

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION)	
)	
Complainant,)	DOCKET NO. UE-070804
)	and
v.)	DOCKET NO. UG-070805
)	(consolidated)
)	
AVISTA CORPORATION d/b/a AVISTA)	
UTILITIES)	
)	
Respondent.)	
_____)	
In the Matter of the Petition of)	
)	
AVISTA CORPORATION d/b/a AVISTA)	DOCKET NO. UE-070311
UTILITIES,)	
)	
For an Accounting Order Regarding the)	
Appropriate Treatment of the Net Costs)	
Associated With the Repurchase of Debt)	
_____)	

EXHIBIT NO.____(DWS-9)

AVISTA RESPONSE TO

PUBLIC COUNSEL DATA REQUEST NO. 24

October 17, 2007

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

JURISDICTION:	Washington	DATE PREPARED:	07/12/2007
CASE NO:	UE-070804/UG-070805	WITNESS:	Kelly Norwood
REQUESTER:	Public Counsel	RESPONDER:	Liz Andrews
TYPE:	Data Request	DEPT:	State & Federal
	Regulation		
REQUEST NO.:	PC -24	TELEPHONE:	(509) 495-8601

REQUEST:

Re: Testimony of Kelly Norwood, page 5, lines 4 to 7.

Please provide all projections prepared by, or for, Avista to support the assertions on lines 4 to 7. If Avista has not prepared such a quantitative analysis or projection please explain why not.

RESPONSE:

Mr. Norwood's testimony at page 5, lines 4 to 7 states the following:

Under these conditions, even back-to-back general rate cases filed on a continuous basis likely would not provide timely recovery of costs to the Company, would not be administratively efficient for stakeholders to do so, and would not send accurate price signals to customers. There are benefits to all stakeholders in having a PCORC process as proposed by the Company.

Regarding timely recovery of costs, 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. Because a PCORC can be processed more quickly than a general rate case, the retail prices in place would better match the costs to serve customers. This improvement in the matching of revenues and expenses would provide improved cost recovery for the Company. No other specific research or projections have been prepared. Please also see Avista's response to Staff-52 discussing some of the near term and other costs impacting the Utility.

Regarding administrative efficiency, accurate price signals and benefits to all stakeholders, see Avista's response to Staff Request Nos. 58, 62, and 68, and Public Counsel Request Nos. 26 and 27.