BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

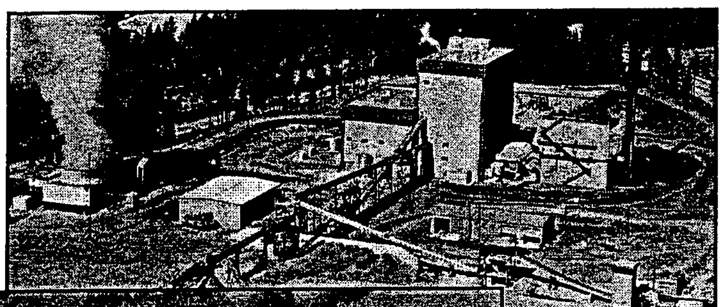
DOCKET NO. UE-05-_______

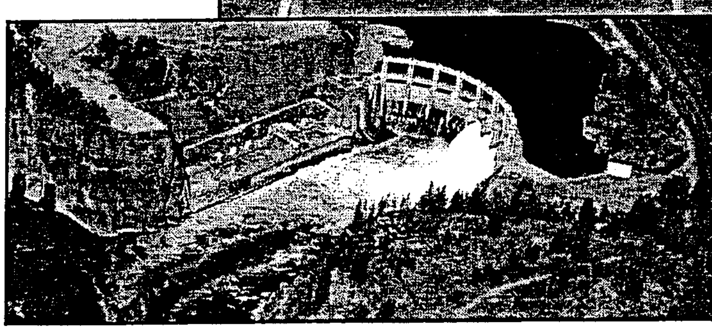
EXHIBIT No. ____(RRP-9)

RONALD R. PETERSON

REPRESENTING AVISTA CORPORATION

AVISTA® Corp.





2003 Integrated Resource Plan

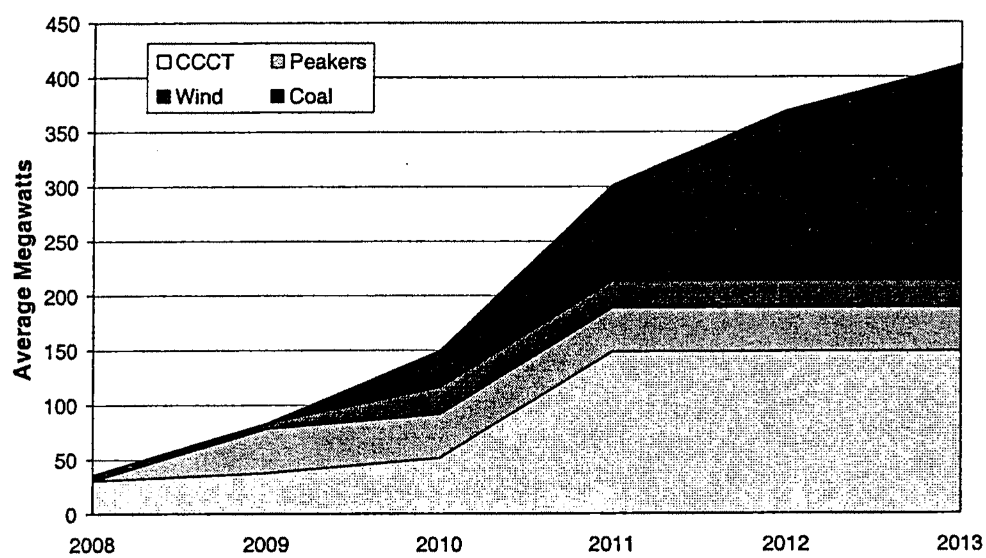
The Preferred Resource Mix

Based on the conditions and limitations listed above, the LP Module determined a preferred mix of new resources to meet the Company's future requirements. The *Preferred Resource Strategy* includes the following mix of resources and quantities during the first ten years of the study (2004-2013):

- 149 aMW of CCCT
- 25 aMW of wind
- 197 aMW coal
- 40 aMW of SCCT

By the end of the first ten years, a total of 411 aMW are developed. A depiction of the *Preferred Resource Strategy* is included in the following graph. Significant annual deficiencies do not develop until 2008, so the chart details only the years 2008 through 2013.

Chart 7.6
Preferred Resource Mix (in aMW)
2008-2013



After 2013, only coal is selected as a result of a change in the relationship between natural gas and coal prices. Natural gas prices over the IRP term increase faster than coal, making coal generation less costly in later years. In total, between 2014 and 2023, an additional 566 aMW of coal resources are selected in the *Preferred Resource Strategy.*

Costs of Preferred Resource Strategy Versus "No Additions"

Expected cost over the IRP term has traditionally been the benchmark of least-cost planning; and generally includes capital recovery, operation and maintenance, fuel, and transmission costs. This IRP continues to focus on expected power supply cost on a net present value (NPV) basis. Under *No Additions*, where no resource acquisitions are made, the ten-year NPV of the power

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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EXHIBIT No. ____(RRP-10)

RONALD R. PETERSON

REPRESENTING AVISTA CORPORATION

Avista Utilities
Long-Term Energy Load and Resource Tabulation (aMW)
2005-2024

August 13, 2004

Long-Term Energy Load and Resource Tabulation (aMW)
CONFIDENTIAL

Last Updated August 13, 2004	Notes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
AVERAGE LOAD & HYDRO PLANNING											
REQUIREMENTS											
System Load	1	(1,008)	(1,041)	(1,063)	(1,093)	(1,126)	(1,156)	(1,187)	(1,212)	(1,237)	(1,265)
Contract Obligations	2	(61)	(59)	(59)	(59)	(59)	(57)	(57)	(56)	(56)	(56)
Total Requirements		(1,069)	(1,100)	(1,122)	(1,152)	(1,185)	(1,213)	(1,244)	(1,268)	(1,293)	(1,320)
RESOURCES											
Contract Rights	4	216	233	236	235	236	235	131	113	113	106
Hydro	3	532	511	511	511	505	481	477	461	460	459
Base Load Thermals	5	241	234	234	242	232	236	240	235	234	238
Gas Dispatch Units	6	162	157	162	154	162	157	162	154	162	157
Total Resources		1,151	1,136	1,143	1,143	1,135	1,109	1,010	963	970	961
POSITION		82	36	21	(10)	(50)	(104)	(234)	(304)	(324)	(360)
CONTINGENCY PLANNING											
Confidence Interval	7	(163)	(160)	(160)	(160)	(159)	(155)	(155)	(151)	(151)	(151)
WNP-3 Obligation	8	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)
Peaking Resources	9	139	135	138	138	137	134	138	138	137	138
CONTINGENCY NET POSITION		27	(21)	(32)	(63)	(104)	(156)	(282)	(349)	(369)	(404)

Notes:

1. Load estimates are from the 2005 load forecast (07-27-2004) including the forecast for net Potlatch load.
2. Includes Nichols Pumping and Canadian Entitlement Return contracts. Does not include WNP-3 Obligation.
3. Average (60-year) hydro generation for system hydro (Clark Fork and Spokane River projects) and contract hydro (Mid-Columbia) based on NWPP 2003-04 Headwater Benefits Study, modified for daily spill. Mid-C numbers reflect the Priest Rapids and Wanapum contract extensions beginning in 2005.
4. Includes small PURPA contracts, Upriver, El Paso 2004-2006 25 MW flat, Duke 2004-2006 50 MW flat, Morgan Stanley 2004-2006 25 MW flat, El Paso 2007-2010 75 MW flat, BP Energy 2007-2010 25 MW flat, Grant Displacement, PPM Wind, and WNP-3 Receipt.
5. Includes Colstrip and Kettle Falls at full capability, adjusted for maintenance and forced outage.
6. Includes Coyote Springs 2, Coyote Springs 2 duct burner, Boulder Park, and Kettle Falls CT at full capability, adjusted for maintenance and forced outage.
7. The confidence interval represents the 12-month average of reserve energy necessary to ensure no more than a 10 percent probability of loads exceeding, and/or hydro underperforming, during a given month.
8. Represents highest level of potential obligation to BPA generally exercised under low hydro conditions.
9. Includes Northeast and Rathdrum at full capability, adjusted for forced outage and maintenance.
   Northeast is limited to 1,700 hours of operation per year, which has been applied to the period of highest typical market prices.

Avista Utilities
Long-Term Peak Load and Resource Tabulation (MW)
2005-2024

September 1, 2004

Long-Term Capacity Load and Resource Tabulation (MW)
CONFIDENTIAL

Last Updated September 1, 2004	Notes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PEAK LOAD AND RESOURCE PLANNING											
REQUIREMENTS											
System Load	1	(1,549)	(1,604)	(1,637)	(1,683)	(1,723)	(1,779)	(1,813)	(1,864)	(1,903)	(1,945)
Contracts Obligations	2	(170)	(166)	(166)	(166)	(161)	(161)	(159)	(159)	(159)	(159)
Total Requirements		(1,718)	(1,770)	(1,803)	(1,849)	(1,884)	(1,940)	(1,972)	(2,023)	(2,062)	(2,104)
RESOURCES											
Contracts Rights	4	212	212	215	215	216	215	97	98	98	98
Hydro Resources	3	1,108	1,101	1,093	1,093	1,039	1,032	1,001	979	992	991
Base Load Thermals	5	275	275	275	275	275	275	275	275	275	275
Gas Dispatch Units	6	171	166	166	170	166	166	171	166	166	170
Peaking Units	7	243	243	243	243	243	243	243	243	243	243
Total Resources		2,008	1,997	1,992	1,996	1,939	1,932	1,786	1,761	1,774	1,777
PEAK POSITION		289	227	189	147	55	(9)	(186)	(262)	(289)	(327)

RESERVE PLANNING											
Planning Reserve Margin	8	(245)	(250)	(254)	(258)	(262)	(268)	(271)	(276)	(280)	(285)
RESERVE PEAK POSITION		45	(23)	(65)	(111)	(208)	(277)	(457)	(538)	(569)	(612)

Notes:

All data based on monthly peak deficits from period November through February.

1. Load estimates are from the 2005 peak load forecast (07-27-2004) including the forecast for net Potlatch load.
2. Includes Nichols Pumping, Canadian Entitlement Return, and PGE Capacity contracts.
3. Peak hydro generation for system hydro (Clark Fork and Spokane River projects, excluding maintenance) and contract hydro (Mid-Columbia, including maintenance). Mid-C numbers reflect the Priest Rapids and Wanapum contract extensions beginning in 2005.
4. Includes small PURPA contracts, Upriver, El Paso 2004-2006 25 MW flat, Duke 2004-2006 50 MW flat, Morgan Stanley 2004-2006 25 MW flat, El Paso 2007-2010 75 MW flat, BP Energy 2007-2010 25 MW flat, Grant Displacement, and WNP-3 Receipt.
5. Includes Colstrip and Kettle Falls, adjusted for maintenance.
6. Includes 50% of Coyote Springs 2 and Coyote Springs 2 duct burner, Boulder Park, and Kettle Falls CT, adjusted for maintenance.
7. Includes Northeast and Rathdrum, adjusted for maintenance.
8. Includes 10% of peak load (to approximate load variability) and 90 MW (to approximate the risk of river freeze-up and partial forced outages).

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-05-_______

EXHIBIT No. ____(RRP-11)

RONALD R. PETERSON

REPRESENTING AVISTA CORPORATION

May 2004 Analysis

Value Analysis

AURORA was utilized to dispatch 50% of Coyote Springs 2 (including the duct burner) against 20-year sets of fixed hourly market prices starting in 2005, as described further below. AURORA incorporated the plant's dispatch characteristics (e.g., minimum up time) to simulate hourly operation and ultimately determine the value of the resource versus each set of market prices.

