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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION FOR THE AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC AND NATURAL GAS SERVICE TO ELECTRIC AND NATURAL GAS CUSTOMERS IN THE STATE OF IDAHO	CASE NO. AVU-E-09-01 CASE NO. AVU-G-09-01 DIRECT TESTIMONY OF DON F. KOPCZYNSKI

FOR AVISTA CORPORATION

(ELECTRIC AND NATURAL GAS)

I. INTRODUCTION

Q. Please state your name, employer and business address.

A. My name is Don F. Kopczynski and I am employed as the Vice President of Transmission and Distribution Operations for Avista Utilities, at 1411 East Mission Avenue, Spokane, Washington.

Q. Would you briefly describe your educational background and professional experience?

A. Yes. Prior to joining the Company in 1979, I earned a Bachelor of Science Degree in Engineering from the University of Idaho. I have also earned a Master's Degree in Management from Washington State University and a Master's Degree in Organizational Leadership from Gonzaga University. Over the past 30 years I have spent approximately 16 years in Energy Delivery, managing Engineering, various aspects of Operations, and Customer Service. In addition, I spent three years managing the Energy Resources Department, including Power Supply, Generation and Production, and Natural Gas Supply. More recently, I worked in the areas of Corporate business analysis and development, and served in a variety of leadership roles in subsidiary operations for Avista Corp. I was appointed General Manager of Energy Delivery in 2003 and Vice President in 2004. I serve on several boards,

including the Eastern Washington University Electrical Engineering and Computer Science Advisory Board, Washington State Electrical Board, and the Washington State University Engineering Advisory Board.

Q. What is the scope of your testimony?

A. I will provide an overview of the Company's electric and natural gas energy delivery facilities and operations. I will also explain some of our recent efforts to increase efficiency and improve customer service, such as the newly formatted website and outsourcing of the bill print and mail service, as well as summarize Avista's customer service programs in Idaho. A table of the contents for my testimony is as follows:

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. I am sponsoring Exhibit No. 7, Schedules 1 and 2. Schedule 1 details the system improvements and efficiencies the Company has undertaken. Schedule 2 shows

the detailed usage and number of customers for each customer class. These exhibits were prepared under my direction.

II. OVERVIEW OF AVISTA'S ENERGY DELIVERY SERVICE

Q. Please provide an overview of the customers served by Avista Utilities in Idaho.

A. Of the Company's 352,423 electric and 309,912 natural gas customers (September 30, 2008), 120,972 and 72,326, respectively, were Idaho customers. Avista's largest electric customer in Idaho is the Potlatch Corporation's Lewiston facility, with an annual usage of approximately 898 million kWh.

Q. Please describe Avista Utilities' Idaho electric and natural gas utility operations.

A. The Company serves the Idaho counties of Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce, and Shoshone. Lumber and wood products manufacturing is the dominant industry in our Idaho service area. Approximately 34% of 2008 Idaho electric retail usage was from residential customers, with 29% from commercial, 35% from industrial customers, and 2% from pumping customers. Approximately 48% of natural gas retail revenues were from residential customers, and 16%

from commercial and 37% from industrial and transportation customers. The Company has seven transportation customers in Idaho.

As detailed in the Company's 2007 electric Integrated Resource Plan, Avista expected retail electric sales growth to average 2.3% annually for the next ten years and 2.0% over the next twenty years in Avista's service territory, primarily due to increased population and business growth. The Company is currently in the process of preparing its 2009 IRP, and the impacts of the current economic climate will be reflected in that document to be filed with the Commission in August 2009.

Also, based on Avista's 2007 Natural Gas Integrated Resource Plan, in Idaho the number of customers were projected to increase at an average annual rate of 3.0%, with demand also growing at 3.0% per year. As with the electric IRP, the impacts of the current economic climate will be addressed in the Company's 2009 natural gas IRP that will be filed with this Commission in December 2009.

