

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

JURISDICTION:	Washington	DATE PREPARED:	2/21/2000
CASE NO:	UE-991606	WITNESS:	Dave DeFelice
	UG-991607	RESPONDER:	Dave DeFelice
REQUESTER:	Public Counsel	DEPT:	Rates
TYPE:	Data Request	TELEPHONE:	(509) 495-4919
DUE DATE:	3/2/2000	FIELD AUDIT:	___ Yes <u>X</u> No
REQUEST NO.:	78		

**REQUEST:**

Referring to Mr. DeFelice's prefiled testimony, Exhibit T-32, page 8, lines 16 through 18, he indicates that "Account 391.1, Computer Equipment lives were reduced from 8 to 5 years to more appropriately reflect asset turnover."

Mr. DeFelice's Exhibit No. 33, page 8, shows that the Company is proposing a rate of 36.08% or an increase of 304% in the depreciation rate for Account 391.1, Computer Equipment. The Company's underlying workpapers indicate that this rate was calculated assuming an average remaining life of only 1.66 years. Presumably, if the average remaining life of test period 1998 Computer Equipment was 1.66 years, then all of these test period assets are now retired, or will be before the conclusion of this proceeding. In a regulatory setting, is it the Company's position that a depreciation rate of 36.08% will prospectively reflect a 5-year average service life as indicated in Mr. DeFelice's testimony?

**RESPONSE:**

No. The 36.08% will recover the unrecovered investment over the remaining life of this asset category. It is the Company's expectation that minimal new assets will be added to this account after 1998. Beginning in 1999, the Company is utilizing a 3-year lease agreement, with renewable options, for all PC's and related software.

<b>WUTC</b>		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>293</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>