The electric and natural gas prices utilized in AURORA were initially based on monthly forward prices taken from NUCLEUS on April 8, 2004. These prices were shaped hourly based on prices from the 2003 Idaho General Rate Case. The resulting prices matched forward prices on a monthly basis, but retained the hourly shape from the rate case. Electric and natural gas prices were tied directly to NUCLEUS forward prices through 2008, and escalated at 3% thereafter.

Numerous price scenarios, representing potential future spark spreads[1], were then created and used as input prices for individual AURORA runs. Spark spread modifications were implemented through changes to natural gas prices. Ultimately, four scenarios were used to represent likely potential futures. These scenarios are described below:

1. *Increasing Spark Spread*
   In this scenario spark spreads increased over time. Electric prices increased at 3% while natural gas prices increased at 2% through the end of the study. This resulted in a gradual increase in the spark spread through 2024. The resulting average spread was 9,453 BTU/kWh, growing from 8,572 in 2005 to 10,346 in 2024. This scenario was designed to reflect a market where electric prices are rising faster than gas prices.

2. *Forwards/IRP Spark Spread*
   Spark spreads in this scenario were tied to forward prices through 2008. After 2008, annual spreads were matched with those from the 2003 Integrated Resource Plan (IRP). The average spark spread for this scenario was 10,928, growing from 8,165 in 2005 to 12,476 in 2024. This scenario was designed to capture the most expected short and long-term prices. Forward prices were used because they represent the actual prices available for purchases in the current forward market. IRP prices were used because the IRP included significant analysis to estimate long-term market conditions.

3. *10,500 Spark Spread*
   In this scenario the annual spark spread was set to 10,500 for the duration of the study. As with the other scenarios, the spread still maintained the monthly shape inherent in the forwards. This scenario was designed to represent a market where a CCCT would be marginally cost-effective through the entire duration of the study.

4. *IRP Prices*
   Spark spreads in this scenario were taken directly from the 2003 IRP. The resulting average was 12,482 BTU/kWh. This scenario effectively compares the plant against the avoided costs that have been established for PURPA contracts.

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[1] For the purposes of this document, the term "spark spread" is used to describe the heat rate implied by the relationship between natural gas and electric market prices. The spark spread for a given time period is the electric price divided by the natural gas price multiplied by 1,000 (e.g., $45 / $5 * 1000 = 9000 Btu/kWh).

The results for each scenario were adjusted by two factors. First, $2 million per year was added as an estimate for the value of the optimization of turbine fuel purchases through "heat rate swaps" (transactions in the forward gas and electric markets to either buy fuel for the plant and sell power or sell fuel from the plant and buy the power, depending on the spark spread). Next, margins generated by the plant during Q2 of each year through 2008 were removed to represent a conservative possibility that transmission may be restricted during certain periods in that quarter. Transmission issues are further detailed later in the document.

The results for each scenario were input into a revenue requirements model and a marginal benefit value, compared to the breakeven purchase price, was determined. Refer to the following table for the detailed results.

Table 3 – Detailed Scenario Results

Scenario	Average Spark Spread (Btu/kWh)	Base Value[1] ($000)	Base Value[1] ($/kW)	W/ Option Value[2] ($000)	W/ Option Value[2] ($/kW)	W/O Q2 Trans[3] ($000)	W/O Q2 Trans[3] ($/kW)
Increasing Spark	9,453	21,322	150	46,144	324	46,159	324
Forwards/IRP Spark	10,928	43,164	303	67,986	478	67,966	478
10,500 Spark	10,500	45,633	321	70,455	495	70,471	495
IRP Prices	12,482	92,101	647	116,923	822	116,385	818

(1) Value taken directly from AURORA model runs.
(2) Includes estimate of $2 million for value of heat rate swaps.
(3) Assumes no generation during Q2 through 2008.

The second scenario, "Forwards/IRP Spark," was determined to be the most expected representation of future market prices because it incorporates the best representations of short-term and long-term market conditions. Forward prices, because they represent actual prices for gas and electricity in the current forward market, are the best representation of short-term prices. But since forwards are only available for two to three years out, they are not adequate to represent long-term market conditions. The 2003 IRP, on the other hand, incorporated significant analysis utilizing the AURORA model to estimate long-term market conditions.

As shown in Table 3 above, the resulting breakeven market value for 50% of Coyote Springs 2 was roughly $68 million.

* Note: See CS2 Acquisition of Second Half – 2004, Book 2, tab labeled "Option Value Back-Cast Analysis" (9-24-04) for a description of the option value analysis

Coyote Springs 2 Balance of Plant Analyses

Scenario	Heat Rate	Base Value		W/ Option Value*		W/O Q2 Trans**	
	(Btu/kWh)	($000)	($/kW)	($000)	($/kW)	($000)	($/kW)
Increasing Spark	9,453	21,322	150	46,144	324	46,159	324
Forwards/IRP Spark	10,928	43,164	303	67,986	478	67,966	478
10,500 Spark	10,500	45,633	321	70,455	495	70,471	495
IRP Prices	12,482	92,101	647	116,923	822	116,385	818

Scenario	Description
Increasing Spark	Spark spread grows after forwards - electric price escalates at 3%, gas at 2%.
Forwards/IRP Spark	Spark spread based on forwards thru 2008, then based on 2003 IRP.
10,500 Spark	Average spark spread has been increased to 10,500 BTU/kWh.
IRP Prices	Electric and natural gas prices are based on 2003 IRP.

* Includes conservative estimate of $2MM for value of heat rate swaps.
** Assumes no transmission is available during Q2 through 2008.

05-07-2004
JRF

Electric and Natural Gas Prices Used for 50% CS2 Analysis

	Increasing Spark			Fwd/IRP Spark			10,500 Spark			IRP Prices		
Year	Elec	Gas	IHR	Elec	Gas	IHR	Elec	Gas	IHR	Elec	Gas	IHR
2005	42.74	4.99	8,572	42.74	5.23	8,165	42.74	4.09	10,451	34.86	4.05	8,603
2006	42.31	4.64	9,119	42.31	4.92	8,606	42.31	3.84	11,010	36.42	3.97	9,184
2007	42.31	4.90	8,629	42.31	5.25	8,064	42.31	4.10	10,328	38.25	4.19	9,124
2008	42.31	4.89	8,653	42.31	5.28	8,010	42.31	4.13	10,254	42.41	4.37	9,713
2009	43.65	4.88	8,944	43.65	4.46	9,795	43.65	4.16	10,494	46.29	4.48	10,336
2010	44.98	4.98	9,032	44.98	4.33	10,394	44.98	4.28	10,498	49.98	4.57	10,946
2011	46.33	5.08	9,126	46.33	4.23	10,955	46.33	4.41	10,497	52.60	4.75	11,070
2012	47.73	5.18	9,212	47.73	4.20	11,371	47.73	4.55	10,500	55.13	4.67	11,812
2013	49.16	5.29	9,298	49.16	4.35	11,289	49.16	4.68	10,499	57.48	4.89	11,745
2014	50.62	5.39	9,390	50.62	4.34	11,654	50.62	4.82	10,496	58.29	4.91	11,879
2015	52.16	5.50	9,484	52.16	4.43	11,768	52.16	4.97	10,501	59.65	5.08	11,751
2016	53.72	5.61	9,577	53.72	4.59	11,702	53.72	5.12	10,500	62.73	5.27	11,906
2017	55.33	5.72	9,666	55.33	4.64	11,917	55.33	5.27	10,500	64.67	5.35	12,091
2018	56.98	5.84	9,756	56.98	4.83	11,807	56.98	5.43	10,498	64.73	5.54	11,685
2019	58.70	5.96	9,852	58.70	4.88	12,037	58.70	5.59	10,499	66.95	5.59	11,971
2020	60.48	6.08	9,951	60.48	4.93	12,258	60.48	5.76	10,502	69.24	5.71	12,123
2021	62.28	6.19	10,053	62.28	5.16	12,060	62.28	5.93	10,499	70.35	5.92	11,892
2022	64.15	6.32	10,148	64.15	5.46	11,744	64.15	6.11	10,501	71.24	5.96	11,955
2023	66.08	6.45	10,250	66.08	5.30	12,478	66.08	6.29	10,502	75.32	6.18	12,193
2024	68.05	6.58	10,346	68.05	5.45	12,476	68.05	6.48	10,500	245.00	6.50	37,663

Rate Impacts

An analysis was performed to determine the rate impacts of the selected scenario at various purchase prices. The table below shows the estimated rate impacts for the breakeven price of $68 million, based upon the "Forwards/IRP Spark" scenario and the purchase price of $62.5 million that was negotiated as a basis for the non-binding letter of intent to purchase the second half of the Coyote Springs 2 project.

Table 4 – Estimated Rate Impacts

Year	$68 MM ($250/kW)		$62.5 MM ($375/kW)	
	($000)	(percent)	($000)	(percent)
2005	9,849	2.2%	8,847	2.0%
2006	8,218	1.8%	7,248	1.5%
2007	9,467	1.9%	8,533	1.8%
2008	9,368	1.9%	8,468	1.7%
2009	3,582	0.7%	2,715	0.5%
2010	1,470	0.3%	635	0.1%
2011	(587)	-0.1%	(1,391)	-0.2%
2012	(2,404)	-0.4%	(3,179)	-0.5%
2013	(2,860)	-0.5%	(3,605)	-0.6%
2014	(4,559)	-0.7%	(5,276)	-0.8%
2015	(5,647)	-0.8%	(6,334)	-1.0%
2016	(6,304)	-0.9%	(6,962)	-1.0%
2017	(7,644)	-1.1%	(8,273)	-1.1%
2018	(8,151)	-1.1%	(8,751)	-1.2%
2019	(9,655)	-1.2%	(10,226)	-1.3%
2020	(11,238)	-1.4%	(11,780)	-1.5%
2021	(11,466)	-1.4%	(11,979)	-1.4%
2022	(11,354)	-1.3%	(11,838)	-1.4%
2023	(14,595)	-1.6%	(15,050)	-1.7%
2024	(15,636)	-1.6%	(16,062)	-1.7%
NPV	0		(7,477)	

Coyote Springs 2 Rate Impacts

Year	$62.5MM ($439/kW) ($000)	(percent)	$53MM ($375/kW) ($000)	(percent)	$71MM ($500/kW) ($000)	(percent)	$107MM ($750/kW) ($000)	(percent)
2005	8,847	2.0%	7,171	1.6%	10,431	2.3%	16,950	3.8%
2006	7,248	1.5%	5,625	1.2%	8,781	1.9%	15,093	3.2%
2007	8,533	1.8%	6,970	1.4%	10,010	2.1%	16,091	3.3%
2008	8,468	1.7%	6,961	1.4%	9,890	2.0%	15,748	3.1%
2009	2,715	0.5%	1,264	0.2%	4,086	0.8%	9,729	1.8%
2010	635	0.1%	(763)	-0.1%	1,955	0.4%	7,391	1.3%
2011	(1,391)	-0.2%	(2,737)	-0.5%	(119)	0.0%	5,116	0.9%
2012	(3,179)	-0.5%	(4,475)	-0.8%	(1,955)	-0.3%	3,087	0.5%
2013	(3,605)	-0.6%	(4,853)	-0.8%	(2,427)	-0.4%	2,424	0.4%
2014	(5,276)	-0.8%	(6,474)	-1.0%	(4,143)	-0.6%	518	0.1%
2015	(6,334)	-1.0%	(7,484)	-1.1%	(5,248)	-0.8%	(775)	-0.1%
2016	(6,962)	-1.0%	(8,064)	-1.2%	(5,922)	-0.9%	(1,639)	-0.2%
2017	(8,273)	-1.1%	(9,326)	-1.3%	(7,279)	-1.0%	(3,185)	-0.4%
2018	(8,751)	-1.2%	(9,755)	-1.3%	(7,803)	-1.0%	(3,898)	-0.5%
2019	(10,226)	-1.3%	(11,181)	-1.4%	(9,323)	-1.2%	(5,608)	-0.7%
2020	(11,780)	-1.5%	(12,687)	-1.6%	(10,923)	-1.3%	(7,396)	-0.9%
2021	(11,979)	-1.4%	(12,838)	-1.5%	(11,169)	-1.3%	(7,830)	-0.9%
2022	(11,838)	-1.4%	(12,647)	-1.4%	(11,073)	-1.3%	(7,923)	-0.9%
2023	(15,050)	-1.7%	(15,812)	-1.7%	(14,331)	-1.6%	(11,370)	-1.2%
2024	(16,062)	-1.7%	(16,775)	-1.8%	(15,388)	-1.6%	(12,615)	-1.3%
			Net Present Values					
20 Years	*(7,477)*		*(20,113)*		*4,461*		*53,609*	
5 Years	*29,099*		*22,855*		*34,997*		*59,282*	

NOTES:

1) Includes conservative estimate of $2MM for value of heat rate swaps.
2) Assumes no transmission is available during Q2 through 2008.
3) Assumes $450MM base revenue requirement, escalating @ 4% per year.
4) Spark spreads based on forward prices through 2008, IRP prices thereafter.