Q. Please describe the Company's electric and natural gas delivery facilities.

A. Avista Utilities operates a vertically-integrated electric system. In addition to the hydroelectric and thermal generating resources described by Company witness Mr. Storro, the Company has approximately 4,052 miles of

lines in the following classes in Idaho: 286 miles of 230 kV transmission, 604 miles of 115 kV transmission, and 3,162 miles of sub-transmission and distribution line at a variety of voltages. Avista also has 928 miles of distribution underground cable; the predominant distribution voltage is 13.2 kV. Avista owns and maintains 1876 miles of natural gas pipelines (excluding services) in the state of Idaho of which 560 miles are steel and 1316 miles are polyethylene. All of these pipelines are distribution, not transmission, operating at various maximum allowable operating pressures (MAOPs) from 60 psig to 720 psig. Avista has 69,337 natural gas service lines in Idaho.

Q. Please describe the Company's operations centers that support electric and gas customers in Idaho.

A. The Company has construction offices in Grangeville, Orofino, Lewiston-Clarkston, Moscow-Pullman, Kellogg, St. Maries, Coeur d'Alene, Sandpoint and Bonner's Ferry, and customer contact center operations in Lewiston and Coeur d'Alene. Avista's four customer contact centers in Coeur d'Alene, Lewiston, Spokane, and Medford, Oregon are networked, allowing the full pool of regular and part-time employees to respond to customer calls in all jurisdictions.

Q. What construction and maintenance programs does the Company have in place to maintain gas and electric facilities?

A. Avista Utilities utilizes Company seasonal and regular crews for gas and electric construction, including new and reconstructed lines, damage repair, and connecting new customers. The Company employs contract crews and temporary and part-time employees to meet customer needs during the peak construction season. The Company also has several maintenance programs to maintain the reliability of our electric and gas infrastructure. On the electric side, this includes the Company's asset management program (including wood pole inspection and replacement), vegetation management, electric transmission line inspection and reconstruction. Company Witness Mr. Kinney discusses this program in more detail. Regarding natural gas operations, ongoing maintenance focuses on valve and regulator stations, atmospheric corrosion protection, and leak surveys.

III. SYSTEM IMPROVEMENTS AND EFFICIENCIES

Q. Has the Company looked at undertaking additional measures to either reduce costs or increase customer service levels?

A. Yes. Avista Utilities has undertaken a number of improvements and efficiency initiatives throughout our service area that are focused on either increasing customer service and satisfaction, or increasing productivity and reducing operating costs. We believe these measures have served to mitigate the impact on customers of the proposed rate increase.

Q. Please explain the system improvement measures that Avista has implemented in Idaho.

A. Some of the recent improvements that the Company has implemented are as follows:

- We have updated our Integrated Voice Response system to provide more assistance to our customers to interact with our company.

- Our redesigned website - AvistaUtilities.com provides customers easy access to their account where they can review and pay their bill; it also provides current company information.

- The Every Little Bit Energy Efficiency Campaign - We are able to show customers that "every little bit" does add up and can make a difference in their energy usage.

- Evaluating transmission and distribution system efficiencies. By tracking the reduction in losses across our transmission and distribution system, Avista can verify the life cycle cost benefit of the system improvement.

- Avista has been able to complete numerous small energy efficiency projects that have resulted in energy conservation at company offices and service centers.

- We outsourced our bill print and mailing operations which now meets all requirements for disaster recovery which ensures timely delivery of customer information and customer bills.

- Avista is working through collaborative efforts with the City of Spokane in a pilot program to coordinate design locates as part of the City's construction design process.

- Helped formulate the Spokane Regional Infrastructure Efficiency Plan. The Joint Utilities Coordination Council has resulted in greater coordination and efficiencies across the entire Spokane region.

- Craft Training - this new learning network gives us a delivery and a record-keeping system that allows the Company to plan, schedule and document our training programs and requirements in a more efficient way.

- Implemented a new Asset Management Program. This new software allows detailed analysis of the impacts of increased or decreased reliability based on system configuration and component reliability.

- The Company recently deployed a custom software application which provides the Company with the ability to manage the scheduling of planned outages for transmission lines and line segments. This improvement to the system has reduced operator time, streamlined the scheduling process, and reduces errors.
- As of late 2008, all gas and electric crew callouts in all jurisdictions will be handled by the ARCOS Rostermonster system. The expanded capabilities of ARCOS will allow us to call out personnel from multiple lines with less delay, thereby improving restoration time for after-hour customer outages.

