

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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)	
)	DOCKET NO. UE-991262
PACIFICORP)	
)	
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)	
)	DOCKET NO. UE-991409
PUGET SOUND ENERGY, INC.)	
)	ORDER OF CONSOLIDATION;
for (1) Approval of the Proposed Sale of)	
PSE's Share of the Centralia Power Plant)	PREHEARING CONFERENCE
and Associated Transmission Facilities,)	ORDER
and (2) Authorization to Amortize Gain)	
Over a Five-Year Period.)	
.....)	

PREHEARING CONFERENCES: A joint prehearing conference was held in these three proceedings in Olympia, Washington, on Thursday, October 28, 1999. The prehearing conference was held before Chairwoman Marilyn Showalter, Commissioner Richard Hemstad, Commissioner William R. Gillis and Administrative Law Judge Marjorie R. Schaer.

APPEARANCES: The parties were present as follows: Avista Corporation ("Avista") by R. Blair Strong, Attorney at Law, Paine, Hamblen, Coffin, Brooke & Miller,

Spokane; Puget Sound Energy ("PSE") by Matthew R. Harris, Attorney at Law, Summit Law Group, Seattle; PacifiCorp by George M. Galloway, Attorney at Law, Steel Rives, Portland; the Washington Utilities & Transportation Commission and its staff ("Commission Staff") by Robert Cedarbaum, Assistant Attorney General, Olympia; Public Counsel by Charles F. Adams, Assistant Attorney General, Seattle; Industrial Customers of Northwest Utilities ("ICNU") by Michael T. Brooks, Attorney at Law, Portland; Northwest Energy Coalition ("NWECC") by Nancy Hirsh, Executive Director, Seattle, International Brotherhood of Electrical Workers Local 125 ("Local 125") by John Bishop, Attorney at Law, Bennett, Hartman & Reynolds, Portland; and Operating Engineers Local 612 ("Local 612") by Robert Lavitt, Attorney at Law, Schwerin, Campbell Barnard, Seattle.

INTERVENTIONS: The petitions to intervene of ICNU and NWECC were granted at the prehearing conference. Commission Staff objected to the petitions to intervene of Local 125 and Local 612 ; the Commission took the petitions of Local 125 and Local 612 under advisement. After further consideration, the Commission has determined that Local 125 and Local 612 should be allowed to intervene, but on limited grounds.

Local 612 indicated that it understands that this is not a forum to discuss WSHA or other worker safety issues, or issues that fall under its collective bargaining agreement. Local 612 bases its petition to intervene, rather, on the fact that it brings a voice to this process that expresses and interest in the cost and quality of service to consumers and the long-term viability of the plant in connection with the transaction that is at issue here. (TR 77). Both unions will be allowed to intervene, with their intervention limited to discussion of concerns of the greater public.

The Commission Staff and other parties are granted leave to object at a later stage in the proceeding if they believe they have grounds to object to particular participation by any of the intervenors.

CONSOLIDATION: The prehearing conference was a joint hearing in the three dockets listed above. The question of whether the three should be consolidated was discussed at length. Certain portions of the three dockets will focus on common issues; other portions will be company specific. The parties reached general agreement that consolidation is the best route. It will allow for an efficient proceeding, with no need for duplicative testimony or unnecessary trips to Olympia.

This decision is based on the explicit understanding that certain issues are common and all applicants will participate in those portions of the proceeding, and other issues are separate, and other applicants will be precluded from participating in those proceedings. The parties also agreed to provide information by January 4, 2000, indicating which evidence will be presented in consolidated proceedings, and which will be presented in separate, company-specific proceedings.

ORDER OF CONSOLIDATION

IT IS HEREBY ORDERED That the three above-entitled applications are consolidated for hearing and determination. The Commission reserves the right to hold such separate hearings and to enter separate orders in the individual matters as it may deem appropriate.

COPIES OF PREFILED EVIDENCE: An original plus 19 copies of all documents should be filed. All materials filed in this case, including prefiled testimony and exhibits, must also be provided by e-mail attachment or upon computer diskette in an IBM-compatible format.

The parties were each assigned a number series, and were instructed to pre-number their exhibits, and supply an exhibit list with their filings. PSE has the 100 series, PacifiCorp has the 200 series, Avista has the 300 series, Commission Staff has the 400 series, Public Counsel has the 500 series, ICNU has the 600 series, NWECC has the 700 series, Local 612 has the 800 series and Local 125 has the 900 series. The materials prefiled by PacifiCorp and PSE were marked for identification.

The parties are reminded that all testimony, exhibits, and pleadings filed with the Commission must be three-hole punched.

SCHEDULE: The Commission will consider these dockets on an expedited schedule, in order to accommodate the applicants' need for a decision by March 6, 2000. The following schedule will apply:

Avista prefiling	November 5, 1999
Commission Staff, Public Counsel, and Intervenors file direct cases	December 8, 1999
Applicant rebuttal prefiling	December 22, 1999
Issue outline and witness lists	January 4, 2000
Hearings	January 7, 10-11, 2000
Briefs filed	January 28, 2000

PacifiCorp has a hearing in another state on January 7, 2000, and may not be able to participate on that day. The parties should consider this when developing an order of witnesses, and a plan for hearings considering joint and separate evidence.

ISSUES: The parties prepared and filed written issues lists before the prehearing conferences. An outline of these issues prepared by the Commission advisory staff was shared at the conference and discussed by the parties.

As discussed above, in the section on intervention, certain of the issues raised by Local 125 and Local 612 are beyond the scope of this proceeding and no

evidence regarding them should be offered. Union contract issues, worker safety issues,

and protecting the job security of workers are beyond the scope of Commission authority and are regulated by other entities. They will not be considered here.

The broad issue the Commission will examine is whether the public interest is served by the sale, as compared to the alternative of no sale. In making this determination, the Commission will examine how each alternative [sale/no sale] will affect ratepayers, shareholders, and the general public.

As noted by PacifiCorp, the Commission recently conducted a proceeding in respect to the Colstrip sale by PSE, and orders in that matter can provide some guidance as to what issues the Commission may consider in this proceeding. Beyond that, the Commission will not limit the issues in this proceeding. Parties may, by objections to discovery, or to testimony and exhibits, identify for the Commission the portions, if any, of evidence presented which appears to go beyond the scope of what is appropriately considered in this proceeding.

DISCOVERY: The Commission discovery rule was invoked. The discovery processes in WAC 480-09-480 will be available to the parties. The parties have agreed to a seven (7) calendar day turn-around time on data requests.

PROTECTIVE ORDER: The parties seek a protective order. The Commission will enter a protective order in this consolidated proceeding.

NOTICE TO PARTIES: Any objection to the provisions of this order must be filed within ten calendar days after the date of mailing of this statement, pursuant to WAC 480-09-460(2). In the absence of such objections, this prehearing conference order shall control further proceedings in this matter, subject to Commission review.

DATED at Olympia, Washington, and effective this day of November 1999.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

WILLIAM R. GILLIS, Commissioner