

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

JURISDICTION:	Washington	DATE PREPARED:	07/11/2007
CASE NO:	UE-070804/UG-070805	WITNESS:	Kelly Norwood
REQUESTER:	Public Counsel	RESPONDER:	Kelly Norwood
TYPE:	Data Request	DEPT:	State & Fed. Reg.
REQUEST NO.:	PC -28	TELEPHONE:	(509) 495-4267

**REQUEST:**

**Re: Testimony of Kelly Norwood, page 7, line 27 to page 8, line 19.**

Please provide all research and/or quantitative projections prepared by, or for, Avista of the following:

- a. The level and frequency of rate adjustments with, and without, a PCORC.
- b. The incremental increase in accuracy and timeliness of price signals with a PCORC relative to no PCORC.
- c. The incremental improvement in customer ability to understand the factors causing rate increases with a PCORC relative to no PCORC.
- d. The probability that Avista would file a PCORC for a rate adjustment of over 5% knowing that its remaining costs, not covered by the PCORC, had declined since it last generate rate case.
- e. The incremental improvement in its financial condition with a PCORC relative to no PCORC.
- f. The incremental reduction in the administrative burden associated with establishing retail rates with a PCORC relative to no PCORC.

**RESPONSE:**

- a. Please see the Company's responses to WUTC Staff Request No. 60, and Public Counsel Request Nos. 26 and 27.
- b. Please see the Company's responses to WUTC Staff Request Nos. 58 and 62, and Public Counsel Request No. 27.
- c. Please see the Company's responses to WUTC Staff Request Nos. 63 and 64, and Public Counsel Request No. 27.

- d. In Avista's CONFIDENTIAL response to WUTC Staff Request No. 180C, it provided a copy of its most recent financial forecast. That forecast shows a need for additional rate relief for the next several years. That need for rate relief is driven not only by cost items that would be included in the PCORC, but also other cost categories that are not included in the PCORC, such as administrative & general, certain operation & maintenance expenses, and additional capital investment excluded from the PCORC. No other specific research or projections have been prepared.
- e. Please see the Company's response to WUTC Staff Request No. 67.
- f. Please see the Company's responses to WUTC Staff Request No. 68, and Public Counsel Request No. 27.