- The Company has recently started an evaluation of the Fleet Department. Company employees have identified process improvements in

addition to technological upgrades that will benefit and modernize its fleet department.

- We have implemented a new Outage Management System to help minimize the restoration time of outages on our system.

- Our Mobile Dispatch Program reduces the time it takes for the Company to process customers' natural gas orders, and provide service. We also made outage information available to customers on the Company's website at http://www.avistautilities.com/safety/outages/pages/default.aspx.

These programs are detailed further in Exhibit No. 7, and are examples of the extensive efforts of Avista to identify and implement efficiency measures and/or productivity while continuing to provide quality service to customers.

IV. INFORMATION SERVICES SUPPORT

Q. Please explain what expenditures are directly related to the Company's Information Services being captured in this case.

A. The expenditures that the Company has pro formed in this case include the administrative and general (A&G) expenses associated with incremental known and measureable changes for labor and non-labor informational services costs planned for 2009 above the test period, which total $2.6 million on a system basis (Idaho's share is

approximately $.7 million). They are related to the following:

1) additional labor dollars required to support applications utilized by the Company in recent years, such as the mobile dispatch and outage management applications, improved web application support, and additional security and compliance requirements; and

2) additional non-labor dollars required for hosting fees, application fees, software maintenance and license fees, and new and replacement software and hardware for business applications. Company witness Ms. Andrews includes these additional expenses in her pro forma adjustments.

V. CUSTOMER SUPPORT PROGRAMS

Q. Please explain the customer support programs that Avista provides for its customers in Idaho.

A. Avista Utilities actively participated in the energy affordability workshops in Case No. GNR-U-08-01. In that case, workshop participants explored ways to address energy affordability and the ability of customers to pay energy bills. Staff's comments in the above mentioned case, among other issues, recommended that the Commission support legislation to allow it to adopt a LIRAP program. The Company continues to advocate the implementation of a Low

Income Rate Assistant Program (LIRAP) for its Idaho customers.

Avista Utilities offers a number of programs for its Idaho customers, such as energy efficiency programs, Project Share for emergency assistance to customers, a Customer Assistance Referral and Evaluation Service (CARES) program, senior programs, level pay plans, and payment arrangements. Some of these programs will serve to mitigate the impact on customers of the proposed rate increase.

Q. Please describe Avista Utilities' demand-side management (DSM), or energy efficiency, programs.

A. The Company's innovative Energy Efficiency Tariff Rider is celebrating its fourteenth anniversary. The tariff rider, the country's first distribution charge to fund DSM and now replicated in many other states, has provided consistent funding for the delivery of energy efficiency services. Company witness Mr. Folsom provides more detail about Avista Utilities' energy efficiency services.

Q. Please describe the recent results of the Company's Project Share efforts?

A. Project Share is a community-funded program Avista sponsors to provide one-time emergency support to families in the Company's region. Avista customers and

shareholders help support the fund with voluntary contributions that are distributed through local community action agencies to customers in need. Grants are available to those in need without regard to their heating source. As of November 2008 Avista Utilities' customers donated $219,346 on a system basis, of which $67,468 was directed to Idaho Community Action Agencies. In addition, the Company contributed $74,781 to Idaho customers in 2008.

Q. Does the Company offer a bill-averaging program?

A. Yes. Comfort Level Billing helps smooth out the seasonal highs and lows of customers' energy usage and provides the customer the option to pay the same bill amount each month of the year. This allows customers to more easily budget for energy bills and avoid higher winter bills. This program has been well-received by participating customers. Over 16,684, or 12%, of Idaho electric and natural gas customers are on Comfort Level Billing.

In addition, the Company's Contact Center Representatives work with customers to set up payment arrangements to pay energy bills. In 2008, 32,228 Idaho customers were provided with over 85,711 such payment arrangements.

