

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE PETITION OF</b>	)	
<b>POTLATCH CORPORATION FOR AN</b>	)	<b>CASE NO. AVU-E-01-05</b>
<b>ORDER DETERMINING THE TERMS</b>	)	
<b>AND CONDITIONS FOR POTLATCH'S</b>	)	
<b>PURCHASE OF ELECTRICTY FROM</b>	)	<b>ORDER NO. 28823</b>
<b>AVISTA UTILITIES.</b>	)	

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On March 23, 2001, Potlatch Corporation (Potlatch) filed a Petition with the Idaho Public Utilities Commission (Commission) for an Order determining the terms and conditions of electric service from Avista Corporation dba Avista Utilities—Washington Water Power Division (Idaho) to Potlatch’s Lewiston, Idaho facility. Pursuant to notice issued July 13, 2001, a public hearing in Case No. AVU-E-01-05 is scheduled for August 21, 2001, in Lewiston, Idaho.

On August 17, 2001, Potlatch and Avista filed a Joint Motion for an Order vacating the hearing scheduled for August 21, 2001. In support of this Motion, Avista and Potlatch state as follows:

1. In testimony filed by Potlatch witness Dennis E. Peseau????, Potlatch stated that it was requesting Avista “to provide Potlatch with 100 MW of energy and associated capacity at Schedule 25 rates.

2. Since Avista filed its direct testimony in this case on June 18, wholesale market prices have decreased. This decrease in wholesale market prices has reduced the net cost to Avista to serve the total load requirement at the Lewiston facility as proposed by Potlatch. Avista’s analysis, based on current conditions, shows that there would essentially be no increase or decrease to Avista’s other Idaho customers in 2002.

3. Subject to the approval of this Commission, Potlatch and Avista have agreed that at the December 31, 2001 expiration of the existing agreement between Potlatch and Avista, Avista shall serve Potlatch as a needed load retail customer and shall provide the Potlatch-Lewiston facility with firm electric service for its full electricity requirements up to 100 annual average megawatts of energy and associated demand. Avista’s firm electric service shall be priced at Schedule 25 rates, as the same may be modified or amended from time-to-time by the Idaho Public Utilities Commission. The parties intend to enter into a written contract that will establish the terms and conditions of service at the Schedule 25 rates.

4. Avista's offer and Potlatch's acceptance at Schedule 25 rates is for settlement purposes only, and nothing shall prejudice any party's right to propose, or the Commission to order, in the next general rate case filed by Avista that Potlatch's service should be priced at rates other than Schedule 25 rates.

5. The parties hereby request that the Commission vacate its hearings in this case now scheduled to commence on August 21, 2001. The parties further request that the Commission not, however, dismiss this proceeding until the parties have advised the Commission that all issues raised by the parties in this proceeding have been resolved.

6. Avista and Potlatch seek the requested relief on fewer than fourteen (14) days' notice. Pursuant to Commission Rule of Procedure 256.03, the parties have notified a representative of each party by telephone.

#### **COMMISSION FINDINGS**

The Commission has reviewed the filings of record in Case No. AVU-E-01-05 and the Joint Motion of Avista and Potlatch to vacate the hearing scheduled for August 21, 2001. The Commission finds that the parties have presented good cause to vacate the hearing.

#### **ORDER**

In consideration of the foregoing, IT IS HEREBY ORDERED and the Commission does hereby vacate the hearing scheduled for August 21 (22), 2001, in Case No. AVU-E-01-05.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this  
\_\_\_\_\_ day of August 2001.

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PAUL KJELLANDER, PRESIDENT

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MARSHA H. SMITH, COMMISSIONER

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DENNIS S. HANSEN, COMMISSIONER

ATTEST:

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Jean D. Jewell  
Commission Secretary

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