

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.:	348		

REQUEST:

The response to Staff Data Request 10 presents data, which purports to support the expenses incurred during 1998 for hydro relicensing administrative costs. Therefore, please explain the statement by Mr. Anderson in his rebuttal testimony, page 4, line 16, "Exhibit No. 346 was mistakenly reduced by \$736,180 for relicensing administrative costs that were capitalized during 1998."

RESPONSE:

The reduction of \$736,180 from the administrative costs of the Clark Fork Settlement Agreement was an error by the company not discovered until after presentation of Mr. Anderson's direct testimony (Exhibit No. 346). The company erred in two ways.

First, the \$736,180 was derived from 1997 test year data submitted in the Idaho rate case and incorrectly carried over to the Washington case.

Second, labor and expenses of relicensing staff, legal fees, and consultant support was being capitalized in 1998 to work orders 5968 and 5969. Relicensing staff assigned to the Clark Fork projects in 1998 are now responsible for implementing the Clark Fork Settlement Agreement and all administrative costs, legal fees, labor, consultant support etc. for implementation have been expensed since March 1, 1999. The administrative costs in Exhibit No. 346 therefore do not reflect current costs to implement the Settlement Agreement. The administrative costs shown in Exhibit RDA-1 and RDA-3 of Mr. Anderson's rebuttal testimony represent our current expenses that are incremental to relicensing test year expenses.

WUTC		
DOCKET NO.	<u>UE-991606</u>	
EXHIBIT #	<u>354</u>	
ADMIT ✓	W/D <input type="checkbox"/>	REJECT <input type="checkbox"/>