

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	Washington	DATE PREPARED:	9/11/2007
CASE NO:	UE-070804 & UG-070805	WITNESS:	Bruce Folsom
REQUESTER:	Public Counsel	RESPONDER:	Lori Hermanson
TYPE:	Data Request	DEPT:	Energy Solutions
REQUEST NO.:	PC - 162	TELEPHONE:	(509) 495-4658

**REQUEST:**

Re: Testimony of Heather Cummins, page 8, lines 10 to 12.

Please indicate whether Avista believes it is appropriate to consider the costs associated with achieving load reduction in determining whether time-based rates and meters are cost-effective, including costs associated with fuel switching, energy efficiency, and customer hardship. Does Avista agree that this additional category of costs should be included in the evaluation of cost-effectiveness? Please explain why or why not.

**RESPONSE:**

Monetary costs associated with implementing a TOU rate structure, specifically the costs of appropriate metering and changes to the customer billing system, should certainly be considered within any cost-benefit analysis of a TOU rate proposal. Improving the price signal will impact customer decisions to include fuel-choice and energy-efficiency investments; choices between energy cost at various TOU periods and the value of energy consumption are an integral component of the consumer price response that is at the core of the benefits of improving the price signal.