

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-09 _____

DOCKET NO. UG-09 _____

EXHIBIT NO. ____ (RLS -6)

RICHARD L. STORRO

REPRESENTING AVISTA CORPORATION

Avista Utilities – Lancaster CCCT Power Purchase Agreement Acquisition

the name of Avista Energy, with BPA for 250 MW of long-term transmission capacity rights from the Lancaster point of receipt to the John Day point of delivery that was assigned to Coral on a short term basis through December 31, 2009. Effective January 1, 2010, there will be a permanent assignment of the long-term transmission rights to Avista Corporation.

The Lancaster CCCT Power Purchase Agreement Is Needed for Utility Service

The company was engaged in the process of finalizing its Integrated Resource Plan in April 2007 when the Lancaster Power Purchase Agreement option was evaluated for potential acquisition by Avista Utilities. At that time the tabulation of the company’s loads and resources (L&R) positions showed energy and capacity deficits beginning in 2011; the energy deficit was 73 MW; the capacity deficit was 146 MW. Those needs increased substantially in the years 2012 and beyond. The February 2007 L&R tabulation is shown in Table No. 1 below.

**Table No. 1
 February 23, 2007 L&R Tabulation**

Position	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Energy (aMW)	131	88	42	(73)	(156)	(162)	(194)	(219)	(272)	(263)
Capacity (MW)	148	94	5	(146)	(251)	(268)	(324)	(357)	(414)	(300)

The company submitted its 2007 IRP on August 31, 2007. There was only a small increase in amount of the energy deficit for 2011. The 2007 IRP L&R tabulation is shown in Table No. 2.

**Table No. 2
 2007 IRP L&R Tabulation**

Position	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Energy (aMW)	121	79	33	(83)	(170)	(178)	(206)	(228)	(281)	(272)
Capacity (MW)	148	94	5	(146)	(251)	(268)	(324)	(357)	(414)	(300)

The utility’s current October 25, 2007 L&R tabulation (without the Lancaster Power Purchase Agreement included) continues to show energy and capacity deficits beginning in 2011 (20 aMW, 83 MW). The updated L&R tabulation was based on the company’s latest load forecast and assessment of resource capabilities and maintenance. The October 25, 2007 L&R tabulation is shown in Table No. 3.

**Table No. 3
 October 25, 2007 L&R Tabulation**

Position	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Energy (aMW)	125	94	(20)	(86)	(123)	(127)	(179)	(211)	(225)	(245)
Capacity (MW)	116	43	(83)	(166)	(203)	(252)	(325)	(370)	(252)	(283)