



IDAHO PUBLIC UTILITIES COMMISSION

Case No. AVU-E-03-7

For Immediate Release / October 23, 2003

Contact: Gene Fadness (208) 334-0339

Avista, Potlatch seek approval of agreement

BOISE – Avista Utilities is seeking IPUC approval of a 10-year power purchase agreement to buy 62 average megawatts of capacity from Potlatch Corporation at rate of \$42.92 per megawatt-hour.

Potlatch owns and operates four electric generators at its wood product manufacturing facility in Lewiston. Under the agreement, Potlatch would sell Avista 543,120 megawatt-hours a year at the \$42.92 per MWh rate. For generation beyond that amount, Avista would pay 85 percent of the market price at the Mid-Columbia trading hub as long as the rate does not exceed \$55 per MWh. Avista proposes to recover the costs from the Potlatch generation from its customers through the annual power cost adjustment process.

The agreement also stipulates that Potlatch buy power from Avista at the established rate for all extra-large general service customers.

The agreement, if approved, would settle two other open cases before the commission regarding Potlatch and Avista.

The commission has determined to handle the case under a modified procedure that does not include hearings but allows for written comments from interested parties and the general public. The commission may hold a public hearing if it receives written protests or comments stating why a hearing should be held.

The deadline for filing written protests or comments is Nov. 14. Avista and Potlatch may file written reply comments up until Nov. 28.

Persons wishing to submit comments can do so via e-mail by accessing the commission's homepage at www.puc.state.id.us and clicking on "Comments & Questions." Fill in the case number (AVU-E-03-7) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

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