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July 27, 2000

Carole Washburn, Secretary
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION
P.O. Box 47250
Olympia, WA 98504

Re: Docket Nos. UE-991606 and UG-991607

Dear Ms. Washburn:

Enclosed for filing in the above-referenced dockets are the originals and 26 copies each of the Commission Staff's Review of Responses Given "Subject to Check" and Corrections to the Transcript at the July 10-14 Hearings.

Very truly yours,

GREGORY J. TRAUTMAN
Assistant Attorney General

pah
Encl.
cc: All Parties (w/Encl.)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	DOCKET NOS. UE-991606 and UG-991607
Complainant,)	
)	
v.)	COMMISSION STAFF'S REVIEW OF
)	RESPONSES GIVEN "SUBJECT TO
AVISTA CORPORATION,)	CHECK" AND CORRECTIONS TO THE
)	TRANSCRIPT AT THE JULY 10-14
Respondent.)	HEARINGS
_____)	

A. Responses given "subject to check."

Pursuant to WAC 480-09-736(11), Commission Staff has reviewed certain responses given by Staff witnesses "subject to check" during the July 10-14 hearings. For the reasons stated below, Staff cannot accept the following items:

Alan Buckley:

(1) Transcript, page 1279, lines 19-22:

Q: Would you accept subject to check that these numbers [on Revised Exhibit 206 (KON-3)] do reflect what staff proposes by way of each of the five elements that appear underneath that line?

Mr. Buckley cannot accept this statement. First, Staff believes that the chart in revised Exhibit 206 is misleading, in that it does not reflect the net-present value of the benefit stream. Staff believes such a comparison would indicate a greater level of benefits for customers under the Staff's recommendations. In addition, Staff believes that the chart in revised Exhibit 206 is

misleading, in that the decreasing level of benefits shown by this chart assumes that revenue requirements are adjusted on an annual basis.

(2) Transcript, page 1298, line 25 through page 1299, line 2:

Q: [Referring to Exhibit 542] Would you agree subject to check that it [the Company] is deficient 102,900 megawatt hours, or expressed differently, 138 average megawatts?

Mr. Buckley can agree only to the extent that the numbers reflect the results of the dispatch model.

(3) Transcript, page 1322, lines 8-14:

Q: [I]f one were to use the price of \$27.54 per megawatt hour, which represented the 199[9] price, instead of the \$22 price that the company actually proformed into its case, would you agree subject to check that this would cause the company's purchase power costs to increase by approximately \$9 million on an annual basis?

Mr. Buckley cannot accept this statement. Staff was unable to replicate the \$9 million amount of increased costs. The company's claim also does not appear to consider any benefits that the company might incur as a result of being able to sell excess hydro into a higher cost market. In addition, the price indicated by the company as being "proformed" into its case is actually the average of many different transactions utilizing input to represent the cost of various blocks of available power given certain water conditions. Staff does not believe that this output price solely reflects the cost of power at any particular market, so a comparison between it and a market price is invalid.

Joanna Huang:

Transcript, page 1443, line 17 to page 1444, line 14:

Q: Would you accept subject to check the figure of 2,153 reflects a substantial number of employees working within operating subsidiaries underneath the Pentzer company?

Ms. Huang does not have sufficient workpapers to check this statement.

B. Corrections to the transcript at the July 10-14 hearings.

Alan Buckley:

Transcript, page 1330, line 17 – “wouldn’t” should be “would.”

Transcript, page 1362 – “NAERC” should be “NERC” (two places).

Joanna Huang:

Transcript, page 1425, line 12 – “. . . of revenue assets” should be “. . . of revenue, assets”

Transcript, page 1438, line 11 – “\$2,000,408,000, \$734,000” should be \$2,408,734.”

Transcript, page 1470, line 21 – “Oklahoma City decision” should be “Oklahoma Commission’s decision”

Thomas Schooley:

Transcript, page 1490, line 11 – “So I would say it’s a . . .” should be “So I would say its not a . . .”

Transcript, page 1500, line 12 – “. . . about \$1.2 Million system one.” should be “. . . about \$1.2 Million system wide.”

Transcript, page 1506, line 25 – “proposed a fifth element” should be “proposed a fifth of it”

Transcript, page 1512, line 14 – “Which I think was imported into the name.” should be “Which I think was the origin of the name.”

Transcript, page 1513, line 17 – “. . . same people then as there are now.” should be “. . . same people then as they are now.”

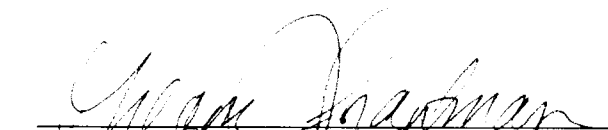
Transcript, page 1514, line 20 – “transmittal gray settlement” should be “translucent gray settlement”

Transcript, page 1525, line 20 – “WAC 488-90-043 or 143 says:” should be
“WAC 480-90-043 or 100-043 says:”

Transcript, page 1528, line 1 – “. . . a little far fended.” should be “. . . a little far fetched.”

DATED this 27th day of July, 2000.

CHRISTINE O. GREOIRE
Attorney General

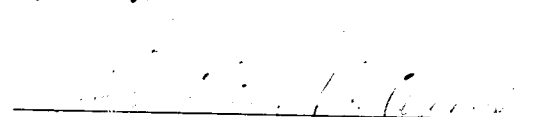


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CERTIFICATE OF SERVICE
UE-991606 and UG-991607

I certify this day copies of the foregoing Commission Staff's Review of Responses Given "Subject to Check" and Corrections to the Transcript at the July 10-14 Hearings were sent to the parties listed below via facsimile and US Mail, first class postage prepaid.

DATED at Olympia, Washington, this 27th day of July, 2000.


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