

**AVISTA UTILITIES
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	Washington	DATE PREPARED:	6/30/00
DOCKET NO:	UE-991606 UG-991607	WITNESS:	William Johnson
REQUESTER:	ICNU	RESPONDER:	William Johnson
TYPE:	Data Request	DEPT:	Resource Optimization
DUE DATE:	7/6/00	TELEPHONE:	(509) 495-4046
REQUEST NO.:	71		

REQUEST:

With regard to Mr. Johnson's revised Rebuttal Testimony, please describe the importance of each of the changes contained in Mr. Johnson's revised testimony and describe how it affects Avista's proposed PCA.

RESPONSE:

The change in the revised rebuttal testimony concerns how the average index price is determined. In rebuttal testimony and exhibits the proposal was to move to an index energy price determined using the on-peak and off-peak index for each day. Upon investigation, it was later determined that the on-peak and off-peak index prices for Sundays may not be the best data for determining prices because often there would be little if any trading volume for Sundays on-peak and off-peak hours. The trading for Sundays was most often occurring in 24 hour trades. Using the 24 hour Sunday index prices would produce a more accurate monthly market price estimate.

The changes in the revised rebuttal testimony is to use an index price in the PCA that is based on the on-peak hours being Monday through Saturdays 6 am to 10 pm (6 x 16hr) instead of on-peak hours being Monday through Sunday 6 am to 10 pm (7 x 16 hrs) as proposed in the rebuttal PCA proposal. This means that in determining the average market index price for the month the Sunday 24 hour index price will be used instead of the Sunday on-peak and off-peak index prices.

To be consistent with how the average energy price is determined the authorized level of hydro generation during on-peak hours and off-peak hours was changed to reflect the on-peak hours including only Monday through Saturday. Therefore, lines 4 and 5 on page 1 of Revised Exhibit WGJ-3 were changed to reflect the reduced on-peak hours. The resulting authorized level of on-peak and off-peak hydro generation is the same as that originally proposed in my direct testimony. Lines 14 and 15 of Revised Exhibit WGJ-3 were also changed to reflect the reduced hours in the on-peak period. All other numerical changes are a result of the changes to lines 4 -5 and 14-15 on page 1 of Exhibit WGJ-3.