Q. Please summarize Avista's CARES program.

A. In Idaho, Avista is currently working with over 1,255 special needs customers in the CARES program. Specially-trained representatives provide referrals to area agencies and churches for customers with special needs for help with housing, utilities, medical assistance, etc. In its comments in Case No. GNR-U-08-01, the IPUC Staff "recommends that all utilities implement case management programs if they have not already done so."

Q. Have these programs helped mitigate the impact on customers in need?

A. Yes. Through these programs, the Company works to build lasting ways to ease the burden of energy costs for customers that have the greatest need.

In the 2007/2008 heating season, 10,125 Idaho customers received $2,814,506 in various forms of energy assistance (Federal LIHEAP program, Project Share, and local community funds). On September 30, 2008, President Bush signed legislation that provides $5.1 billion for the Low Income Home Energy Assistance Program (LIHEAP) for the 2008/2009 heating season. This increased funding will serve an additional 2 million households and raise the average grant from $355 to $550 and also allows states to carryover any funds remaining to next years heating season. Idaho's share of the LIHEAP funding was increased

from $12,376,000 to $26,969,000. This bill also provides increased funding for weatherization assistance programs. These programs and the partnerships we have formed have been invaluable to customers who often have nowhere else to go for help.

Q. Does this conclude your pre-filed direct testimony?

A. Yes.

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FOR AVISTA CORPORATION

(ELECTRIC AND NATURAL GAS)

SYSTEM IMPROVEMENTS, EFFICIENCIES & PRODUCTIVITY MEASURES

Avista Utilities is continually evaluating potential system improvements, additional efficiencies and productivity measures. The Company has undertaken a number of improvements throughout our utility that are focused on either increasing customer service and satisfaction, or reducing operating costs. Some examples of these initiatives are as follows:

A. Integrated Voice Response System(IVR)
B. Website Redesign
C. Every Little Bit Energy Efficiency Campaign
D. Transmission and Distribution System Efficiencies
E. Onsite Energy Efficiency Projects
F. Facilities and Janitorial Services
G. Bill Print and Mail Service Outsource
H. Design Locates
I. Regional Infrastructure Efficiency Plan
J. Craft Training
K. Asset Management
L. Transmission Outage Scheduling
M. ARCOS Rostermonster
N. Fleet Optimization
O. Outage Management
P. Mobile Dispatch

A. Interactive Voice Response System (IVR) - Avista's Interactive Voice Response System (IVR) has been in service since November 1997. Currently, nearly 40% of customer calls are handled by the IVR for self-service, which includes outage reporting and messaging, accepting payments, making payment arrangements, hearing account information and other information such as pay station, and heating assistance locations. In 2008, the IVR was updated to allow customers to use the system to conduct other business, such as electronic payments (over 123,406 in 2008) and obtaining account balances (over 144,526 in 2008) and payment arrangements (over 80,471 in 2008).

Four years ago, Nortel (manufacturer of Avista's IVR) announced the end of the operating system. Therefore, the technology is now obsolete and new functionality will be difficult or impossible to add to the current platform. The hardware was over 10 years old. Avista needs to refresh this technology as a way to guarantee the continued ability for customers to self-serve. New functionality includes the ability for customers to sign up for Comfort Level Billing (CLB) and Automated Payment Service (APS) along with Restoration Call Backs to customers.

The Company has selected Intervoice, a leading IVR manufacturer on a new platform that will offer customers additional functionality, and will use Voice Recognition as the main interface between customers and machine. Touch-

tone entry will still be available, however. The new IVR system is currently scheduled to be available for customers by the third quarter of 2009. This system will continue to allow us to have fewer customer service representatives on staff, which results in lower labor costs.

B. Web Site Redesign - Web Redesign was a project launched in July 2005 to rebuild the Avista Utilities website. This project included visual design and user interface, customer transaction automation and technology platform reliability, scalability, flexibility. The Company's primary goal is to achieve a 10% reduction in the call center's total call volume while increasing customer satisfaction. Avista transformed the website to provide meaningful and timely information with powerful self-service tools that will help customers make informed energy management choices.

