

**AVISTA UTILITIES
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	Washington	DATE PREPARED:	2/18/00
DOCKET NO:	UE-991606	WITNESS:	Kelly Norwood
	UG-991607		
REQUESTER:	ICNU	RESPONDER:	William Johnson
TYPE:	Data Request	DEPT:	Resource Optimization
DUE DATE:	2/21/00	TELEPHONE:	(509) 495-4046
REQUEST NO.:	15		

REQUEST:

Please provide a copy of all workpapers used to develop and support Exhibit No. 25, page 2 of 2. Where possible, provide the response in electronic form on IBM compatible diskette.

RESPONSE:

See attached documents regarding the allocation of Company personnel and costs to commercial trading operations. Three pages of the response to this request include confidential information related to the personnel involved in commercial trading activity. Those three pages are confidential for competitive reasons, and have been provided as a separate response under the protective order in this docket labeled ICNU Request 15 C (Confidential).

WUTC		
DOCKET NO.	UE-991606p	
EXHIBIT #	197	
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Avista Utilities
State of Washington - Electric
Washington Share of Cost Applicable to Commercial Trading

Estimated loaded labor applicable to commercial trading		\$439,845
Estimated office space and furniture costs		
Full time equivalent number of commercial trading employees	4.10	
Average square footage of office space per employee	x 90	
Estimated annual charge per square foot	<u>x \$24.69</u>	
Estimated cost		9,111
Estimated computer, telephone, copier costs		
Full time equivalent number of commercial trading employees	4.10	
Estimated annual charge per employee*	<u>\$1,866</u>	
Estimated cost		<u>7,650</u>
Total annual cost applicable to commercial trading		\$456,605
Washington % share using production/transmission allocation		<u>66.99%</u>
Washington share of cost applicable to commercial trading		\$305,880
Revenue requirement conversion factor		
Revenue	1.000000	
Uncollectibles	-0.003513	
Commission fees	-0.002000	
Washington excise tax	-0.038594	
Franchise fees	<u>-0.000632</u>	
Net	0.955261	
Revenue requirement		
Washington share of cost applicable to commercial trading		\$305,880
Net to gross conversion factor		<u>0.955261</u>
Revenue requirement		\$320,206

*Annual cost for PC with 20" monitor	\$86/mo. x 12 mos.	\$1,032
Annual cost for convenience copiers		
Copier leases	\$90,000	
Paper	50,000	
Total	<u>\$140,000</u>	
Numer of FTE employees at 12/31/98	1,439	
Annual cost per employee		97
Annual cost for phone lines & equipment	\$68,318 x 17	\$1,059,816
Numer of FTE employees at 12/31/98	1,439	
Annual cost per employee		<u>736</u>
Total		<u>\$1,866</u>

per Jeanne Sigman

per Kathy Davis

per Dannel Brooks

per Leslie Green

Avista Utilities
State of Washington - Electric
Washington Share of Cost Applicable to Commercial Trading