05-18-2004
IRF

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

						Assumptions					
Installed Cost	62,500	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	187.50	2004 $000s	Nominal Discount	8.2	percen
Installed Cost	439	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percen
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

			Fixed Costs																		
			Capital Recovery and Miscellaneous				Operations & Maintenance									Net					
	Year	Energy	Project	Fixed Chrg.	Total Costs		Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MW
1	2005	714.2	11,936	0	11,936	16.7	3,078	0	852	193	4,122	5.8	16,058	5,151	2,060	(6,847)	(12.4)	28,763	40.3	44,822	62
2	2006	723.5	11,544	0	11,544	16.0	3,170	0	822	199	4,191	5.8	15,735	6,365	2,122	(7,248)	(10.0)	27,606	38.2	43,341	59
3	2007	689.3	11,178	0	11,178	16.2	3,265	0	793	205	4,263	6.2	15,441	4,722	2,185	(8,533)	(12.4)	27,877	40.4	43,318	62
4	2008	690.8	10,831	0	10,831	15.7	3,363	0	764	211	4,338	6.3	15,169	4,450	2,251	(8,468)	(12.3)	28,229	40.9	43,398	62
5	2009	809.4	10,481	0	10,481	12.9	3,464	0	734	217	4,415	5.5	14,898	9,883	2,319	(2,715)	(3.4)	28,210	34.9	43,106	53
6	2010	880.9	10,225	0	10,225	11.6	3,568	0	705	224	4,497	5.1	14,721	11,699	2,388	(635)	(0.7)	29,885	33.9	44,606	50
7	2011	929.7	9,951	0	9,951	10.7	3,675	0	676	231	4,581	4.9	14,532	13,463	2,460	1,391	1.5	30,936	33.3	45,468	48
8	2012	944.7	9,656	0	9,656	10.2	3,785	0	646	238	4,669	4.9	14,325	14,971	2,534	3,179	3.4	31,324	33.2	45,649	48
9	2013	941.4	9,399	0	9,399	10.0	3,899	0	617	245	4,760	5.1	14,159	15,155	2,610	3,605	3.8	32,349	34.4	46,508	49
10	2014	946.3	9,103	0	9,103	9.6	4,015	0	587	252	4,855	5.1	13,958	16,546	2,688	5,276	5.6	32,549	34.4	46,506	49
11	2015	947.1	8,832	0	8,832	9.3	4,136	0	558	260	4,954	5.2	13,786	17,351	2,768	6,334	6.7	33,274	35.1	47,059	49
12	2016	949.0	8,587	0	8,587	9.0	4,260	0	529	267	5,056	5.3	13,643	17,754	2,852	6,962	7.3	34,522	36.4	48,164	50
13	2017	948.0	8,302	0	8,302	8.8	4,388	0	499	275	5,162	5.4	13,464	18,801	2,937	8,273	8.7	34,942	36.9	48,406	51
14	2018	947.1	8,059	0	8,059	8.5	4,519	0	470	284	5,273	5.6	13,332	19,058	3,025	8,751	9.2	36,240	38.3	49,573	52
15	2019	949.1	7,780	0	7,780	8.2	4,655	0	441	292	5,388	5.7	13,168	20,278	3,116	10,226	10.8	36,776	38.8	49,944	52
16	2020	954.0	7,510	0	7,510	7.9	4,795	0	411	301	5,507	5.8	13,017	21,587	3,209	11,780	12.3	37,488	39.3	50,504	52
17	2021	949.4	7,277	0	7,277	7.7	4,939	0	382	310	5,630	5.9	12,907	21,581	3,306	11,978	12.6	38,969	41.0	51,876	54
18	2022	946.7	7,069	0	7,069	7.5	5,087	0	352	319	5,758	6.1	12,828	21,261	3,405	11,838	12.5	40,989	43.3	53,817	56
19	2023	951.8	6,728	0	6,728	7.1	5,239	0	323	329	5,891	6.2	12,619	24,183	3,507	15,050	15.8	40,207	42.2	52,827	55
20	2024	954.7	6,489	0	6,489	6.8	5,398	0	294	339	6,029	6.3	12,518	24,987	3,612	16,062	16.8	41,552	43.5	54,070	56
Net Present Value			94,371	0	94,371		37,083	0	8,256	2,327	45,666		140,037	122,777	24,822	7,561		307,192		447,230	
Nominal Levelized Cost ($/MWh)						11.0						5.3					0.9		35.7		52
Real Levelized Cost ($/MWh)						8.9						4.3					0.7		28.9		42

Coyote Springs 2 Rate Impacts

Year	$36MM ($250/kW) ($000)	(percent)	$53MM ($375/kW) ($000)	(percent)	$71MM ($500/kW) ($000)	(percent)	$107MM ($750/kW) ($000)	(percent)
2005	3,911	0.9%	7,171	1.6%	10,431	2.3%	16,950	3.8%
2006	2,469	0.5%	5,625	1.2%	8,781	1.9%	15,093	3.2%
2007	3,929	0.8%	6,970	1.4%	10,010	2.1%	16,091	3.3%
2008	4,033	0.8%	6,961	1.4%	9,890	2.0%	15,748	3.1%
2009	(1,557)	-0.3%	1,264	0.2%	4,086	0.8%	9,729	1.8%
2010	(3,481)	-0.6%	(763)	-0.1%	1,955	0.4%	7,391	1.3%
2011	(5,355)	-0.9%	(2,737)	-0.5%	(119)	0.0%	5,116	0.9%
2012	(6,996)	-1.2%	(4,475)	-0.8%	(1,955)	-0.3%	3,087	0.5%
2013	(7,278)	-1.2%	(4,853)	-0.8%	(2,427)	-0.4%	2,424	0.4%
2014	(8,805)	-1.4%	(6,474)	-1.0%	(4,143)	-0.6%	518	0.1%
2015	(9,720)	-1.5%	(7,484)	-1.1%	(5,248)	-0.8%	(775)	-0.1%
2016	(10,205)	-1.5%	(8,064)	-1.2%	(5,922)	-0.9%	(1,639)	-0.2%
2017	(11,373)	-1.6%	(9,326)	-1.3%	(7,279)	-1.0%	(3,185)	-0.4%
2018	(11,707)	-1.6%	(9,755)	-1.3%	(7,803)	-1.0%	(3,898)	-0.5%
2019	(13,039)	-1.7%	(11,181)	-1.4%	(9,323)	-1.2%	(5,608)	-0.7%
2020	(14,450)	-1.8%	(12,687)	-1.6%	(10,923)	-1.3%	(7,396)	-0.9%
2021	(14,507)	-1.7%	(12,838)	-1.5%	(11,169)	-1.3%	(7,830)	-0.9%
2022	(14,222)	-1.6%	(12,647)	-1.4%	(11,073)	-1.3%	(7,923)	-0.9%
2023	(17,293)	-1.9%	(15,812)	-1.7%	(14,331)	-1.6%	(11,370)	-1.2%
2024	(18,161)	-1.9%	(16,775)	-1.8%	(15,388)	-1.6%	(12,615)	-1.3%

Net Present Values

	$36MM ($250/kW)	$53MM ($375/kW)	$71MM ($500/kW)	$107MM ($750/kW)
20 Years	*(44,686)*	*(20,113)*	*4,461*	*53,609*
5 Years	*10,713*	*22,855*	*34,997*	*59,282*

NOTES:

1) Includes conservative estimate of $2MM for value of heat rate swaps.
2) Assumes no transmission is available during Q2 through 2008.
3) Assumes $450MM base revenue requirement, escalating @ 4% per year.
4) Spark spreads based on forward prices through 2008, IRP prices thereafter.

04-28-2004
JRF

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	35,570	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	106.71	2004 $000s	Nominal Discount	8.2	percent
Installed Cost	250	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percent
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

			Fixed Costs																			
			Capital Recovery and Miscellaneous				Operations & Maintenance															
	Year	Energy	Project	Fixed Chrg.	Total Costs		Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MWI
1	2005	714.2	7,450	0	7,450	10.4	3,078	0	485	110	3,672	5.1	11,122	5,151	2,060	(3,911)	(5.5)	28,763	40.3	39,886	55
2	2006	723.5	7,205	0	7,205	10.0	3,170	0	468	113	3,751	5.2	10,956	6,365	2,122	(2,469)	(3.4)	27,606	38.2	38,563	53
3	2007	689.3	7,004	0	7,004	10.2	3,266	0	451	117	3,833	5.6	10,837	4,722	2,185	(3,929)	(5.7)	27,877	40.4	38,714	56
4	2008	690.8	6,816	0	6,816	9.9	3,363	0	435	120	3,918	5.7	10,734	4,450	2,251	(4,033)	(5.8)	28,229	40.9	38,963	56
5	2009	809.4	6,619	0	6,619	8.2	3,464	0	418	124	4,005	4.9	10,624	9,863	2,319	1,557	1.9	28,210	34.9	38,833	48
6	2010	880.9	6,509	0	6,509	7.4	3,568	0	401	127	4,096	4.6	10,606	11,699	2,388	3,481	4.0	29,885	33.9	40,490	46
7	2011	929.7	6,377	0	6,377	6.9	3,675	0	384	131	4,190	4.5	10,568	13,463	2,460	5,355	5.8	30,936	33.3	41,504	44
8	2012	944.7	6,220	0	6,220	6.6	3,785	0	368	135	4,288	4.5	10,508	14,971	2,534	6,996	7.4	31,324	33.2	41,832	44
9	2013	941.4	6,097	0	6,097	6.5	3,899	0	351	139	4,389	4.7	10,486	15,155	2,610	7,278	7.7	32,349	34.4	42,835	45
10	2014	946.3	5,935	0	5,935	6.3	4,015	0	334	143	4,493	4.7	10,428	16,546	2,688	8,805	9.3	32,549	34.4	42,977	45
11	2015	947.1	5,799	0	5,799	6.1	4,136	0	318	148	4,601	4.9	10,400	17,351	2,768	9,720	10.3	33,274	35.1	43,673	46
12	2016	949.0	5,687	0	5,687	6.0	4,260	0	301	152	4,713	5.0	10,400	17,754	2,852	10,205	10.8	34,522	36.4	44,922	47
13	2017	948.0	5,536	0	5,536	5.8	4,388	0	284	157	4,829	5.1	10,365	18,801	2,937	11,373	12.0	34,942	36.9	45,307	47
14	2018	947.1	5,428	0	5,428	5.7	4,519	0	267	161	4,948	5.2	10,376	19,058	3,025	11,707	12.4	36,240	38.3	46,617	49
15	2019	949.1	5,283	0	5,283	5.6	4,655	0	251	166	5,072	5.3	10,355	20,278	3,116	13,039	13.7	36,776	38.8	47,131	49
16	2020	954.0	5,147	0	5,147	5.4	4,795	0	234	171	5,200	5.5	10,347	21,587	3,209	14,450	15.1	37,488	39.3	47,834	50
17	2021	949.4	5,047	0	5,047	5.3	4,939	0	217	176	5,332	5.6	10,380	21,581	3,306	14,507	15.3	38,969	41.0	49,349	52
18	2022	946.7	4,974	0	4,974	5.3	5,087	0	201	182	5,469	5.8	10,443	21,261	3,405	14,222	15.0	40,989	43.3	51,433	54
19	2023	951.8	4,767	0	4,767	5.0	5,239	0	184	187	5,610	5.9	10,377	24,163	3,507	17,293	18.2	40,207	42.2	50,585	53
20	2024	954.7	4,662	0	4,662	4.9	5,396	0	167	193	5,756	6.0	10,418	24,967	3,612	18,161	19.0	41,552	43.5	51,970	54
Net Present Value			60,813	0	60,813		37,083	0	3,561	1,324	41,968		102,781	122,777	24,822	44,818		307,192		409,973	
Nominal Levelized Cost ($/MWh)						7.1						4.9					5.2		35.7		47
Real Levelized Cost ($/MWh)						5.7						4.0					4.2		28.9		38