C. Every Little Bit Energy Efficiency Campaign - The Company understands that rising energy costs have put added pressure on customers. With this in mind, Avista is committed to increasing customer and community awareness about wise energy use. Promoting the wise and efficient use of energy resources has taken on added importance locally, nationally and globally, and it is our goal to build customer awareness around energy usage, energy efficiency practices, and to direct them to the resources and tools we have available to assist them. To ensure we

did this appropriately, Avista conducted a baseline research study to determine how we could best affect customer usage habits.

Armed with this data, Avista created the "Every Little Bit" campaign. We are able to show customers that "every little bit" does add up and can make a difference in their energy usage. We focused this initial campaign on low-cost and no-cost measures, with information on rebates and energy efficiency. The initial campaign, launched in September 2007 is the beginning of a long-term effort aimed at assisting customers to use energy more efficiency. This project is funded under the Company's DSM tariff rider.

D. Transmission and Distribution System Efficiencies

Avista is developing innovative programs to locate and quantify energy losses across our transmission and distribution system. The efficiencies programs will review the energy savings associated with a wide range of system improvements from feeder balancing to conservation voltage reduction. The energy savings associated with each program will be assembled into an energy portfolio identifying the relative cost per kWh of savings. This portfolio will be used to prioritize projects in order to focus improvements on programs with the greatest benefit.

Another consideration for the efficiencies programs is the development of an implementation strategy which bundles efficiencies projects with operational programs. The

efficiencies program to replace older less efficient transformers with new more efficient transformers may be bundled with the redesign or replacement of secondary districts since a strong correlation exists between old transformers feeding large secondary districts. By combining these two programs, Avista can accomplish the following two program goals: 1) Coordinate crew time "touch the pole just once" and 2) Optimize energy savings, eliminate a source of outages, thus improving reliability.

Finally, as efficiencies programs are implemented, Avista is interested in achieving energy savings across its system. Consequently, Avista is establishing work processes and information systems to track these savings when programs are implemented. For example, to account for the energy savings from the replacement of an old vintage transformer with a new transformer, the tracking system will capture the replacement date, the relative transformer losses, and the load profile. By tracking the reduction in losses across our transmission and distribution system, Avista can verify the life cycle cost benefit of the system improvement.

E. Onsite Energy Efficiency Projects - Avista has completed numerous small energy efficiency projects that have resulted in energy conservation at company offices and service centers. Following are some examples:

- Passenger elevator upgrade

- Service elevator upgrade
- Appliance replacement
- Compressed air system
- HVAC system control valve
- Various lighting improvement projects (LED, exit signs, etc.)
- HVAC controls - Coeur d'Alene Service Center
- Motors and Controls

A total of 28 projects were completed since 2005. Total kWh saved are 3,197,594 and total therms saved are 47,828.

In 2007, Avista initiated a multi-year HVAC renovation at its headquarters facilities in Spokane. The project is needed to replace equipment that is now 50 years old. Present estimates indicate cost savings of $432,000 per year in energy use, a 36% reduction in energy costs. The project will also achieve asbestos abatement and life safety (fire sprinkler) additions. Project will tentatively be completed in 2013.

F. Facilities and Janitorial Services - In 1993, Avista converted from an "in house" bargaining unit janitorial crew at the Spokane facility, to a contract crew. The initial savings based on 1993 rates was approximately $134,000 per year.

In 2006, as a result of union negotiations, the company was able to switch to a non-bargaining unit

contract crew providing an additional $51,000 per year savings.

G. Bill Print and Mail Service Outsource - Avista's bill printing and mail services were outsourced to Regulus, the second largest first class mailer in the United States. The project objectives were to move bill printing, inserting and mailing offsite and to leverage core competencies of the provider. It will also serve to meet disaster recovery requirements, ensure daily print volume flexibility and scalability, reduce costs for bill print, inserting and mailing, and serve to maximize technology.

Avista's primary objective was to achieve disaster recovery. Avista needed a back-up system to ensure day-to-day business operations. Furthermore, customers expect to receive their billing statements in a timely manner in order to avoid delayed payments, unintended collections and shut-offs. Through a third-party provider, Avista has available five alternative printing sites and at each site there are redundant systems for equipment breakdowns. Avista has invested in dedicated data lines to both the primary print site in Napa, CA, and to the alternative site in Charlotte, SC. In the event that those lines were not available, Avista would access lines at the vendors other sites.

