

PROTECTIVE ORDER

Date Received: August 11, 2000

Docket No.: UE-991255 et al

Company: Avista Corporation d/b/a Avista Utilities

Distribution:

- ✓ Chairwoman Showalter
- ✓ Commissioner Gillis
- ✓ Commissioner Hemstad
- ✓ Marjorie Schaer, ALJ
- Penny Hansen
- ✓ Policy Planning
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Christine O. Gregoire

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

1400 S Evergreen Park Drive SW • PO Box 40128 • Olympia WA 98504-0128 • (360) 664-1183

August 11, 2000

Carole Washburn, Secretary
Washington Utilities and
Transportation Commission
P.O. Box 47250
Olympia, WA 98504

PT. SOUND ENERGY
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SH
MSP.

Re: In re the Matter of the Application of Puget Sound Energy
Docket No. UE-991409

Dear Ms. Washburn:

Enclosed for filing in the above-referenced dockets are the original and 19 copies of the Stipulation re Centralia Transaction Credit and Certificate of Service.

Very truly yours,

ROBERT D. CEDARBAUM
Senior Counsel

RDC:kl
Enclosure
cc: All Parties



**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

In re the Matter of the Application of

PUGET SOUND ENERGY, INC.

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

Docket No. UE-991409

STIPULATION RE CENTRALIA
TRANSACTION CREDIT

STATE OF WASHINGTON
UTIL. AND TRANSPORTATION
COMMISSION

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RECEIVED

On July 14, 2000, Puget Sound Energy "(PSE)" filed a Petition to (1) amend the Second Supplemental Order in this proceeding ("Centralia Order"), as necessary, to accommodate the Company's proposal to return to customers as a one-time transaction credit ("Centralia Transaction Credit") the customer share of the gain on the sale of PSE's interest in the Centralia facilities, and (2) approve the Company's proposed Centralia Transaction Credit, as filed with the Commission in a separate tariff filing.

Following discussions among PSE, Commission Staff, Public Counsel, and the Industrial Customers of Northwest Utilities (collectively, the "Parties"), the Parties have reached agreement on the methodology by which they propose that the Centralia Transaction Credit should be paid to PSE's customers. The Parties wish to present their agreement for the Commission's consideration, and therefore adopt the following Stipulation.

AGREEMENT

1. The Parties agree upon the following methodology for payment of the Centralia Transaction Credit:

Beginning with the billing cycle commencing on November 1, 2000, PSE will show as a separate item on customers' bills the Centralia Transaction Credit, calculated in the following manner. The amount to be allocated is the customers' share of the gain on the sale of Centralia facilities, plus accumulated interest, net of taxes and grossed up for revenue sensitive items. This amount will be allocated to classes of customers using the peak credit allocation methodology (with a peak credit ratio of 87/13) based on estimated November consumption. The amounts allocated to customers within each class shall be returned as a credit, computed for each customer by multiplying actual kilowatt-hour usage during the month of November by the following credits per kilowatt hour, by customer class:

Customer Class	Transaction Credit per KWh
Residential (Sch. 7)	\$ 0.012885
Secondary General Service - Small (Sch. 24)	0.010679
Secondary General Service - Medium (Sch. 25)	0.010202
Secondary General Service - Large (Sch. 26)	0.010270
Secondary Irrigation Service (Sch. 29)	0.014177
Primary General Service (Sch. 31, 48)	0.009633
Primary Irrigation Service (Sch. 35)	0.015494
Primary Interruptible Service (Sch. 43)	0.011165
High Voltage Service (Sch. 46, 48, 49)	0.011562
Lights (Sch. 50, 62, 53, 54, 55, 57, 58)	0.009950

Any remaining difference between the amount ultimately returned to the customers and the final gain shall be transferred to or from the conservation rider account. By this proposed treatment, any such difference would be refunded or collected to or from customers through the conservation tariff rider in 2001.

Attached hereto is a revised Appendix C showing the calculation of the transaction credit, by class and by usage. With the modifications as set forth in this Stipulation, the Parties recommend approval of PSE's Petition.

2. PSE shall submit a compliance filing to implement payment of the Centralia Transaction Credit, if approved by the Commission in accordance with this Stipulation. The Parties shall be provided with a copy of such compliance filing, and may provide comment to the Commission on such filing.

3. The Parties understand that this Stipulation is not binding on the Commission in ruling on PSE's Petition. The parties agree that this Stipulation represents a compromise in the positions of the Parties. By executing this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed in arriving at the terms of this Stipulation, nor shall any Party be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding. The Parties shall cooperate in submitting this Stipulation promptly to the Commission for acceptance, and jointly recommend that the Commission issue an order approving the Petition subject to the methodology set forth herein. In the event the Commission rejects the Stipulation, the Parties agree to jointly request a telephone conference with the Administrative Law Section to determine any remaining procedures for resolution of PSE's Petition.

