

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of)	
)	
AVISTA CORPORATION)	
)	DOCKET NO. UE-000080
for a Ruling on the Regulatory Treatment)	
of the Gain on the Proposed Sale of the)	REPLY BRIEF OF PUBLIC COUNSEL
2.5 % Share of the Centralia Power Plant)	SUPPORTING JURISDICITON,
Acquired by Avista Corporation from)	OPPOSING SALE, AND FAVORING
Portland General Electric to be Sold to)	DISTRIBUTION OF GAIN TO
TECWA Power, Inc.)	RATEPAYERS IF SALE IS APPROVED
_____)	

Public Counsel files this reply to Avista’s Opening Brief in this matter. Avista’s arguments were thoroughly addressed by the briefs of Public Counsel, Staff and Industrial Customers of the Northwest (ICNU). No purpose would be served here by simply repeating prior discussions. Perhaps the most critical factor for the Commission to recognize in deciding the three issues before it is that Avista is in a “resource short” situation. Tr. 217. and is legally obligated not only to provide service, but to provide it at least cost. The ownership of a share of the Centralia plant enables Avista to meet both of these obligations.

Jurisdiction. The Centralia plant is “necessary and useful” for Avista to perform its duties to the public, bringing the sale within the ambit of RCW 80.12.020 jurisdiction. But for the proposed sale and the temporary assignment of output, the PGE share is likewise “necessary and useful” to provide needed power for customers. As Staff pointed out in its brief, the Commission’s decision in *WUTC v. Washington Water Power Company*, Cause No. U-88-2380, Third Supplemental Order at 8, has already rejected the argument made by Avista here.

Public Interest. Because the output of the plant is needed to satisfy Avista’s demand, and

can do so in a least cost manner more economical for customers than the proposed alternatives, the sale of the plant, including the PGE share, should be denied because it is not in the public interest. Public Counsel recognizes, however, that today the Commission approved the sale of the Centralia plant in an order in the main transfer proceeding.

Allocation of Gain. In a resource deficit such as Avista faces, the PGE share, but for the sale would have been used to meet load. Its sale exposes customers to risk of higher energy costs. Customers are entitled to all the benefit of the sale of this property as compensation for exposure to this greater risk.

Respectfully submitted this 6th day of March, 2000.

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