

**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 - 161	TELEPHONE:	(509) 495-4658

**REQUEST:**

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

Please provide the following information regarding Avista's economic analyses of prospective investments in AMR:

- a. Avista's comments dated August 11, 2006 in Docket UE-060649 indicate, on page 2, that time-of-use (TOU) meters could be cost-effective for some customer classes, e.g. large industrial, but are not likely to be cost-effective for all customer classes. Please indicate if Avista has designed its deployment of AMR to evaluate the cost-effectiveness by customer class? If Avista is not evaluating the cost-effectiveness by customer class please explain why not.
- b. Avista's comments dated August 11, 2006 in Docket UE-060649 refer, on page 3, to a "high-level study" of the cost-effectiveness of TOU meters. Please provide a copy of this "high level study," as well as any study conducted by or on behalf of Avista regarding the cost-effectiveness of advanced metering technology (please include any memos or workpapers).
- c. Please describe Avista's plans for updating the "high level study," referred to above in part (b), in its analysis of cost-effectiveness in connection with its evaluation of AMR technology in Washington. If Avista has already updated the study please provide a copy. If Avista is not planning to update this analysis please explain why not.
- d. Avista's comments dated August 11, 2006 in Docket UE-060649 present on page 5, eight factors that Avista recommended the Commission consider in determining whether time-based rates and meters are cost-effective. Does Avista continue to recommend consideration of these eight factors? If not, please explain why not.

**RESPONSE:**

- a. The initial and primary (though not sole) intent of the AMR effort was to cost-effectively manage meter reading costs and address other operational issues (e.g. dog bites, intrusion upon customers, reduce estimated meter reads etc). The application of this tool for TOU rate design has been incorporated into the effort because we want to preserve and prepare for this contingency in the future. Avista has and continues to evaluate the potential.

impact of TOU rate design, and this consideration is segmented by market classes (to include segmentation by rate classes).

- b. The referenced statement on page 3 of Avista's comments is as follows: "A high-level study recently performed by Avista shows the value of Avista's on-peak/off-peak differential, combined with avoided capacity charges, to be under 1.5 cents per kilowatt hour." This high-level study was the then-preliminary results of on-peak/off-peak analyses derived from the Company's electric integrated resource planning (IRP) process. The attached spreadsheet shows this documentation. While the spreadsheet is dated after the referenced comments were submitted, it documents the internal discussions regarding the cost analysis of on-peak/off-peak differentials.

Please see previously submitted PC-156 response. The Company continues to analyze and monitor AMR technology.

- c. Avista is finalizing cost-effective analyses for load management programs from an avoided cost perspective. This will be provided upon completion as a supplemental response to this request.

The Company continues to analyze and monitor AMR technology.

- d. The eight measures cited as critical factors in the future consideration of TOU rate design remain our best current metrics on formulating a strategy for future rate design.