Avista has obtained USPS postage expertise to maximize its postage costs. Under the Regulus contract, Avista

expects to pay approximately 12 cents per piece. That is down from 17 cents under the former provider. The 12 cents per piece does not include the capital costs to implement the project. Furthermore, the Vendor has USPS postal personnel onsite to ensure that the mailings meet USPS requirements and can be delivered in the fastest means possible.

As part of the project, Avista redesigned its bills, letters and notices making them easier-to-read and understand, thereby reducing call center call volumes. The bill also provides flexible space for providing improved communications to customers.

H. Design Locates - Avista is working through collaborative efforts with the City of Spokane in a pilot program to coordinate design locates as part of the City's construction design process. The goal of this pilot is to have utility locators provide locates for the Company's existing facilities before the city projects are designed in order to avoid potentially costly facility relocation. Cost savings will be measured throughout the construction year. The measurements will be used to evaluate whether the process should be extended in conjunction with other jurisdictions throughout the Avista service territory.

I. Regional Infrastructure Efficiency Plan - Spokane's Joint Utilities Coordination Council was formed

to bring together regional municipalities, utility companies, telecommunication providers, sewer, water and railroad to coordinate construction activities on an annual basis. Avista, in partnership with the City of Spokane, hosts this meeting every February, just prior to the beginning of the construction project season. Municipalities and utilities share their project plans and schedules so as to increase the coordination and mitigate the risk of unknown projects. The Joint Utilities Coordination Council has resulted in greater coordination and efficiencies across the entire Spokane region.

J. Craft Training - The craft training department has developed over 50 different on-line training classes for our natural gas, electric and generation apprentice and qualification programs. In 2007, the natural gas department alone was able to cut a full day from the annual natural gas refresher training for 250 employees. The new learning network also gives us a delivery and record keeping system that allows the Company to plan, schedule and document our training programs and requirements.

K. Asset Management Program - As described by Mr. Kinney, Avista has assigned two full-time engineers to the formal Asset Management program. These individuals are responsible for gathering information, prioritizing work and executing efforts to best meet the Asset Management mission. The engineers utilize a statistical Reliability

Centered Maintenance (RCM) software package to analyze data. This software allows detailed analysis of the impacts of increased or decreased reliability based on system configuration and component reliability.

L. Transmission Outage Scheduling - Avista recently deployed a custom software application which provides the Company with the ability to manage the scheduling of planned outages for transmission lines and line segments. Previously, transmission outages were requested via phone or email and were tracked via a spreadsheet. Requests for outages can now be submitted electronically via a web page, which can then be either approved or rejected by the system administrators. This improvement to the system has reduced operator time, streamlined the scheduling process, and ameliorates any errors.

M. ARCOS Rostermonster - Previously, after-hour crew callouts were conducted on a one-on-one basis. As of late 2008, all gas and electric crew callouts in all jurisdictions will be handled by the ARCOS Rostermonster system. The expanded capabilities of ARCOS will allow us to call out personnel from multiple lines with less delay, thereby improving restoration time for after hour customer outages.

N. Fleet Optimization - The Company recently started an evaluation of the Fleet Department. Company employees believe process improvements and technological upgrades

would increase productivity and modernize its fleet department. As part of the analysis, three areas of fleet's business are being evaluated: service work, repair work, and compliance/DOT work. Based on the results of this analysis, we believe process reorganization and scheduling efficiencies could be achieved through specialized fleet software. The outcome of the project should reflect a scheduling system and electronic filing system, as well as determine the appropriate level of staffing of mechanics and clerical staff.

O. Outage Management - Avista's Outage Management System is an application utilizing the Company's Geographic Information System (GIS mapping system). It allows Avista's distribution facilities to be linked to individual customer service points in a computer based model. The connectivity within the model allows for predictive analysis tools to determine outage areas, affected system devices and customers experiencing an outage.

