

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	Washington	DATE PREPARED:	7/7/2000
CASE NO:	UE-991606	WITNESS:	Robert Anderson
	UG-991607	RESPONDER:	Robert Anderson
REQUESTER:	WUTC	DEPT:	Hydro Licensing
TYPE:	Data Request	TELEPHONE:	(509) 495-4487
DUE DATE:		FIELD AUDIT:	___ Yes <u>X</u> No
REQUEST NO.:	349		

REQUEST:

Exhibit ____ (RDA-3) shows administrative expenses of \$965,100. Are these expenses strictly in addition to any test year expenses for hydro relicensing administrative expenses?

RESPONSE:

Yes. The administrative expense of \$965,064 shown in Exhibit RDA-3 represents labor and direct costs that are in addition to the 1998 test year expenses. These are the costs that should be included in the company's revenue requirement. The reasons that these costs were not included in the 1998 test year data are threefold.

First, as stated in response to WUTC Request No. 348, relicensing staff costs, legal fees, and consultant support were being capitalized to work orders 5968 and 5969 in 1998. The relicensing staff costs, legal fees, and consultant support costs that were capitalized in 1998 are now categorized as generalized administrative costs that are expensed to relicensing after 1998. These costs are related to activities under the direction of the implementation of the Settlement Agreement.

Second, Avista has added staff to implement the Settlement Agreement. These additions occurring since 1998 include the Aquatic Program Leader, Recreation and Land Use Specialist, a second technician, Cultural Resource Specialist, and the Contract Budget Coordinator.

Third, the use of agency aquatic program leaders representing Idaho Fish and Game, Montana Fish, Wildlife and Parks, and the U.S. Fish and Wildlife Service is a provision of the Settlement Agreement. The three agency positions are funded by Avista and the contracts with the agencies include labor, benefits, expenses, and agency overheads.

In summary, the following table has been prepared to breakdown the administrative costs shown in Exhibit RDA-1 into the areas of test year capitalization and the addition of Avista and agency staff.

WUTC	DOCKET NO. <u>UE-991606</u>	REJECT	<input type="checkbox"/>
	EXHIBIT # <u>355</u>	W/D	<input type="checkbox"/>
		ADMIT	<input checked="" type="checkbox"/>

Existing Avista Positions Capitalized in Test Year**Current Cost**

Clark Fork License Manager	109,640
Terrestrial Program Leader	71,906
Technician	41,032
Administrative Assistant	34,370

Direct Costs of Relicensing Capitalized in Test Year

Legal Support	50,000
Contract Support	125,000

Additional Staff Positions Since Test Year

Aquatic Program Leader	84,067
Recreation Land Use Specialist	51,028
Technician	34,259
Contracts/Budget Coordinator	26,635
Cultural Resources Specialist	36,631
Agency Contract Positions	<u>300,496</u>

Total:

965,064