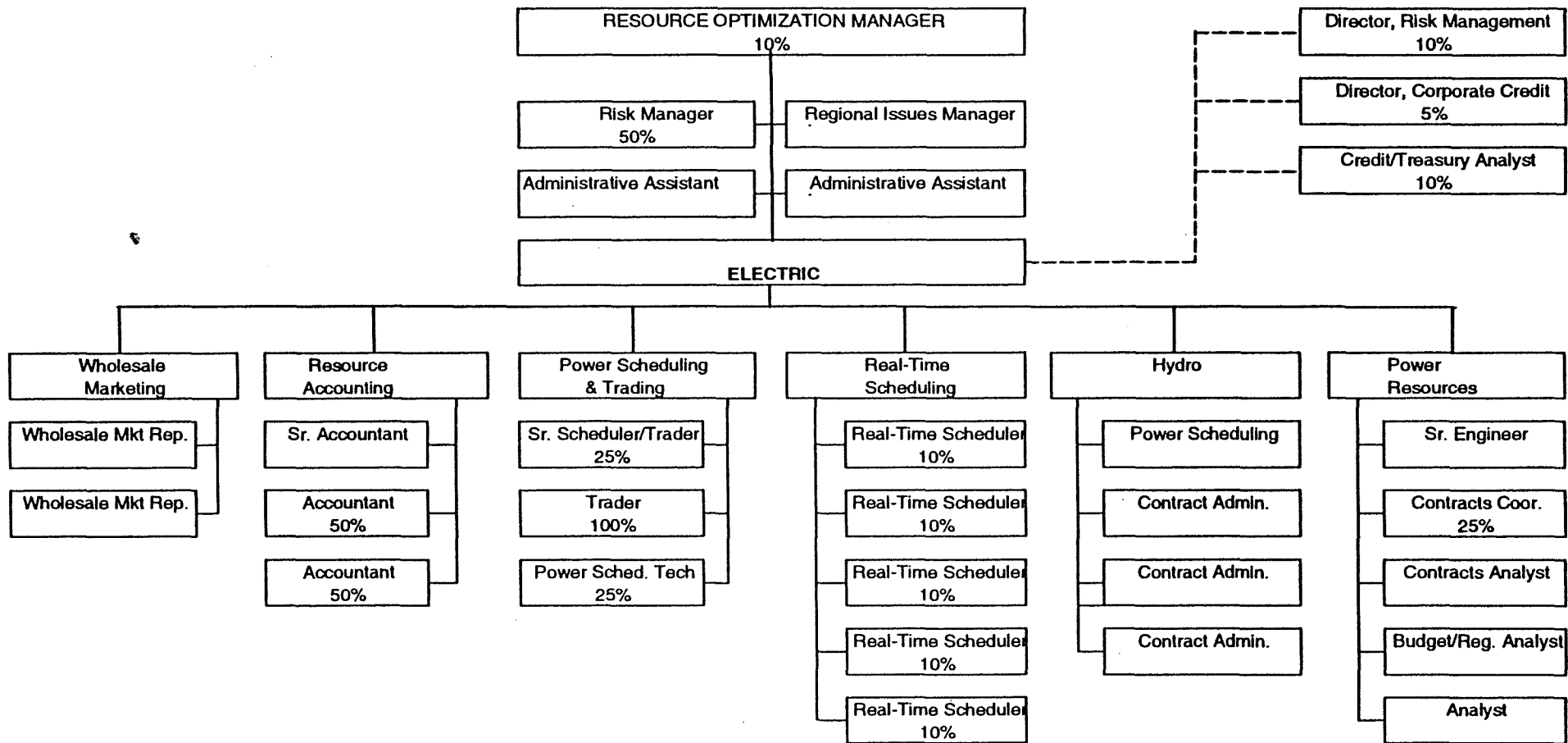
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Avista Corporation

Organization Chart for Resource Optimization

June 1999



Percentages are estimates of time related to commercial trading activities.

**AVISTA UTILITIES
CALCULATION OF CONVERSION FACTOR: WASHINGTON ELECTRIC
TWELVE MONTHS ENDED DECEMBER 31, 1998**

Revenue:		1.000000
Expense:		
Uncollectibles (1)		0.003513
Commission Fees (2)		0.002000
Washington Excise Tax (3)		0.038594
Franchise Fees (4)		0.000632
Total Expense		<u>0.044739</u>
Net Operating Income Before FIT		0.955261
Federal Income Tax @	35.00%	0.334341
REVENUE CONVERSION FACTOR		<u>0.620919</u>

NOTES:

(1) Calculation of Effective Uncollectibles Rate:

Net Write-Offs *		893,033
Divided by:		
Sales to Ultimate Customers **		<u>254,176,493</u>
EFFECTIVE RATE		<u>0.003513</u>

* From Uncollectibles Adjustment Workpapers.

** From Results of Operations Report E-OPS-12A

(2) WUTC fees rate per March 16, 1998 letter.

(3) Calculation of Effective Washington Excise Tax Rate:

Nominal Rate *		0.038730
Multiplied by		
Uncollectibles Factor:		
Revenue	1.000000	
Less:		
Effective Uncol Rate	<u>0.003513</u>	<u>0.996487</u>
EFFECTIVE RATE		<u>0.038594</u>

* From Combined Excise Tax Return.