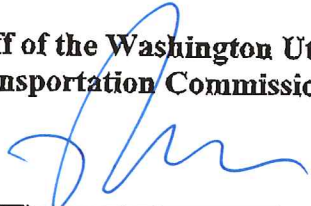
4. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

DATED: August ^{11th}, 2000.

Puget Sound Energy

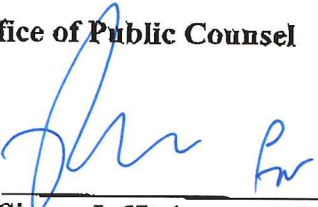
**Staff of the Washington Utilities and
Transportation Commission**

By _____
Karl Karzmar
Manager, Revenue Requirements

By  _____
Robert D. Cedarbaum
Assistant Attorney General

Office of Public Counsel

Industrial Customers of Northwest Utilities

By  _____
Simon J. Ffitch
Assistant Attorney General

By _____
Melinda Davison
Davison Van Cleve, P.C.

[Sea3057923]

4. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

DATED: August __, 2000.

Puget Sound Energy

**Staff of the Washington Utilities and
Transportation Commission**

By 
Karl Karzmar
Manager, Revenue Requirements

By _____
Robert D. Cedarbaum
Assistant Attorney General

Office of Public Counsel

Industrial Customers of Northwest Utilities

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Simon J. ffitc
Assistant Attorney General

By _____
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[Sea3057923]

**Centralia Transaction Credit By Class
Based on Peak Credit Allocation
(Energy, Demand and Peak Credit Allocators from UE-921262 COS)**

APPENDIX C

Customer Class	Energy Allocator	87% Energy	Demand Allocator	13% Demand	Weighted Allocation	Transaction Credit \$ Allocation	kWh 11/2000	\$ Transaction Credit per kWh
Residential (Schedule 7)	9,417,367,160	0.420248	2,081,338	0.075323	0.495571	\$ 10,199,666	791,613,000	\$ 0.012885
Sec Gen Svc - Small (Schedule 24)	2,033,413,644	0.090741	330,066	0.011945	0.102666	\$ 2,113,439	197,897,000	\$ 0.010679
Sec Gen Svc - Medium (Schedule 25)	2,253,580,488	0.100566	370,916	0.013423	0.113989	\$ 2,346,078	229,959,000	\$ 0.010202
Sec Gen Svc - Large (Schedule 26)	1,397,879,156	0.062380	202,981	0.007346	0.069726	\$ 1,435,073	139,734,000	\$ 0.010270
Sec Irrigation Svc (Schedule 29)	10,709,571	0.000478	213	0.000008	0.000486	\$ 9,995	705,000	\$ 0.014177
Pri Gen Svc (Schedules 31 & 48)	1,326,126,922	0.059178	201,978	0.007310	0.066488	\$ 1,368,425	142,051,000	\$ 0.009633
Pri Irrigation Svc (Schedule 35)	5,067,375	0.000226	13	0.000000	0.000227	\$ 4,664	301,000	\$ 0.015494
Pri Interruptible Svc (Schedule 43)	189,330,957	0.008449	53,049	0.001920	0.010369	\$ 213,405	19,113,000	\$ 0.011165
HV (Schedules 46, 48, and 49)	2,797,785,862	0.124851	343,532	0.012432	0.137283	\$ 2,825,507	244,369,000	\$ 0.011562
Lights (Schedules 50, 52, 53, 54, 55, 57 & 58)	64,629,627	0.002884	8,076	0.000292	0.003176	\$ 65,375	6,570,000	\$ 0.009950
Total	19,495,890,762	0.870000	3,592,162	0.130000	1.000000	(a) \$ 20,581,625	1,772,312,000	\$ 0.011613

Centralia Transaction Credit:

Credit before Gross-up	
Gain Share	\$ 12,278,153
Interest	\$ 505,492
	<u>\$ 12,783,645</u>

Conversion Factor

Total Transaction Credit \$ 20,581,625 (a)

CERTIFICATE OF SERVICE
UE-991409

I certify this day copies of the foregoing Stipulation re: Centralia Transaction Credit were sent via US Mail to the parties listed below.

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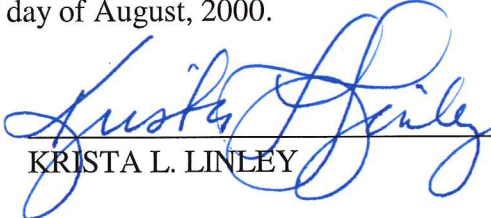
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DATED at Olympia, Washington, this 11th day of August, 2000.


KRISTA L. LINLEY