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	53,355	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	160.07	2004 $000s	Nominal Discount	8.2	percent
Installed Cost	375	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percent
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

	Year	Energy	Fixed Costs: Capital Recovery and Miscellaneous: Project	Fixed Chrg.	Total Costs		Operations & Maintenance: Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MW
1	2005	714.2	10,412	0	10,412	14.6	3,078	0	727	165	3,970	5.6	14,382	5,151	2,060	(7,171)	(10.0)	28,763	40.3	43,145	60
2	2006	723.5	10,070	0	10,070	13.9	3,170	0	702	170	4,042	5.6	14,112	8,365	2,122	(5,625)	(7.8)	27,606	38.2	41,719	57
3	2007	689.3	9,761	0	9,761	14.2	3,265	0	677	175	4,117	6.0	13,878	4,722	2,185	(6,970)	(10.1)	27,877	40.4	41,754	60
4	2008	690.8	9,468	0	9,468	13.7	3,363	0	652	180	4,195	6.1	13,663	4,450	2,251	(6,961)	(10.1)	28,229	40.9	41,892	60
5	2009	809.4	9,169	0	9,169	11.3	3,464	0	627	186	4,276	5.3	13,446	9,863	2,319	(1,264)	(1.6)	28,210	34.9	41,655	51
6	2010	880.9	8,963	0	8,963	10.2	3,568	0	602	191	4,361	5.0	13,324	11,699	2,388	763	0.9	29,885	33.9	43,208	49
7	2011	929.7	8,737	0	8,737	9.4	3,675	0	577	197	4,448	4.8	13,186	13,463	2,460	2,737	2.9	30,936	33.3	44,122	47
8	2012	944.7	8,490	0	8,490	9.0	3,785	0	552	203	4,539	4.8	13,029	14,971	2,534	4,475	4.7	31,324	33.2	44,352	46
9	2013	941.4	8,278	0	8,278	8.8	3,899	0	527	209	4,634	4.9	12,912	15,156	2,610	4,853	5.2	32,349	34.4	45,261	48
10	2014	946.3	8,027	0	8,027	8.5	4,015	0	502	215	4,732	5.0	12,759	16,546	2,688	6,474	6.8	32,549	34.4	45,308	47
11	2015	947.1	7,802	0	7,802	8.2	4,136	0	476	222	4,834	5.1	12,636	17,361	2,768	7,484	7.9	33,274	35.1	45,909	48
12	2016	949.0	7,602	0	7,602	8.0	4,260	0	451	228	4,940	5.2	12,542	17,754	2,852	8,064	8.5	34,522	36.4	47,063	49
13	2017	948.0	7,363	0	7,363	7.8	4,388	0	426	235	5,049	5.3	12,412	18,801	2,937	9,326	9.8	34,942	36.9	47,354	49
14	2018	947.1	7,166	0	7,166	7.6	4,519	0	401	242	5,163	5.5	12,328	19,058	3,025	9,755	10.3	36,240	38.3	48,569	51
15	2019	949.1	6,932	0	6,932	7.3	4,655	0	376	249	5,281	5.6	12,213	20,278	3,116	11,181	11.8	36,776	38.8	48,989	51
16	2020	954.0	6,707	0	6,707	7.0	4,795	0	351	257	5,403	5.7	12,110	21,587	3,209	12,687	13.3	37,488	39.3	49,598	52
17	2021	949.4	6,520	0	6,520	6.9	4,939	0	326	265	5,529	5.8	12,049	21,581	3,306	12,838	13.5	38,969	41.0	51,018	53
18	2022	946.7	6,358	0	6,358	6.7	5,087	0	301	272	5,660	6.0	12,018	21,261	3,405	12,647	13.4	40,989	43.3	53,007	56
19	2023	951.8	6,062	0	6,062	6.4	5,239	0	276	281	5,796	6.1	11,858	24,163	3,507	15,812	16.6	40,207	42.2	52,065	54
20	2024	954.7	5,869	0	5,869	6.1	5,396	0	251	289	5,936	6.2	11,805	24,967	3,612	16,775	17.6	41,552	43.5	53,357	55
Net Present Value			82,976	0	82,976		37,083	0	5,341	1,987	44,410		127,386	122,777	24,822	20,213		307,192		434,578	
Nominal Levelized Cost ($/MWh)						9.7						5.2					2.4		35.7		50
Real Levelized Cost ($/MWh)						7.8						4.2					1.9		28.9		40

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	71,140	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	213.42	2004 $000s	Nominal Discount	8.2	percent
Installed Cost	500	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percent
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

	Year	Energy (GWh)	Fixed Costs: Capital Recovery and Miscellaneous: Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Operations & Maintenance: Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Total Fixed Costs ($000s)	Operating Margin ($000s)	Option Value ($000s)	Net Project Benefit ($000s)	Net Project Benefit ($/MWh)	Total Variable Costs ($000s)	Total Variable Costs ($/MWh)	Total Project Costs ($000s)	Total Project Costs ($/MWh)
1	2005	714.2	13,375	0	13,375	18.7	3,078	0	970	220	4,267	6.0	17,642	5,151	2,060	(10,431)	(14.6)	28,763	40.3	46,405	65.0
2	2006	723.5	12,936	0	12,936	17.9	3,170	0	936	226	4,332	6.0	17,268	6,365	2,122	(8,781)	(12.1)	27,606	38.2	44,875	62.0
3	2007	689.3	12,517	0	12,517	18.2	3,265	0	903	233	4,401	6.4	16,918	4,722	2,185	(10,010)	(14.5)	27,877	40.4	44,795	65.0
4	2008	690.8	12,119	0	12,119	17.5	3,363	0	869	240	4,472	6.5	16,592	4,450	2,251	(9,890)	(14.3)	28,229	40.9	44,821	64.9
5	2009	809.4	11,720	0	11,720	14.5	3,464	0	836	247	4,547	5.6	16,267	9,863	2,319	(4,086)	(5.0)	28,210	34.9	44,477	55.0
6	2010	880.9	11,417	0	11,417	13.0	3,568	0	802	255	4,625	5.3	16,042	11,699	2,388	(1,955)	(2.2)	29,885	33.9	45,926	52.1
7	2011	929.7	11,097	0	11,097	11.9	3,675	0	769	262	4,706	5.1	15,804	13,463	2,460	119	0.1	30,936	33.3	46,739	50.3
8	2012	944.7	10,759	0	10,759	11.4	3,785	0	736	270	4,791	5.1	15,550	14,971	2,534	1,955	2.1	31,324	33.2	46,873	49.6
9	2013	941.4	10,458	0	10,458	11.1	3,899	0	702	278	4,879	5.2	15,337	15,155	2,610	2,427	2.6	32,349	34.4	47,687	50.7
10	2014	946.3	10,119	0	10,119	10.7	4,015	0	669	287	4,971	5.3	15,090	16,546	2,688	4,143	4.4	32,549	34.4	47,639	50.3
11	2015	947.1	9,805	0	9,805	10.4	4,136	0	635	295	5,067	5.3	14,872	17,351	2,768	5,248	5.5	33,274	35.1	48,146	50.8
12	2016	949.0	9,517	0	9,517	10.0	4,260	0	602	304	5,166	5.4	14,683	17,754	2,852	5,922	6.2	34,522	36.4	49,205	51.8
13	2017	948.0	9,189	0	9,189	9.7	4,388	0	568	313	5,270	5.6	14,459	18,801	2,937	7,279	7.7	34,942	36.9	49,401	52.1
14	2018	947.1	8,903	0	8,903	9.4	4,519	0	535	323	5,377	5.7	14,281	19,058	3,025	7,803	8.2	36,240	38.3	50,521	53.3
15	2019	949.1	8,582	0	8,582	9.0	4,655	0	502	333	5,489	5.8	14,071	20,278	3,116	9,323	9.8	36,776	38.8	50,847	53.6
16	2020	954.0	8,268	0	8,268	8.7	4,795	0	468	342	5,605	5.9	13,873	21,587	3,209	10,923	11.5	37,488	39.3	51,361	53.8
17	2021	949.4	7,992	0	7,992	8.4	4,939	0	435	353	5,726	6.0	13,718	21,581	3,306	11,169	11.8	38,969	41.0	52,687	55.5
18	2022	946.7	7,742	0	7,742	8.2	5,087	0	401	363	5,851	6.2	13,593	21,261	3,405	11,073	11.7	40,989	43.3	54,582	57.7
19	2023	951.8	7,357	0	7,357	7.7	5,239	0	368	374	5,981	6.3	13,339	24,163	3,507	14,331	15.1	40,207	42.2	53,546	56.3
20	2024	954.7	7,075	0	7,075	7.4	5,396	0	334	385	6,116	6.4	13,192	24,967	3,612	15,388	16.1	41,552	43.5	54,743	57.3
Net Present Value			105,138	0	105,138		37,083	0	7,121	2,649	46,853		151,991	122,777	24,822	(4,392)		307,192		459,183	
Nominal Levelized Cost ($/MWh)						12.2						5.5					(0.5)		35.7		53.4
Real Levelized Cost ($/MWh)						9.9						4.4					(0.4)		28.9		43.3

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	106,710	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	320.13	2004 $000s	Nominal Discount	8.2	percent
Installed Cost	750	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percent
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

