REVISED 9/29/09

1	Q.	What is Avista doing regarding a long-term alternative to BPA transmission				
2	for the Land	caster plant?				
3	A.	Avista is in the process with BPA to jointly study interconnecting Avista's				
4	transmission	to the BPA Lancaster substation, where the Lancaster plant is currently				
5	interconnect	ed. An extension of Avista transmission system to the BPA substation at Lancaster				
6	could only o	occur following power flow and reliability studies, negotiation of an interconnection				
7	agreement w	with BPA, and design and construction of the facilities. This entire process, already				
8	underway, is	expected to take a minimum of two more years.				
9	Q.	Public Counsel witness Woodruff's testimony suggests that an extension of				
10	Avista trans	smission to the Lancaster plant would cost only one-tenth the BPA transmission				
11	costs. Will	an interconnection between the BPA and Avista transmission systems at the				
12	Lancaster s	ubstation provide benefits?				
13	A.	Yes. A transmission system interconnection between the BPA and Avista systems				
14	can provide	an opportunity for additional benefits for customers, but it is not available to the				
15	Company for	r at least two years into the future as explained above.				
16		III. LANCASTER GAS TRANSPORTATION				
17	Q.	Please review the gas transportation arrangement for the Lancaster plant.				
18	A.	Gas supply for Lancaster is sourced from two delivery points, Alberta and Malin.				
19	Delivery capability is 25,966 Dth/day from Alberta and 26,388 Dth/day from Malin for a total					
20	delivery capa	ability of 52,354 Dth/day.				
21	Q.	What is the amount of gas consumed by the Lancaster plant?				
22	A.	Under average temperature conditions, Lancaster consumes approximately 48,000				
23	Dth/day: 43	3,000 Dth/day for the combustion turbine and 5,000 Dth/day for the duct burner.				
	Rebuttal Testimony of Robert J. Lafferty Avista Corporation Page 4 Docket No's. UE-090134, UG-090135 & UG-060518 (consolidated)					

Table 2 shows expected gas consumption at Lancaster for each month under average temperature conditions. The average consumption across all months is 47,975 Dth/day. At peak generation conditions, represented by an ambient temperature of 0 degrees Fahrenheit, Lancaster is estimated to consume approximately 51,400 Dth/day, slightly less than the gas delivery capability of the gas transportation agreements. This figure is in-line with the Company's Coyote Springs 2 gas-fired CCCT plant which has very similar characteristics (size, heat rate). That plant has exceeded 51,000 Dth/day on various cold-weather days when Avista's load is at its peak.

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	Table 2									
Lancaster Gas Consumption and Transportation										
	Gas	Gas	Gas							
	Consumption	Transport	Transport	Excess						
	w/ Duct	from	from	Gas						
Month	<u>Burner</u>	<u>Alberta</u>	<u>Malin</u>	<u>Transport</u>						
	(dth/day)	(dth/day)	(dth/day)	(dth/day)						
Jan	49,778	25,966	26,388	2,576						
Feb	49,256	25,966	26,388	3,098						
Mar	48,775	25,966	26,388	3,579						
Apr	48,169	25,966	26,388	4,185						
May	47,347	25,966	26,388	5,007						
Jun	46,638	25,966	26,388	5,716						
Jul	45,961	25,966	26,388	6,393						
Aug	46,110	25,966	26,388	6,244						
Sep	46,920	25,966	26,388	5,434						
Oct	48,044	25,966	26,388	4,310						
Nov	49,098	25,966	26,388	3,256						
Dec	49,606	25,966	26,388	2,748						
Average	47,975	25,966	26,388	4,379						
Peak Day (1)	51,397	25,966	26,388	957						
Based on 0 degrees Fahrenheit										

Q. Does Avista have excess gas transport capacity for its combined cycle combustion turbine plants?

A. No. As shown in Table 3 below, when both Lancaster and Coyote Springs 2 are operating at full capacity Avista will not have enough long-term firm gas transportation capacity and will have to purchase additional capacity.

		Table 3						
Lancaster & CS2 Gas Consumption and Transportation								
	Lancaster	CS2						
	Gas	Gas						
	Consumption	•	Lancaster	CS2	Excess			
	w/ Duct	w/ Duct	Gas	Gas	Gas			
<u>Month</u>	<u>Burner</u>	<u>Burner</u>	Transport	Transport	<u>Transport</u>			
	(dth/day)	(dth/day)	(dth/day)	(dth/day)	(dth/day)			
Jan	49,778	50,739	52,354	43,000	(5,163)			
Feb	49,256	50,272	52,354	43,000	(4,174)			
Mar	48,775	49,634	52,354	43,000	(3,055)			
Apr	48,169	49,007	52,354	43,000	(1,822)			
May	47,347	48,276	52,354	43,000	(269)			
Jun	46,638	47,626	52,354	43,000	1,090			
Jul	45,961	46,963	52,354	43,000	2,430			
Aug	46,110	47,151	52,354	43,000	2,093			
Sep	46,920	47,994	52,354	43,000	440			
Oct	48,044	49,030	52,354	43,000	(1,720)			
Nov	49,098	50,017	52,354	43,000	(3,761)			
Dec	49,606	50,525	52,354	43,000	(4,777)			
Average	47,975	48,936	52,354	43,000	(1,557)			
Peak Day (1)	51,397	51,647	52,354	43,000	(7,690)			
Based on 0 degrees Fahrenheit for Lancaster and actual for CS2								

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- Q. Where did the figure of 20 percent excess transportation capacity originate from as identified by Public Counsel Witness Woodruff?
- A. The figure of 20 percent excess gas capacity was noted in the Thorndike Landing evaluation (Exhibit RLS-6, page 11) in relation to an average consumption of 43,000 Dth/day. When the Lancaster duct burner is in operation, the gas delivery capacity is fully utilized. And when combined with the Coyote Springs plant, Avista is short of gas transportation when both