

WUTC

DOCKET NO. UE-991606

EXHIBIT # 423

ADMIT

W/D

REJECT

**AVISTA UTILITIES  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION: Washington

DATE PREPARED: 2/18/00

DOCKET NO: UE-991606

WITNESS: William Johnson

UG-991607

REQUESTER: ICNU

RESPONDER: William Johnson

TYPE: Data Request

DEPT: Resource Optimization

DUE DATE: 2/21/00

TELEPHONE: (509) 495-4046

REQUEST NO.: 29

**REQUEST:**

With regard to Exhibit T-43, page 6, lines 23-24, please provide and explain any differences between the Idaho Commission approved PCA and the proposal the Company has submitted to the Washington Commission.

**RESPONSE:**

**Difference**

**Explanation**

Short-term Energy Price: The Company is planning to use short-term energy prices based on purchases and sales made for the system, whereas the short-term energy price in the Idaho PCA is currently calculated using all short-term purchases and sales. This change will more accurately calculate the actual cost of meeting system deficits or selling system surplus. (See the Company's response to ICNU Request No. 30)

Centralia Generation: In the proposed Washington PCA the amount of Centralia generation will not vary from the amounts calculated by the Dispatch Simulation Model. This is because Centralia generation is limited by the amount of fuel available on a long-term ongoing basis. In the existing Idaho PCA, Centralia is dispatched each month against market prices with no limit on the amount of total generation in a year, which may overstate the amount of generation at Centralia given the limits on Centralia mine production and external coal handling capabilities. The proposed change in Washington is a refinement over the existing Idaho PCA.

Kettle Falls Generation: In the proposed Washington PCA the amount of Kettle Falls generation will not vary from the amounts calculated by the Dispatch Simulation Model. This is because Kettle Falls generation is limited by the amount of fuel available on a long-

term ongoing basis. In the existing Idaho PCA, Kettle Falls is dispatched each month against market prices with no limit on the amount of total generation in a year, which may overstate the amount of generation possible at Kettle Falls under existing fuel contracts or at assumed incremental cost. Additional generation would require more expensive incremental fuel purchases, which would be more expensive than the assumed cost. The proposed change in Washington is a refinement over the existing Idaho PCA.

Rathdrum:

The proposed Washington PCA includes actual Rathdrum generation and actual Rathdrum fuel expense. The existing Idaho PCA does not include Rathdrum generation or fuel expense. Generally the Rathdrum plant will operate when the cost of generation from the plant is less expensive than purchasing energy. Including Rathdrum generation and Rathdrum fuel expense in the PCA provides customers with the benefit of Rathdrum generating energy at a lower cost than the cost of purchasing energy at short-term energy prices.