	Year	Energy	Fixed Costs: Capital Recovery and Miscellaneous: Project	Fixed Chrg.	Total Costs		Operations & Maintenance: Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MW
1	2005	714.2	19,300	0	19,300	27.0	3,078	0	1,454	330	4,862	6.8	24,161	5,151	2,060	(16,950)	(23.7)	28,763	40.3	52,925	74
2	2006	723.5	18,667	0	18,667	25.8	3,170	0	1,404	340	4,914	6.8	23,581	6,365	2,122	(15,093)	(20.9)	27,606	38.2	51,187	70
3	2007	689.3	18,030	0	18,030	26.2	3,265	0	1,354	350	4,969	7.2	22,999	4,722	2,185	(16,091)	(23.3)	27,877	40.4	50,875	73
4	2008	690.8	17,423	0	17,423	25.2	3,363	0	1,304	360	5,027	7.3	22,450	4,450	2,251	(15,748)	(22.8)	28,229	40.9	50,679	73
5	2009	809.4	16,822	0	16,822	20.8	3,464	0	1,254	371	5,089	6.3	21,910	9,863	2,319	(9,729)	(12.0)	28,210	34.9	50,120	61
6	2010	880.9	16,324	0	16,324	18.5	3,568	0	1,204	382	5,154	5.9	21,478	11,699	2,388	(7,391)	(8.4)	29,885	33.9	51,362	58
7	2011	929.7	15,817	0	15,817	17.0	3,675	0	1,153	394	5,222	5.6	21,039	13,463	2,460	(5,116)	(5.5)	30,936	33.3	51,975	55
8	2012	944.7	15,298	0	15,298	16.2	3,785	0	1,103	406	5,294	5.6	20,591	14,971	2,534	(3,087)	(3.3)	31,324	33.2	51,915	55
9	2013	941.4	14,819	0	14,819	15.7	3,899	0	1,053	418	5,369	5.7	20,189	15,155	2,610	(2,424)	(2.6)	32,349	34.4	52,538	55
10	2014	946.3	14,303	0	14,303	15.1	4,015	0	1,003	430	5,449	5.8	19,752	16,546	2,688	(518)	(0.5)	32,549	34.4	52,300	55
11	2015	947.1	13,812	0	13,812	14.6	4,136	0	953	443	5,532	5.8	19,344	17,351	2,768	775	0.8	33,274	35.1	52,618	55
12	2016	949.0	13,347	0	13,347	14.1	4,260	0	903	456	5,619	5.9	18,966	17,754	2,852	1,639	1.7	34,522	36.4	53,488	56
13	2017	948.0	12,842	0	12,842	13.5	4,388	0	853	470	5,710	6.0	18,552	18,801	2,937	3,185	3.4	34,942	36.9	53,494	56
14	2018	947.1	12,379	0	12,379	13.1	4,519	0	802	484	5,806	6.1	18,185	19,058	3,025	3,898	4.1	36,240	38.3	54,426	57
15	2019	949.1	11,880	0	11,880	12.5	4,655	0	752	499	5,906	6.2	17,786	20,278	3,118	5,608	5.9	36,776	38.8	54,563	57
16	2020	954.0	11,390	0	11,390	11.9	4,795	0	702	514	6,010	6.3	17,400	21,587	3,209	7,396	7.8	37,488	39.3	54,888	57
17	2021	949.4	10,936	0	10,936	11.5	4,939	0	652	529	6,120	6.4	17,058	21,581	3,306	7,830	8.2	38,969	41.0	56,025	59
18	2022	946.7	10,509	0	10,509	11.1	5,087	0	602	545	6,233	6.6	16,743	21,261	3,405	7,923	8.4	40,989	43.3	57,732	61
19	2023	951.8	9,948	0	9,948	10.6	5,239	0	552	561	6,352	6.7	16,300	24,163	3,507	11,370	11.9	40,207	42.2	56,508	59
20	2024	954.7	9,489	0	9,489	9.9	5,396	0	502	578	6,476	6.8	15,965	24,967	3,612	12,615	13.2	41,552	43.5	57,517	60
Net Present Value			149,463	0	149,463		37,083	0	10,682	3,973	51,738		201,200	122,777	24,822	(53,601)		307,192		508,392	
Nominal Levelized Cost ($/MWh)						17.4						6.0					(6.2)		35.7		59
Real Levelized Cost ($/MWh)						14.1						4.9					(5.0)		28.9		47

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	67,986	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	203.96	2004 $000s	Nominal Discount	8.2	percen
Installed Cost	478	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percer
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

		Fixed Costs: Capital Recovery and Miscellaneous				Fixed Costs: Operations & Maintenance						Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
Year	Energy (GWh)	Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MV
1 2005	725.2	12,869	0	12,869	17.7	3,078	0	927	210	4,214	5.8	17,083	5,183	2,060	(9,840)	(13.6)	29,177	40.2	46,260	6
2 2006	744.3	12,463	0	12,463	16.7	3,170	0	895	216	4,281	5.8	16,744	6,395	2,122	(8,227)	(11.1)	28,342	38.1	45,086	6
3 2007	696.7	12,042	0	12,042	17.3	3,265	0	863	223	4,350	6.2	16,392	4,760	2,185	(9,456)	(13.6)	28,158	40.4	44,550	6
4 2008	698.1	11,663	0	11,663	16.7	3,363	0	831	230	4,423	6.3	16,086	4,478	2,251	(9,357)	(13.4)	28,511	40.8	44,597	6
5 2009	809.4	11,268	0	11,268	13.9	3,464	0	799	236	4,499	5.6	15,767	9,863	2,319	(3,585)	(4.4)	28,210	34.9	43,976	5
6 2010	880.9	10,982	0	10,982	12.5	3,568	0	767	244	4,578	5.2	15,560	11,699	2,388	(1,473)	(1.7)	29,885	33.9	45,444	5
7 2011	929.7	10,679	0	10,679	11.5	3,675	0	735	251	4,660	5.0	15,339	13,463	2,460	584	0.6	30,936	33.3	46,275	4
8 2012	944.7	10,356	0	10,356	11.0	3,785	0	703	258	4,746	5.0	15,103	14,971	2,534	2,402	2.5	31,324	33.2	46,426	4
9 2013	941.4	10,072	0	10,072	10.7	3,899	0	671	266	4,836	5.1	14,907	15,155	2,610	2,857	3.0	32,349	34.4	47,257	5
10 2014	946.3	9,748	0	9,748	10.3	4,015	0	639	274	4,929	5.2	14,677	16,546	2,688	4,557	4.8	32,549	34.4	47,225	4
11 2015	947.1	9,450	0	9,450	10.0	4,136	0	607	282	5,025	5.3	14,475	17,351	2,768	5,644	6.0	33,274	35.1	47,749	5
12 2016	949.0	9,177	0	9,177	9.7	4,260	0	575	291	5,126	5.4	14,303	17,754	2,852	6,302	6.6	34,522	36.4	48,825	5
13 2017	948.0	8,865	0	8,865	9.4	4,388	0	543	300	5,230	5.5	14,096	18,801	2,937	7,642	8.1	34,942	36.9	49,038	5
14 2018	947.1	8,595	0	8,595	9.1	4,519	0	511	309	5,339	5.6	13,934	19,058	3,025	8,149	8.6	36,240	38.3	50,175	5
15 2019	949.1	8,289	0	8,289	8.7	4,655	0	479	318	5,452	5.7	13,741	20,278	3,116	9,653	10.2	36,776	38.8	50,517	5
16 2020	954.0	7,991	0	7,991	8.4	4,795	0	447	327	5,569	5.8	13,561	21,587	3,209	11,236	11.8	37,488	39.3	51,048	5
17 2021	949.4	7,731	0	7,731	8.1	4,939	0	415	337	5,691	6.0	13,422	21,581	3,306	11,465	12.1	38,969	41.0	52,391	5
18 2022	946.7	7,496	0	7,496	7.9	5,087	0	383	347	5,817	6.1	13,314	21,261	3,405	11,352	12.0	40,989	43.3	54,303	5
19 2023	951.8	7,128	0	7,128	7.5	5,239	0	351	358	5,948	6.2	13,076	24,163	3,507	14,594	15.3	40,207	42.2	53,284	5
20 2024	954.7	6,861	0	6,861	7.2	5,396	0	320	368	6,084	6.4	12,946	24,967	3,612	15,634	16.4	41,552	43.5	54,497	5
Net Present Value		101,276	0	101,276		37,083	0	6,805	2,531	46,420		147,696	122,874	24,822	(0)		308,630		456,326	
Nominal Levelized Cost ($/MWh)					11.8						5.4					(0.0)		35.8		5
Real Levelized Cost ($/MWh)					9.5						4.4					(0.0)		29.0		4

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	67,966	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	203.90	2004 $000s	Nominal Discount	8.2	percent
Installed Cost	478	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percent
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

			Fixed Costs																		
			Capital Recovery and Miscellaneous				Operations & Maintenance						Total Fixed	Operating	Option	Net				Total Project	
	Year	Energy	Project	Fixed Chrg.	Total Costs		Fixed	Gtrans	PrTax	Insur.	Total Costs		Costs	Margin	Value	Project Benefit		Total Variable Costs		Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MWh)
1	2005	714.2	12,846	0	12,846	18.0	3,078	0	926	210	4,214	5.9	17,060	5,151	2,060	(9,849)	(13.8)	28,763	40.3	45,823	64
2	2006	723.5	12,424	0	12,424	17.2	3,170	0	894	216	4,281	5.9	16,705	6,365	2,122	(8,218)	(11.4)	27,606	38.2	44,311	61
3	2007	689.3	12,025	0	12,025	17.4	3,265	0	862	223	4,350	6.3	16,375	4,722	2,185	(9,467)	(13.7)	27,877	40.4	44,252	64
4	2008	690.8	11,646	0	11,646	16.9	3,363	0	830	229	4,423	6.4	16,069	4,450	2,251	(9,368)	(13.6)	28,229	40.9	44,298	64
5	2009	809.4	11,265	0	11,265	13.9	3,464	0	799	236	4,499	5.6	15,764	9,863	2,319	(3,582)	(4.4)	28,210	34.9	43,973	54
6	2010	880.9	10,979	0	10,979	12.5	3,568	0	767	243	4,578	5.2	15,557	11,699	2,388	(1,470)	(1.7)	29,885	33.9	45,441	51
7	2011	929.7	10,676	0	10,676	11.5	3,675	0	735	251	4,660	5.0	15,336	13,463	2,460	587	0.6	30,936	33.3	46,272	49
8	2012	944.7	10,354	0	10,354	11.0	3,785	0	703	258	4,746	5.0	15,100	14,971	2,534	2,404	2.5	31,324	33.2	46,423	49
9	2013	941.4	10,069	0	10,069	10.7	3,899	0	671	266	4,835	5.1	14,904	15,155	2,610	2,860	3.0	32,349	34.4	47,254	5
10	2014	946.3	9,746	0	9,746	10.3	4,015	0	639	274	4,928	5.2	14,674	16,546	2,688	4,559	4.8	32,549	34.4	47,223	4
11	2015	947.1	9,448	0	9,448	10.0	4,136	0	607	282	5,025	5.3	14,473	17,351	2,768	5,647	6.0	33,274	35.1	47,746	5
12	2016	949.0	9,175	0	9,175	9.7	4,260	0	575	291	5,126	5.4	14,301	17,754	2,852	6,304	6.6	34,522	36.4	48,823	51
13	2017	948.0	8,863	0	8,863	9.3	4,388	0	543	299	5,230	5.5	14,093	18,801	2,937	7,644	8.1	34,942	36.9	49,035	5
14	2018	947.1	8,593	0	8,593	9.1	4,519	0	511	308	5,339	5.6	13,932	19,058	3,025	8,151	8.6	36,240	38.3	50,173	5
15	2019	949.1	8,287	0	8,287	8.7	4,655	0	479	318	5,452	5.7	13,739	20,278	3,116	9,655	10.2	36,776	38.8	50,515	5
16	2020	954.0	7,990	0	7,990	8.4	4,795	0	447	327	5,569	5.8	13,559	21,587	3,209	11,238	11.8	37,488	39.3	51,046	5
17	2021	949.4	7,729	0	7,729	8.1	4,939	0	415	337	5,691	6.0	13,420	21,681	3,306	11,466	12.1	38,969	41.0	52,389	5
18	2022	946.7	7,495	0	7,495	7.9	5,087	0	383	347	5,817	6.1	13,312	21,261	3,405	11,354	12.0	40,989	43.3	54,301	5
19	2023	951.8	7,126	0	7,126	7.5	5,239	0	351	358	5,948	6.2	13,074	24,163	3,507	14,595	15.3	40,207	42.2	53,282	5
20	2024	954.7	6,860	0	6,860	7.2	5,396	0	319	368	6,084	6.4	12,944	24,967	3,612	15,636	16.4	41,552	43.5	54,498	5
Net Present Value			101,182	0	101,182		37,083	0	6,803	2,531	46,417		147,599	122,777	24,822	(0)		307,192		454,791	
Nominal Levelized Cost ($/MWh)						11.8						5.4					(0.0)		35.7		5
Real Levelized Cost ($/MWh)						9.5						4.4					(0.0)		28.9		4