(4) Calculation of Franchise Fee Rate:

Total Fees Paid (Millwood, Colville) *		160,658.00
Divided by:		
Sales to Ultimate Customers **		<u>254,176,493</u>
EFFECTIVE RATE		<u>0.000632</u>

* From Report ACCT-927

** From Results of Operations Report E-OPS-12A

**WWP - CAPITAL (INCLUDING REMOVAL & SALVAGE)
OVERHEAD RATES-BILLINGS & DAMAGE CLAIMS
1/1/98**

<u>Overhead Loading Rates: (U0901)</u>	<u>Rate</u>	<u>Transportation Rates: (U1001)</u>
Labor Overhead:		
Payroll Benefits (PB)	27.00%	← See mileage/hourly rates by class for 1998
Paid Time Off (PL)	17.00%	
Payroll Taxes (PT)	8.50%	←
Subtotal	<u>52.50%</u>	
Tools Expense (SL)	<u>5.50%</u>	
Total Applied to Direct Labor	58.00%	
Stores Expense Applied To Materials (ML)	11.50%	

<u>Construction Overhead Rates: (U0801)</u>	<u>Rate</u>	<u>Apply To</u>
Accounting & Administrative	1.40%	Included in Rates Below (1001)

<u>Apply To</u>	<u>Rate</u>	<u>Code</u>
Total Charges-Generation Jobs	7.15%	(1002)
Total Charges-Transmission Jobs	4.40%	(1003)
Total Charges-Distribution Jobs	9.40%	(1004)
Total Charges-Gas Distribution Jobs	8.65%	(1005)

Job type is determined based on utility and FERC account number as follows:

<u>Utility</u>	<u>FERC Account Range (U0301)</u>	
Electric Generation	0	310.00-346.99
		108.11-108.13
		108.21-108.23
		Removal Salvage
Electric Transmission	0	350.00-359.99
		108.14-108.14
		108.24-108.24
		Removal Salvage
Electric Distribution	0	360.00-373.99
		108.15-108.15
		108.25-108.25
		Removal Salvage
Gas Distribution	1	374.00-387.99
		119.15-119.15
		119.25-119.25
		Removal Salvage



*Interoffice Memorandum
Facilities Services*

DATE: April 20, 1999
TO: Tracy Van Orden
FROM: Steve Nelson *SN*
SUBJECT: Lease Rates for Office Space and Furniture

Based on 1997 costs office space expense is estimated at \$19.06 per square foot per year. This includes our lease of the building, leasehold improvements, energy, annual maintenance expenses, and service expenses.

Furniture expense is estimated at \$5.63 per square foot per year.

For purposes of calculation, use the following averages:

Clerical/professional office (small cubicle)	90 sq. ft.
Supervisor office (large cubicle)	120 sq. ft.
Manager office	182 sq. ft.
Executive office	243 sq. ft.

*\$ 19.06
5.63

\$ 24.69*

Above costs do not include computers, telephones, copiers.

Sn/

Central Operating Facilities - O & M Costs 1997

Expense Item	\$	Sq. Ft.	\$/Sq.Ft.
Lease Payment	\$ 977,281	156,992	\$ 6.23
Depreciation of Leasehold Impr.	\$ 344,700	395,640	\$ 0.87
Administrative Expenses	\$ 155,244	395,640	\$ 0.39
Energy Expense	\$ 541,143	395,640	\$ 1.37
Janitorial Expenses	\$ 322,037	316,351	\$ 1.02
Building Maintenance Expenses	\$ 691,062	395,640	\$ 1.75
Grounds Maintenance Expenses	\$ 210,129	395,640	\$ 0.53
Security Expenses	\$ 107,347	395,640	\$ 0.27
Real Estate Taxes	\$ 348,000	395,640	\$ 0.88
Building Insurance	\$ 15,447	395,640	\$ 0.04
Total	\$ 3,712,390		\$ 13.34

Conversion Factor (Rentable Rate) 1.43 \$ 19.06 (Cost/Sq.Ft.)

Gross Square Footage	% of Lease	\$ of Lease	\$/Sq.Ft.
General Office Building	55.6%	\$ 977,281	\$ 6.23
Service Building	30.0%	\$ 527,310	\$ 4.38
Garage Building	2.8%	\$ 49,216	\$ 4.67
Cafeteria/Auditorium Building	7.9%	\$ 138,858	\$ 6.13
Parking Canopies	2.3%	\$ 40,427	\$ 0.78
Ross Park Building	1.4%	\$ 24,608	\$ 1.04
Subtotal	100.0%	\$ 1,757,700	\$ 4.55

PCB Storage Building	1,224
Investment Recovery Building	5,760
Transformer Storage Canopy	2,300
Subtotal	9,284

Total 395,640

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