

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/17/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Clint G. Kalich
REQUESTER:	Public Counsel	RESPONDER:	Clint G. Kalich
TYPE:	Data Request	DEPT:	Energy Resources
REQUEST NO.:	PC - 535	TELEPHONE:	(509) 495-4532
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REQUEST:

Please answer the following question regarding the statement made in Exhibit No. ___ (CGK-4T) at 3:18-4:1: "Avista performed a detailed analysis of the Lancaster project, comparing it to greenfield (new) and brownfield (existing) plants. We considered the plant as part of our 2007 IRP and found the facility was a least-cost acquisition that would reduce customer costs by approximately 2.3 percent as compared to a CCCT built in 2011, or \$43 million over the Lancaster contract term. (footnote omitted)"

a. Did Avista perform any analysis of the Lancaster Project to compare it to a CCCT built in 2009 or 2010? If not, please explain why Avista did not perform such analyses. If so, please provide such any and all such analyses, including those that have not been previously published.

RESPONSE:

Avista did not do this comparison (to 2009 or 2010 plants) because were we to construct a new plant it would have been targeted for 2011, the first year in which we were deficit on an annual basis. Instead, the methodology was to compare Lancaster to the cost of a plant constructed in 2011 to ensure customers were better off to purchase the plant in 2010 rather than waiting until 2011 to build a new facility. The 2007 IRP showed that procuring Lancaster in 2010 when it was made available would be 2.3% lower in cost, or \$43 million, relative to a 2011 new CCCT plant that the Company would otherwise construct.