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions											
Installed Cost	70,455	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	211.36	2004 $000s	Nominal Discount	8.2	percen
Installed Cost	495	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percen
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

			Fixed Costs																		
			Capital Recovery and Miscellaneous				Operations & Maintenance														
	Year	Energy	Project	Fixed Chrg.	Total Costs		Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MW
1	2005	893.8	13,244	0	13,244	14.8	3,078	0	960	218	4,255	4.8	17,500	11,441	2,060	(3,999)	(4.5)	28,423	31.8	45,923	5
2	2006	937.6	12,856	0	12,856	13.7	3,170	0	927	224	4,321	4.6	17,177	12,526	2,122	(2,529)	(2.7)	28,235	30.1	45,411	4
3	2007	862.3	12,400	0	12,400	14.4	3,265	0	894	231	4,390	5.1	16,790	10,922	2,185	(3,682)	(4.3)	27,642	32.1	44,432	5
4	2008	862.7	12,002	0	12,002	13.9	3,363	0	861	238	4,462	5.2	16,464	10,697	2,251	(3,516)	(4.1)	27,914	32.4	44,378	5
5	2009	888.4	11,660	0	11,660	13.1	3,464	0	828	245	4,537	5.1	16,196	11,593	2,319	(2,285)	(2.6)	28,997	32.6	45,193	5
6	2010	888.8	11,322	0	11,322	12.7	3,568	0	795	252	4,615	5.2	15,937	11,956	2,388	(1,593)	(1.8)	29,886	33.6	45,823	5
7	2011	890.1	11,001	0	11,001	12.4	3,675	0	762	260	4,696	5.3	15,697	12,302	2,460	(935)	(1.1)	30,820	34.6	46,517	5
8	2012	891.4	10,694	0	10,694	12.0	3,785	0	728	268	4,781	5.4	15,476	12,733	2,534	(209)	(0.2)	31,802	35.7	47,277	5
9	2013	886.5	10,388	0	10,388	11.7	3,899	0	695	276	4,870	5.5	15,258	13,063	2,610	415	0.5	32,635	36.7	47,893	5
10	2014	890.4	10,093	0	10,093	11.3	4,015	0	662	284	4,962	5.6	15,055	13,442	2,688	1,074	1.2	33,694	37.8	48,749	5
11	2015	888.1	9,792	0	9,792	11.0	4,136	0	629	293	5,058	5.7	14,850	13,870	2,768	1,788	2.0	34,607	39.0	49,457	5
12	2016	891.3	9,504	0	9,504	10.7	4,260	0	596	301	5,157	5.8	14,661	14,339	2,852	2,529	2.8	35,788	40.2	50,450	5
13	2017	889.1	9,206	0	9,206	10.4	4,388	0	563	310	5,261	5.9	14,467	14,712	2,937	3,182	3.6	36,759	41.3	51,226	5
14	2018	892.5	8,921	0	8,921	10.0	4,519	0	530	320	5,369	6.0	14,290	15,146	3,025	3,881	4.3	37,996	42.6	52,286	5
15	2019	885.8	8,618	0	8,618	9.7	4,655	0	497	329	5,481	6.2	14,099	15,600	3,116	4,617	5.2	38,867	43.9	52,966	5
16	2020	893.0	8,345	0	8,345	9.3	4,795	0	464	339	5,597	6.3	13,943	16,138	3,209	5,405	6.1	40,356	45.2	54,299	6
17	2021	889.1	8,050	0	8,050	9.1	4,939	0	430	349	5,718	6.4	13,768	16,555	3,306	6,092	6.9	41,370	46.5	55,139	6
18	2022	891.6	7,772	0	7,772	8.7	5,087	0	397	360	5,844	6.6	13,616	17,067	3,405	6,856	7.7	42,732	47.9	56,348	6
19	2023	889.8	7,486	0	7,486	8.4	5,239	0	364	371	5,974	6.7	13,460	17,570	3,507	7,617	8.6	43,923	49.4	57,383	6
20	2024	892.4	7,213	0	7,213	8.1	5,396	0	331	382	6,109	6.8	13,322	18,161	3,612	8,452	9.5	45,390	50.9	58,712	6
Net Present Value			104,648	0	104,648		37,083	0	7,053	2,623	46,759		151,407	126,585	24,822	(0)		314,796		466,203	
Nominal Levelized Cost ($/MWh)						12.2						5.4					(0.0)		36.6		5
Real Levelized Cost ($/MWh)						9.8						4.4					(0.0)		29.6		4

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions											
Installed Cost	70,471	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	211.41	2004 $000s	Nominal Discount	8.2	percen
Installed Cost	495	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percen
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

			Fixed Costs: Capital Recovery and Miscellaneous				Fixed Costs: Operations & Maintenance															
	Year	Energy	Project	Fixed Chrg.	Total Costs		Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MW
1	2005	746.7	13,036	0	13,036	17.5	3,078	0	960	218	4,256	5.7	17,292	11,257	2,060	(3,975)	(5.3)	24,012	32.2	41,304	5
2	2006	751.1	12,606	0	12,606	16.8	3,170	0	927	224	4,321	5.8	16,927	12,161	2,122	(2,644)	(3.5)	22,966	30.6	39,893	5
3	2007	746.6	12,234	0	12,234	16.4	3,265	0	894	231	4,390	5.9	16,624	10,813	2,185	(3,626)	(4.9)	24,125	32.3	40,749	5
4	2008	748.1	11,837	0	11,837	15.8	3,363	0	861	238	4,462	6.0	16,299	10,595	2,251	(3,453)	(4.6)	24,418	32.6	40,718	5
5	2009	888.4	11,662	0	11,662	13.1	3,464	0	828	245	4,537	5.1	16,199	11,593	2,319	(2,287)	(2.6)	28,997	32.6	45,195	5
6	2010	888.8	11,325	0	11,325	12.7	3,568	0	795	252	4,615	5.2	15,940	11,956	2,388	(1,596)	(1.8)	29,886	33.6	45,826	5
7	2011	890.1	11,003	0	11,003	12.4	3,675	0	762	260	4,696	5.3	15,700	12,302	2,460	(938)	(1.1)	30,820	34.6	46,519	5
8	2012	891.4	10,696	0	10,696	12.0	3,785	0	729	268	4,781	5.4	15,478	12,733	2,534	(211)	(0.2)	31,802	35.7	47,280	5
9	2013	888.5	10,390	0	10,390	11.7	3,899	0	696	276	4,870	5.5	15,260	13,063	2,610	413	0.5	32,635	36.7	47,895	5
10	2014	890.4	10,095	0	10,095	11.3	4,015	0	662	284	4,962	5.6	15,057	13,442	2,688	1,072	1.2	33,694	37.8	48,752	5
11	2015	888.1	9,794	0	9,794	11.0	4,136	0	629	293	5,058	5.7	14,852	13,870	2,768	1,786	2.0	34,607	39.0	49,459	5
12	2016	891.3	9,506	0	9,506	10.7	4,260	0	596	301	5,158	5.8	14,663	14,339	2,852	2,527	2.8	35,788	40.2	50,452	5
13	2017	889.1	9,208	0	9,208	10.4	4,388	0	563	310	5,261	5.9	14,469	14,712	2,937	3,181	3.6	36,759	41.3	51,228	5
14	2018	892.5	8,922	0	8,922	10.0	4,519	0	530	320	5,369	6.0	14,291	15,146	3,025	3,880	4.3	37,996	42.6	52,288	5
15	2019	885.8	8,620	0	8,620	9.7	4,655	0	497	329	5,481	6.2	14,101	15,600	3,116	4,615	5.2	38,867	43.9	52,968	5
16	2020	893.0	8,347	0	8,347	9.3	4,795	0	464	339	5,598	6.3	13,944	16,138	3,209	5,403	6.1	40,356	45.2	54,300	6
17	2021	889.1	8,052	0	8,052	9.1	4,939	0	431	349	5,718	6.4	13,770	16,555	3,306	6,091	6.9	41,370	46.5	55,140	6
18	2022	891.6	7,773	0	7,773	8.7	5,087	0	397	360	5,844	6.6	13,617	17,067	3,405	6,855	7.7	42,732	47.9	56,349	6
19	2023	889.8	7,487	0	7,487	8.4	5,239	0	364	371	5,974	6.7	13,461	17,570	3,507	7,616	8.6	43,923	49.4	57,384	6
20	2024	892.4	7,214	0	7,214	8.1	5,396	0	331	382	6,109	6.8	13,323	18,161	3,612	8,450	9.5	45,390	50.9	58,713	6
Net Present Value			104,003	0	104,003		37,083	0	7,054	2,624	46,761		150,764	125,942	24,822	(0)		300,893		451,657	
Nominal Levelized Cost ($/MWh)						12.5						5.6					(0.0)		36.1		5
Real Levelized Cost ($/MWh)						10.1						4.5					(0.0)		29.2		4

03 Aurora Results (10500 HR).xls

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	46,144	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	138.43	2004 $000s	Nominal Discount	8.2	perce
Installed Cost	324	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	perce
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

Fixed Costs

	Year	Energy (GWh)	Capital Recovery and Miscellaneous: Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Operations & Maintenance: Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)
1	2005	746.9	9,208	0	9,208	12.3	3,078	0	629	143	3,849	5.2
2	2006	772.3	8,920	0	8,920	11.6	3,170	0	607	147	3,924	5.1
3	2007	744.2	8,660	0	8,660	11.6	3,265	0	586	151	4,002	5.4
4	2008	749.9	8,405	0	8,405	11.2	3,363	0	564	156	4,083	5.4
5	2009	759.2	8,165	0	8,165	10.8	3,464	0	542	160	4,166	5.5
6	2010	762.9	7,954	0	7,954	10.4	3,568	0	520	165	4,253	5.6
7	2011	768.4	7,754	0	7,754	10.1	3,675	0	499	170	4,344	5.7
8	2012	777.4	7,573	0	7,573	9.7	3,785	0	477	175	4,437	5.7
9	2013	777.2	7,379	0	7,379	9.5	3,899	0	455	181	4,535	5.8
10	2014	781.6	7,195	0	7,195	9.2	4,015	0	434	186	4,635	5.9
11	2015	786.8	7,014	0	7,014	8.9	4,136	0	412	192	4,740	6.0
12	2016	798.7	6,849	0	6,849	8.6	4,260	0	390	197	4,848	6.1
13	2017	800.8	6,665	0	6,665	8.3	4,388	0	369	203	4,960	6.2
14	2018	807.6	6,492	0	6,492	8.0	4,519	0	347	209	5,076	6.3
15	2019	811.9	6,315	0	6,315	7.8	4,655	0	325	216	5,196	6.4
16	2020	829.8	6,169	0	6,169	7.4	4,795	0	304	222	5,320	6.4
17	2021	833.2	5,992	0	5,992	7.2	4,939	0	282	229	5,449	6.5
18	2022	842.4	5,832	0	5,832	6.9	5,087	0	260	236	5,583	6.6
19	2023	859.6	5,690	0	5,690	6.6	5,239	0	239	243	5,721	6.7
20	2024	877.3	5,556	0	5,556	6.3	5,396	0	217	250	5,863	6.7
Net Present Value			74,202	0	74,202		37,083	0	4,619	1,718	43,420	
Nominal Levelized Cost ($/MWh)						9.7						5.7
Real Levelized Cost ($/MWh)						7.8						4.6

