Centralia Steam Electric)
Generating Plant, (2) the Rate Based)
Portion of the Centralia Coal Mine, and)
(3) Related Facilities; for a Determination)
of the Amount of and the Proper Rate)
Making Treatment of the Gain Associated)
with the Sale, and for an EWG)
Determination)

In the Matter of the Application of)
)
PUGET SOUND ENERGY, INC.) DOCKET NO. UE-991409
)
for (1) Approval of the Proposed Sale of)
PSE's Share of the Centralia Power Plant)
and Associated Transmission Facilities,)
and (2) Authorization to Amortize Gain)
Over a Five-Year Period)
_____) AVISTA CORPORATION'S MOTION TO
STRIKE PORTIONS OF THE BRIEF OF
PUBLIC COUNSEL OR FOR
ADMISSION OF SUPPLEMENTAL
EXHIBIT SC-333

RECEIVED
REGISTRATION UNIT
00 FEB -4 AM 9:39
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

I. INTRODUCTION

Avista Corporation ("Avista") hereby moves the Commission to strike certain portions of the Post Hearing Brief submitted by Public Counsel, or alternatively, to allow Avista Corporation to submit a supplemental exhibit to correct inaccurate information included in Public Counsel's brief.

II. ARGUMENT

The Commission is not bound by the traditional rules of evidence and thus has broad discretion in deciding which evidence to consider in making its decisions. See WAC 480-09-750(1) & 480-09-740. The Commission's procedural rules allow the admission of all relevant evidence and further provide that the presiding officer should base his or her decision on "the best evidence reasonably obtainable, having due regard to its necessity, availability, and trustworthiness." WAC 480-09-750. Moreover, the procedure rules "are subject to such exceptions as may be just and reasonable in individual cases as determined by the Commission." WAC 480-09-010(3). Thus, it is within the discretion of the Commission to consider Avista's motion at this stage of the proceeding.

In this proceeding, the Parties agreed that post hearing briefs would be submitted simultaneously and without opportunity to reply. However, Avista believes that certain information in the brief of Public Counsel is inaccurate and must be corrected so that the Commission has the best evidence available when it makes its decision. In his brief, counsel for the Public Counsel makes a comparison of Avista's market forecasts to the rate at which Avista has contracted to purchase replacement power. (Post Hearing Brief of Public Counsel, p. 20, lines 4-16.) The comparison as presented in the Public Counsel's brief is inaccurate in two respects. First, Public Counsel states on page 20 of its Post Hearing Brief that "The table below compares the values of power estimated by Avista in its direct testimony, Exhibit 304 . . .". The values in Public Counsel's table, which are labeled as being from Exhibit 304, however, are not in Exhibit 304 or any of Avista's testimony or exhibits, direct or rebuttal. Therefore, Public Counsel's representation is incorrect and misleading. Secondly, the price that Public Counsel included in its table as the replacement purchase price (Repurchase Agreement) is for a nine month power product during the

months of January-March and July-December of each year. Public Counsel is improperly comparing the price for this nine month power product to a twelve month (annual) power product. The twelve month product includes in its average the lower prices for the spring hydroelectric run-off period of April, May and June. In replacing the Centralia generation, the Company chose to purchase the nine month product for January-March and July-December, and rely on energy from the market for April-June. The proper calculation of the cost of replacement power would include the weighted average of the costs of the nine month power product plus the lower cost market purchases for April-June. Public Counsel has improperly compared a nine month power product to a twelve month product.

In the attached proposed Exhibit SC-333, the Company has provided a proper comparison of the replacement power purchase to the market price estimates and costs of Centralia contained in Exhibit 304.

The details of the comparison sales are subject to a confidentiality order so are not described here. Suffice it to say that the information as presented by Public Counsel is inaccurate and misleading and should be either stricken or clarified as proposed here. Avista requests that the Commission strike the portion of the brief regarding the comparison. (The specific portions that Avista requests to be stricken are described in Attachment A.)

In the alternative, Avista requests that the Commission receive and consider Avista's proposed Exhibit SC-333. (Attachment B, sealed exhibit). Avista's proposed Exhibit SC-333 does not contain any raw evidence that has not already been received by the Commission in this proceeding.

III. CONCLUSION

The Commission should strike the inaccurate and misleading comparison in the Public Counsel's brief as described in Attachment A. Alternatively, the Commission should receive into evidence and consider Avista's proposed Exhibit SC-333 in making its decision in this matter.

DATED this 3rd day of February, 2000.

Respectfully submitted,

PAINE, HAMBLIN, COFFIN,
BROOKE & MILLER LLP

By: 
Gary Dahlke

W:\11\150\02774\PP\105 motion.wpd

1 [REDACTED]
2 [REDACTED]. This agreement is
3 contained in Exhibit SC-507.

4 [REDACTED] The terms of this [REDACTED] are important and relevant, because they are a
5 [REDACTED] demonstration of the value of the Centralia power. [REDACTED] The table below compares the value of power
6 [REDACTED] estimated by Avista in its direct testimony, Exhibit 304, to that estimated in its revised analysis
7 [REDACTED] in Exhibit 332 to the proposed price at which it would [REDACTED]:

	Shaped Value of Centralia Power	
	Exhibit 304	Exhibit 332
11 2001	23.99	27.28
12 2002	24.59	27.53
13 2003	25.20	27.78

14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 Since Mr. Johnson agreed that the -\$25.4 million shown on Exhibit 332 was equivalent to
18 the +\$7.7 million shown in Mr. Ely's testimony, (Johnson, TR-417) the Commission should
19 conclude that the proposed sale is adverse to the public interest by at least the -\$25.4 million
20 over the 20 year period of Mr. Johnson's analysis (or \$169 million on a whole plant basis).

21 c. PSE's Analysis Demonstrates a Negative Value to Ratepayers from the Sale.

22 Puget adopted a new analysis in its rebuttal testimony, relying on the same Aurora
23 forecast of the Northwest Power Planning Council that Public Counsel witness Lazar relied on in
24 his analysis. (Exh 513) This PSE rebuttal analysis is a good place to start in examining the
25 proposed sale. As filed, Exhibit 114 shows that Puget's proposal would adversely affect
26

CERTIFICATE OF SERVICE
 UE-991255, UE-991262 and UE-991409

I HEREBY CERTIFY that I served a copy of the foregoing AVISTA CORPORATION'S MOTION TO STRIKE PORTIONS OF THE BRIEF OF PUBLIC COUNSEL OR FOR ADMISSION OF SUPPLEMENTAL EXHIBIT SC-333 upon the parties on the official service list in this proceedings by depositing same in the United States Mail at Spokane, Washington, a true and correct copy thereof, contained in a sealed envelope, with postage prepaid:

Washington Utilities & Transportation Commission	Honorable Marjorie R. Schaer Administrative Law Judge Washington Utilities & Transportation Comm'n 1300 S. Evergreen Park Drive, SW Olympia, WA 98504-7250
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ICNU	Michael T. Brooks Duncan, Weinberg, Genzer & Pembroke 1300 S.W. Fifth Ave., Suite 2915 Portland, OR 97201

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Puget Sound Energy, Inc.	Christy Omohundro Director of Regulation Puget Sound Energy, Inc. 411 - 108 th Avenue NE, Suite 300 Bellevue, WA 98004

DATED this 3rd day of February, 2000.

By: 
Gary A. Danilke