
IDAHO PUBLIC UTILITIES COMMISSION

For Immediate Release

Case No. AVU-E-04-2, Order No. 29484

Case No. PAC-E-04-1, Order No. 29453

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Commission approves sale of utilities' interest in hydro plant

Boise – The Idaho Public Utilities Commission this week approved Avista Utilities' application to sell its interest in the Skookumchuck Hydroelectric Plant near Centralia, Wash, to Washington LLC, which intends to operate the plant as a wholesale generator.

Earlier this month, the commission approved an application from PacifiCorp to sell its interest in the same plant.

Both PacifiCorp and Avista contended the 1-megawatt plant does not produce enough energy to make it worth the costs of operating and maintaining it.

The project is an earth-filled dam and hydroelectric generating plant built in 1973. The dam serves as a water storage facility for the nearby Centralia Power Plant. Other owners include Public Utility District No. 1 of Snohomish (WA) County, Puget Sound Energy, City of Tacoma, City of Seattle and Public Utility District 1 of Grace Harbor County. Washington LLC plans to continue operation of the project to provide cooling water supply to the Centralia Power Plant and to sell remaining output on the wholesale market.

Avista customers in the utility's Idaho jurisdiction will realize a \$260,000 share of the after-tax gain of the Skookumchuck sale. Avista will allocate the gain between ratepayers and shareholders in the same manner that Avista's after-tax gain on the sale of the Centralia Power Plant was allocated in 1999.

PacifiCorp customers within Idaho will benefit from an approximate \$700,000 reduction from the rate base that's used to compute rates for customers.

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