	Year	Total Fixed Costs ($000s)	Operating Margin ($000s)	Option Value ($000s)	Net Project Benefit ($000s)	Net Project Benefit ($/MWh)	Total Variable Costs ($000s)	Total Variable Costs ($/MWh)	Total Project Costs ($000s)
1	2005	13,057	6,486	2,060	(4,511)	(6.0)	28,705	38.4	41,762
2	2006	12,844	7,859	2,122	(2,864)	(3.7)	27,847	36.1	40,691
3	2007	12,662	6,533	2,185	(3,943)	(5.3)	28,231	37.9	40,892
4	2008	12,487	6,529	2,251	(3,708)	(4.9)	28,483	38.0	40,971
5	2009	12,332	7,579	2,319	(2,434)	(3.2)	28,838	38.0	41,169
6	2010	12,207	8,073	2,388	(1,746)	(2.3)	29,582	38.8	41,789
7	2011	12,098	8,589	2,460	(1,049)	(1.4)	30,390	39.6	42,489
8	2012	12,010	9,133	2,534	(344)	(0.4)	31,399	40.4	43,410
9	2013	11,913	9,639	2,610	335	0.4	32,043	41.2	43,957
10	2014	11,830	10,210	2,688	1,068	1.4	32,876	42.1	44,706
11	2015	11,754	10,811	2,768	1,826	2.3	33,783	42.9	45,536
12	2016	11,697	11,481	2,852	2,635	3.3	35,010	43.8	46,707
13	2017	11,624	12,085	2,937	3,398	4.2	35,828	44.7	47,452
14	2018	11,568	12,739	3,025	4,196	5.2	36,884	45.7	48,452
15	2019	11,511	13,454	3,116	5,059	6.2	37,843	46.6	49,353
16	2020	11,490	14,248	3,209	5,967	7.2	39,470	47.6	50,959
17	2021	11,441	14,995	3,306	6,860	8.2	40,419	48.5	51,860
18	2022	11,414	15,799	3,405	7,789	9.2	41,721	49.5	53,135
19	2023	11,411	16,643	3,507	8,739	10.2	43,409	50.6	54,820
20	2024	11,419	17,568	3,612	9,761	11.1	45,241	51.6	56,660
Net Present Value		117,622	92,800	24,822	0		311,626		429,248
Nominal Levelized Cost ($/MWh)						0.0		40.6	
Real Levelized Cost ($/MWh)						0.0		32.8	

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	46,159	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	138.48	2004 $000s	Nominal Discount	8.2	percent
Installed Cost	324	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percent
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

			Fixed Costs																		
			Capital Recovery and Miscellaneous				Operations & Maintenance														
	Year	Energy	Project	Fixed Chrg.	Total Costs		Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MWh)
1	2005	727.4	9,177	0	9,177	12.6	3,078	0	629	143	3,849	5.3	13,027	6,449	2,060	(4,518)	(6.2)	28,006	38.5	41,033	56.4
2	2006	734.7	8,862	0	8,862	12.1	3,170	0	607	147	3,924	5.3	12,786	7,838	2,122	(2,827)	(3.8)	26,590	36.2	39,377	53.6
3	2007	726.6	8,632	0	8,632	11.9	3,265	0	586	151	4,002	5.5	12,634	6,496	2,185	(3,952)	(5.4)	27,601	38.0	40,235	55.4
4	2008	731.4	8,376	0	8,376	11.5	3,363	0	564	156	4,083	5.6	12,458	6,491	2,251	(3,716)	(5.1)	27,827	38.0	40,286	55.1
5	2009	759.2	8,167	0	8,167	10.8	3,464	0	542	161	4,167	5.5	12,334	7,579	2,319	(2,436)	(3.2)	28,838	38.0	41,172	54.2
6	2010	762.9	7,956	0	7,956	10.4	3,568	0	521	165	4,254	5.6	12,209	8,073	2,388	(1,749)	(2.3)	29,582	38.8	41,791	54.8
7	2011	768.4	7,756	0	7,756	10.1	3,675	0	499	170	4,344	5.7	12,100	8,589	2,460	(1,051)	(1.4)	30,390	39.6	42,491	55.3
8	2012	777.4	7,575	0	7,575	9.7	3,785	0	477	175	4,438	5.7	12,013	9,133	2,534	(346)	(0.4)	31,399	40.4	43,412	55.8
9	2013	777.2	7,381	0	7,381	9.5	3,899	0	456	181	4,535	5.8	11,915	9,639	2,610	333	0.4	32,043	41.2	43,959	56.6
10	2014	781.6	7,196	0	7,196	9.2	4,015	0	434	186	4,635	5.9	11,832	10,210	2,688	1,066	1.4	32,876	42.1	44,708	57.2
11	2015	786.8	7,016	0	7,016	8.9	4,136	0	412	192	4,740	6.0	11,756	10,811	2,768	1,824	2.3	33,783	42.9	45,538	57.9
12	2016	798.7	6,851	0	6,851	8.6	4,260	0	390	197	4,848	6.1	11,699	11,481	2,852	2,634	3.3	35,010	43.8	46,708	58.5
13	2017	800.8	6,666	0	6,666	8.3	4,388	0	369	203	4,960	6.2	11,626	12,085	2,937	3,396	4.2	35,828	44.7	47,454	59.3
14	2018	807.6	6,493	0	6,493	8.0	4,519	0	347	209	5,076	6.3	11,569	12,739	3,025	4,195	5.2	36,884	45.7	48,453	60.0
15	2019	811.9	6,316	0	6,316	7.8	4,655	0	325	216	5,196	6.4	11,512	13,454	3,116	5,058	6.2	37,843	46.6	49,355	60.8
16	2020	829.8	6,171	0	6,171	7.4	4,795	0	304	222	5,321	6.4	11,491	14,248	3,209	5,966	7.2	39,470	47.6	50,961	61.4
17	2021	833.2	5,993	0	5,993	7.2	4,939	0	282	229	5,449	6.5	11,443	14,995	3,306	6,858	8.2	40,419	48.5	51,862	62.2
18	2022	842.4	5,833	0	5,833	6.9	5,087	0	260	236	5,583	6.6	11,416	15,799	3,405	7,788	9.2	41,721	49.5	53,137	63.1
19	2023	859.6	5,692	0	5,692	6.6	5,239	0	239	243	5,721	6.7	11,412	16,643	3,507	8,737	10.2	43,409	50.5	54,821	63.8
20	2024	877.3	5,557	0	5,557	6.3	5,396	0	217	250	5,863	6.7	11,420	17,568	3,612	9,760	11.1	45,241	51.6	56,661	64.6
Net Present Value			74,091	0	74,091		37,083	0	4,620	1,719	43,422		117,513	92,691	24,822	(0)		308,932		426,445	
Nominal Levelized Cost ($/MWh)						9.7						5.7					(0.0)		40.4		55.8
Real Levelized Cost ($/MWh)						7.9						4.6					(0.0)		32.7		45.2

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	116,923	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	350.77	2004 $000s	Nominal Discount	8.2 percent
Installed Cost	822	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5 percent
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent		
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s		
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent					

	Year	Energy (GWh)	Fixed Costs: Capital Recovery and Miscellaneous: Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Operations & Maintenance: Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Total Fixed Costs ($000s)	Operating Margin ($000s)	Option Value ($000s)	Net Project Benefit ($000s)	Net Project Benefit ($/MWh)	Total Variable Costs ($000s)	Total Variable Costs ($/MWh)	Total Project Costs ($000s)	Total Project Costs ($/MWh)
1	2005	754.2	20,766	0	20,766	27.5	3,078	0	1,594	361	5,032	6.7	25,799	4,589	2,060	(19,149)	(25.4)	23,862	31.6	49,661	65
2	2006	822.5	20,215	0	20,215	24.6	3,170	0	1,539	372	5,081	6.2	25,296	6,235	2,122	(16,938)	(20.6)	25,573	31.1	50,869	61
3	2007	787.7	19,517	0	19,517	24.8	3,265	0	1,484	383	5,132	6.5	24,649	6,554	2,185	(15,909)	(20.2)	25,877	32.9	50,525	64
4	2008	820.6	18,933	0	18,933	23.1	3,363	0	1,429	395	5,186	6.3	24,120	9,272	2,251	(12,597)	(15.4)	27,981	34.1	52,101	63
5	2009	817.5	18,307	0	18,307	22.4	3,464	0	1,374	407	5,244	6.4	23,551	12,330	2,319	(8,903)	(10.9)	28,637	35.0	52,188	63
6	2010	825.4	17,715	0	17,715	21.5	3,568	0	1,319	419	5,305	6.4	23,021	15,381	2,388	(5,251)	(6.4)	29,515	35.8	52,536	63
7	2011	759.6	17,044	0	17,044	22.4	3,675	0	1,264	431	5,370	7.1	22,414	17,071	2,460	(2,884)	(3.8)	28,265	37.2	50,679	66
8	2012	785.9	16,481	0	16,481	21.0	3,785	0	1,209	444	5,438	6.9	21,919	19,930	2,534	545	0.7	28,812	36.7	50,731	64
9	2013	726.8	15,861	0	15,861	21.8	3,899	0	1,154	458	5,510	7.6	21,371	21,028	2,610	2,266	3.1	27,953	38.5	49,324	67
10	2014	692.6	15,227	0	15,227	22.0	4,015	0	1,099	471	5,586	8.1	20,813	21,958	2,688	3,832	5.5	26,759	38.6	47,572	68
11	2015	675.0	14,666	0	14,666	21.7	4,136	0	1,044	486	5,666	8.4	20,332	22,170	2,768	4,607	6.8	27,076	40.1	47,407	70
12	2016	724.3	14,231	0	14,231	19.6	4,260	0	989	500	5,749	7.9	19,980	23,444	2,852	6,315	8.7	30,016	41.4	49,996	69
13	2017	738.2	13,705	0	13,705	18.6	4,388	0	934	515	5,837	7.9	19,542	24,546	2,937	7,940	10.8	31,069	42.1	50,611	68
14	2018	660.6	13,024	0	13,024	19.7	4,519	0	879	531	5,929	9.0	18,953	23,723	3,025	7,795	11.8	28,865	43.7	47,818	72
15	2019	674.5	12,494	0	12,494	18.5	4,655	0	824	546	6,026	8.9	18,520	25,344	3,116	9,941	14.7	29,814	44.2	48,334	71
16	2020	711.1	12,025	0	12,025	16.9	4,795	0	769	563	6,127	8.6	18,152	26,543	3,209	11,600	16.3	32,041	45.1	50,193	70
17	2021	717.5	11,516	0	11,516	16.0	4,939	0	714	580	6,233	8.7	17,749	26,003	3,308	11,560	16.1	33,421	46.6	51,170	71
18	2022	798.2	11,134	0	11,134	13.9	5,087	0	659	597	6,343	7.9	17,477	25,919	3,405	11,847	14.8	37,440	46.9	54,918	68
19	2023	737.6	10,488	0	10,488	14.2	5,239	0	604	615	6,459	8.8	16,946	28,669	3,507	15,229	20.6	35,948	48.7	52,894	71
20	2024	975.7	10,595	0	10,595	10.9	5,396	0	549	634	6,579	6.7	17,174	188,859	3,612	175,297	179.7	50,178	51.4	67,352	69
Net Present Value			160,801	0	160,801		37,083	0	11,704	4,353	53,140		213,941	189,119	24,822	(0)		278,201		492,142	
Nominal Levelized Cost ($/MWh)						21.9						7.2					(0.0)		37.8		6[illegible]
Real Levelized Cost ($/MWh)						17.7						5.8					(0.0)		30.6		5[illegible]