Customers can report outages quickly by calling Avista's contact center or speaking to the Company's IVR. All customer calls are plotted in the GIS mapping system and tied to outage incidents, dramatically reducing the chance they would be missed or forgotten. Prediction of the probable outage device allows all commonly affected customers to be associated with an incident tied to the outage device, dramatically reducing the number of

incidents that must be managed by the dispatcher. Quick identification of affected customers reduces outage time.

Customer outages are quickly identified geographically through the GIS mapping system. Crews and other resources can be assigned and managed at the incident level and can be dispatched directly to the problem, reducing the outage time. Accurate outage data is collected for all incidents providing feedback to improve reliability. Outage statistics such as CAIDI and SAIFI are gathered in real time to indicate the severity of major events and assist in resource planning. The system is also capable of handling customer callbacks to validate restoration has been successful.

The GIS model provides the data necessary to analyze system characteristics for system planning studies which dictate how system modifications will proceed. Planning models are now able to represent current system configurations whereas in the past it would be easy for the models to become badly out-of-date, due to the large manual effort required to keep them current. System planners and engineers now spend the majority of their time planning instead of managing paper maps and re-creating computer models.

The Mobile Dispatch implementation relies on the GIS system to provide accurate representations of existing facility and land features. Facility and customer

information is provided for routing and facility identification. Documentation is provided by automated updating of the GIS model from the field which eliminates back office labor for map updates and insures currency of the data.

Finally, the very sophisticated GIS connectivity model gives Avista a distinct advantage by providing the necessary foundation for the deployment of Smart Grid technologies in the near or long term future.

P. Mobile Dispatch - In June 2006, the implementation of wireless laptop computers with mobile maps (Mobile Dispatch) was deployed to all Avista natural gas servicemen. Mobile Dispatch automatically dispatches work orders to Avista servicemen throughout the day through wireless technology to laptop computers mounted in Avista service trucks. Prior to Mobile Dispatch, orders were created in Avista's work management system and printed at the local construction offices. Employees in each office would sort, assign and dispatch (via phone, pager, fax or in person) orders each morning. The field employees would work with the orders and call in the completed work periodically throughout the day or simply turn-in the stack of completed orders at the end of the day. The completed orders were manually completed by employees who entered the information regarding the order back into the work management system.

The paper processes made it nearly impossible to track the status of individual orders and fieldworkers throughout each day. It was also very difficult for the Dispatchers to keep up with the volume of paper being sent out each morning, changes to the orders that occurred during the day, and completed orders returned at the end of the shift.

Mobile Dispatch has automated the order creation, modification and completion process. With the new technology, orders are created in the work management system and are automatically dispatched to the correct field worker based on the order's Latitude/Longitude position and the person assigned to work orders in that area. Once a field employee has been identified, the order is sent through wireless technology to the laptop computer mounted in Avista's service truck. The order is then reviewed by the employee for specific information needed to complete the work. The order status is transmitted back to the dispatch center, as the employee indicates they are en route, on-site, and/or have completed the work. The completed order is transmitted back to the work management system where it is closed automatically.

Dispatchers have complete information for each order and a field employee's status. They have the ability to manage and redistribute work by simply dragging and dropping orders from one field employee to another. The

orders instantly move from the originally-assigned laptop to the newly-assigned laptop.

Customer Usage
State of Idaho - Electric & Gas
As of September 30, 2008

Electric Schedule	No. of Customers	kwh (000s)	% of Total kwh
Residential Sch. 1	99,073	1,181,158	33.7%
General Sch. 11&12	19,005	325,696	9.3%
Lge. General Sch. 21&22	1,452	704,569	20.1%
Ex. Lge. General Sch. 25	13	1,219,378	34.8%
Pumping Sch. 31&32	1,305	58,648	1.7%
Street & Area Lights	124	13,747	0.4%
	120,972	3,503,196	100%

Natural Gas Schedule	No. of Customers	Therms (000s)	% of Total Therms
General Service 101	71,472	58,739	48%
Lg. General Service 111/112	846	18,826	15%
Interruptible Service 131/132	1	423	0%
Transportation Service & Other	7	45,409	37%
	72,326	123,397	100.00%

Exhibit No.7
Case No. AVU-E-09-01 and AVU-G-09-01
D. Kopczynski, Avista
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