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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorneys for Potlatch Corporation

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

POTLATCH CORPORATION,	)	CASE NO. AVU-E-02-08
Complainant	)	
v.	)	POTLATCH'S RESPONSE TO
	)	AVISTA'S REQUEST FOR
AVISTA UTILITIES,	)	DEFERRAL OF HEARING
Respondent	)	
	)	

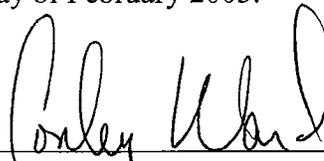
Potlatch Corporation hereby responds to Avista Corporation's Request for Deferral of Hearing as follows:

Potlatch opposes Avista's request for a continuance of these proceedings. Despite roughly two years of off and on negotiations, the parties have been unable to come to any type of meeting of the minds regarding the sale of Potlatch's cogeneration to Avista. This is neither the time nor the place to debate the merits of this case, so Potlatch will simply observe that all of Avista's purchase proposals essentially amount to little more than an offer to purchase Potlatch's output at short-term market prices. This is unacceptable to Potlatch, and it is therefore forced to conclude that the parties are at an impasse that can only be resolved by a Commission decision.

With respect to Avista's argument that proceedings should be continued to allow further negotiations in the light of recent conditions, Potlatch responds that it is always willing to entertain a legitimate and reasonable proposal. The suggestion that such a proposal might be

forthcoming is not, however, a reasonable ground for delaying these proceedings. If Avista has a new proposal to make to Potlatch, it should submit it in writing and Potlatch will respond in good faith. In the meantime, there is no reasonable basis for delaying these proceedings. Potlatch has already been prejudiced by what it considers to be unjustifiable delays in negotiating a reasonable PURPA contract, and it should not be required to accept further delays on nothing more than a vague representation that negotiations might suddenly take a dramatic turn for the better.

RESPECTFULLY SUBMITTED this 7<sup>th</sup> day of February 2003.

A handwritten signature in cursive script, appearing to read "Conley Ward", written over a horizontal line.

Conley Ward  
Givens Pursley LLP  
Attorney for Potlatch

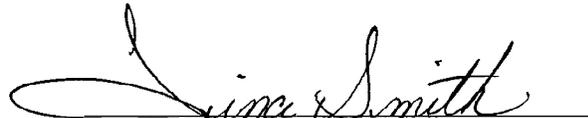
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 7<sup>th</sup> day of February 2003, I caused to be served a true and correct copy of the foregoing by the method indicated below, and addressed to the following:

Jean Jewell  
Idaho Public Utilities Commission  
472 W. Washington Street  
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Tina Smith