

**Avista Corp.**

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March 31, 1999

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
PO Box 47250  
Olympia, WA 98540-7250  
Attn: Ms. Jo Wadsworth

RE: Year 2000 Project status (Docket Number U-971835)

In response to Commission Order in Docket Number U-971835, Avista Corporation submits this report outlining the company's efforts to address and remedy Year 2000 problems. The following information outlines Avista's key Y2K activities and accomplishments during the first quarter of 1999.

Embedded Systems:

- Successfully completed Year 2000 testing of all company-owned electric generation sites.
- Successfully completed Year 2000 testing of all substation components.
- Successfully tested full substation.
- To date, no embedded systems have been found that would have caused a disruption in service for either our electric or natural gas distribution systems.
- Continuing remediation efforts on previously tested natural gas meters. (Testing completed in 1998).
- Continuing testing of our internal communications system. (Inventory and assessment completed in 1998).

Business Systems:

- Completed testing of all mainframe business systems by completing testing on the following business systems: (Rate Analysis/Rate Tariffs, Results of Operations, Miscellaneous CIS, General Ledger and Customer Service and Billing Systems).

Desktop Hardware and Software:

- Upgrade complete on fifty-nine percent (59%) of non-compliant PC resident software.
- Deployed 150 of the 420 (35%) replacement PC's through Company's PC refresh program.
- Eighty eight percent (88%) of all "non-refresh" hardware has been remediated and are now Y2k compliant.
- Remaining "non-refresh" hardware will be remediated to compliant status by year-end 1999.

Community Awareness and Customer Communications:

- Participating in information sharing and planning meetings with Mid-Columbia PUDs and BPA.
- Hosted information-sharing meeting for twelve northwest utilities.
- Issued press release to publicize successful Y2K testing of all Company owned electric generation sites.
- Active member of Washington State "Year 2000 Advisor Board."
- Scheduled to complete over 50 Y2K community presentations by mid-1999.
- Currently developing Natural Gas specific Y2K information for Company's website.
- Expanded Company's Year 2000 website ([www.avistacorp.com/y2k](http://www.avistacorp.com/y2k)).

Supply Chain:

- Continuing Y2K assessment efforts with business critical suppliers.

Contingency Planning:

- Currently developing operational plans that will support the Electric and Natural Gas Contingency Plans (submitted in December 1998).
- Participated in the development of region-wide Electric Contingency Plans.
- Scheduled to participate in NERC's April 9th Y2K drill.
- Developing zero-day operational and business systems strategies.

NERC Reports

- See attached copies of Avista's NERC reports for January, February, and March 1999.

Avista Corporation is currently on track and proceeding toward the successful completion of our Y2K program. If I can answer any questions or be of further assistance please call me at 509.495.8506.

Sincerely,



Jeff Brune  
Year 2000 Project Manager  
Avista Corporation