50% of Coyote Springs 2 (CCCT and Duct Burner)

Economic Analysis Detail

Assumptions

Installed Cost	116,385	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	349.15	2004 $000s	Nominal Discount	8.2	percent
Installed Cost	818	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.5	percent
Project Capacity	142.3	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,444	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.4	000s dth/day	Transportation	3.0	percent						

	Year	Energy	Fixed Costs: Capital Recovery and Miscellaneous: Project	Fixed Chrg.	Total Costs		Operations & Maintenance: Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MWh)
1	2005	660.4	20,547	0	20,547	31.1	3,078	0	1,586	360	5,023	7.6	25,570	4,320	2,060	(19,190)	(29.1)	21,155	32.0	46,726	70
2	2006	703.0	19,966	0	19,966	28.4	3,170	0	1,532	370	5,072	7.2	25,038	5,852	2,122	(17,064)	(24.3)	22,188	31.6	47,226	67
3	2007	681.7	19,282	0	19,282	28.3	3,265	0	1,477	382	5,123	7.5	24,405	6,192	2,185	(16,028)	(23.5)	22,712	33.3	47,117	69
4	2008	700.9	18,672	0	18,672	26.6	3,363	0	1,422	393	5,178	7.4	23,850	8,734	2,251	(12,865)	(18.4)	24,199	34.5	48,049	68
5	2009	817.5	18,230	0	18,230	22.3	3,464	0	1,367	405	5,236	6.4	23,466	12,330	2,319	(8,817)	(10.8)	28,637	35.0	52,103	63
6	2010	825.4	17,641	0	17,641	21.4	3,568	0	1,313	417	5,297	6.4	22,938	15,381	2,388	(5,169)	(6.3)	29,515	35.8	52,454	63
7	2011	759.6	16,973	0	16,973	22.3	3,675	0	1,258	429	5,362	7.1	22,335	17,071	2,460	(2,805)	(3.7)	28,265	37.2	50,600	66
8	2012	785.9	16,412	0	16,412	20.9	3,785	0	1,203	442	5,431	6.9	21,842	19,930	2,534	621	0.8	28,812	36.7	50,654	64
9	2013	726.8	15,795	0	15,795	21.7	3,899	0	1,149	456	5,503	7.6	21,298	21,028	2,810	2,340	3.2	27,953	38.5	49,251	67
10	2014	692.6	15,164	0	15,164	21.9	4,015	0	1,094	469	5,579	8.1	20,743	21,958	2,688	3,903	5.6	26,759	38.6	47,501	68
11	2015	675.0	14,605	0	14,605	21.6	4,136	0	1,039	483	5,658	8.4	20,264	22,170	2,768	4,675	6.9	27,076	40.1	47,340	70
12	2016	724.3	14,173	0	14,173	19.6	4,260	0	985	498	5,742	7.9	19,915	23,444	2,852	6,380	8.8	30,016	41.4	49,931	69
13	2017	738.2	13,650	0	13,650	18.5	4,388	0	930	513	5,830	7.9	19,480	24,546	2,937	8,002	10.8	31,069	42.1	50,549	68
14	2018	660.6	12,971	0	12,971	19.6	4,519	0	875	528	5,923	9.0	18,894	23,723	3,025	7,854	11.9	28,865	43.7	47,759	72
15	2019	674.5	12,444	0	12,444	18.4	4,655	0	820	544	6,019	8.9	18,463	25,344	3,116	9,997	14.8	29,814	44.2	48,278	71
16	2020	711.1	11,978	0	11,978	16.8	4,795	0	766	560	6,121	8.6	18,099	26,543	3,209	11,653	16.4	32,041	45.1	50,139	70
17	2021	717.5	11,472	0	11,472	16.0	4,939	0	711	577	6,227	8.7	17,698	26,003	3,306	11,610	16.2	33,421	46.6	51,120	71
18	2022	798.2	11,092	0	11,092	13.9	5,087	0	656	594	6,337	7.9	17,429	25,919	3,405	11,895	14.9	37,440	46.9	54,870	68
19	2023	737.6	10,448	0	10,448	14.2	5,239	0	602	612	6,453	8.7	16,902	28,669	3,507	15,274	20.7	35,948	48.7	52,849	71
20	2024	975.7	10,558	0	10,558	10.8	5,396	0	547	631	6,574	6.7	17,132	188,859	3,612	175,339	179.7	50,178	51.4	67,310	69
Net Present Value			159,620	0	159,620		37,083	0	11,650	4,333	53,066		212,686	187,864	24,822	0		267,550		480,236	
Nominal Levelized Cost ($/MWh)						22.3						7.4					0.0		37.5		67
Real Levelized Cost ($/MWh)						18.1						6.0					0.0		30.3		54

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-05-_______

EXHIBIT No. ____(RRP-12)

RONALD R. PETERSON

REPRESENTING AVISTA CORPORATION

September 2004 Analysis

50% of Coyote Springs 2 (CCCT and Duct Burner)—Annual Value less Q2

Economic Analysis Detail

Assumptions

Installed Cost	66,657	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	199.97	2004 $000s	Nominal Discount	8.22 percent
Installed Cost	469	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.50 percent
Project Capacity	142.26	MW	Escalation Rates			General Inflation	3.0	percent		
Heat Rate	7,341	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s		
Gas Usage Rate	25.1	000s dth/day	Transportation	3.0	percent					

			Fixed Costs																		
			Capital Recovery and Miscellaneous				Operations & Maintenance														
	Year	Energy (GWh)	Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Total Fixed Costs ($000s)	Operating Margin ($000s)	Option Value ($000s)	Net Project Benefit ($000s)	Net Project Benefit ($/MWh)	Total Variable Costs ($000s)	Total Variable Costs ($/MWh)	Total Project Costs ($000s)	Total Project Costs ($/MWh)
1	2005	697.6	12,699	0	12,699	18.2	3,077	0	908	206	4,192	6.0	16,891	3,569	2,060	(11,261)	(16.1)	30,247	43.4	47,137	67.6
2	2006	731.2	12,375	0	12,375	16.9	3,169	0	877	212	4,259	5.8	16,633	4,585	2,122	(9,926)	(13.6)	30,971	42.4	47,604	65.1
3	2007	713.1	11,868	0	11,868	16.6	3,264	0	846	219	4,329	6.1	16,197	4,122	2,185	(9,889)	(13.9)	28,834	40.4	45,031	63.1
4	2008	715.4	11,447	0	11,447	16.0	3,362	0	814	225	4,402	6.2	15,849	3,994	2,251	(9,604)	(13.4)	28,152	39.4	44,001	61.5
5	2009	790.0	11,048	0	11,048	14.0	3,463	0	783	232	4,478	5.7	15,526	12,147	2,319	(1,060)	(1.3)	27,597	34.9	43,123	54.6
6	2010	792.9	10,714	0	10,714	13.5	3,567	0	752	239	4,558	5.7	15,272	14,407	2,388	1,523	1.9	28,122	35.5	43,394	54.7
7	2011	777.9	10,345	0	10,345	13.3	3,674	0	721	246	4,641	6.0	14,985	15,897	2,460	3,371	4.3	27,640	35.5	42,626	54.8
8	2012	777.8	10,016	0	10,016	12.9	3,784	0	689	253	4,727	6.1	14,743	16,632	2,534	4,423	5.7	27,752	35.7	42,494	54.6
9	2013	744.2	9,691	0	9,691	13.0	3,898	0	658	261	4,817	6.5	14,508	15,824	2,610	3,926	5.3	27,805	37.4	42,313	56.9
10	2014	727.1	9,316	0	9,316	12.8	4,015	0	627	269	4,910	6.8	14,226	16,330	2,688	4,792	6.6	26,783	36.8	41,009	56.4
11	2015	747.3	9,059	0	9,059	12.1	4,135	0	595	277	5,007	6.7	14,067	17,054	2,768	5,756	7.7	28,242	37.8	42,309	56.6
12	2016	749.6	8,810	0	8,810	11.8	4,259	0	564	285	5,108	6.8	13,919	16,960	2,852	5,893	7.9	29,842	39.8	43,761	58.4
13	2017	756.9	8,527	0	8,527	11.3	4,387	0	533	294	5,213	6.9	13,740	18,202	2,937	7,398	9.8	30,727	40.6	44,468	58.8
14	2018	746.4	8,204	0	8,204	11.0	4,519	0	501	302	5,322	7.1	13,527	17,613	3,025	7,111	9.5	30,784	41.2	44,311	59.4
15	2019	750.4	7,914	0	7,914	10.5	4,654	0	470	312	5,436	7.2	13,350	18,765	3,116	8,530	11.4	31,526	42.0	44,876	59.8
16	2020	768.7	7,659	0	7,659	10.0	4,794	0	439	321	5,553	7.2	13,213	20,169	3,209	10,165	13.2	32,992	42.9	46,205	60.1
17	2021	761.8	7,381	0	7,381	9.7	4,938	0	407	331	5,676	7.5	13,057	19,216	3,306	9,465	12.4	33,964	44.6	47,021	61.7
18	2022	759.9	7,119	0	7,119	9.4	5,086	0	376	340	5,802	7.6	12,921	18,548	3,405	9,032	11.9	35,263	46.4	48,184	63.4
19	2023	771.2	6,829	0	6,829	8.9	5,239	0	345	351	5,934	7.7	12,763	21,002	3,507	11,747	15.2	35,986	46.7	48,749	63.2
20	2024	772.6	6,562	0	6,562	8.5	5,396	0	313	361	6,070	7.9	12,632	21,686	3,612	12,666	16.4	37,182	48.1	49,814	64.5
Net Present Value			98,469	0	98,469		37,017	0	6,664	2,478	46,159		144,628	119,847	24,781	0		286,847		431,475	
Nominal Levelized Cost ($/MWh)						13.5						6.3					0.0		39.5		59.4
Real Levelized Cost ($/MWh)						10.9						5.1					0.0		31.9		48.0

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50% of Coyote Springs 2 (CCCT and Duct Burner)—Annual Value less Q2

Economic Analysis Detail

Assumptions

Installed Cost	73,557	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	220.67	2004 $000s	Nominal Discount	8.22 percent
Installed Cost	517	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.50 percent
Project Capacity	142.26	MW	Escalation Rates			General Inflation	3.0	percent		
Heat Rate	7,341	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s		
Gas Usage Rate	25.1	000s dth/day	Transportation	3.0	percent					

	Year	Energy (GWh)	Fixed Costs: Capital Recovery and Miscellaneous: Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Fixed Costs: Operations & Maintenance: Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Total Fixed Costs ($000s)	Operating Margin ($000s)	Option Value ($000s)	Net Project Benefit ($000s)	Net Project Benefit ($/MWh)	Total Variable Costs ($000s)	Total Variable Costs ($/MWh)	Total Project Costs ($000s)	Total Project Costs ($/MWh)
1	2005	704.4	13,505	0	13,505	19.2	3,077	0	1,003	227	4,307	6.1	17,812	4,517	2,060	(11,235)	(15.9)	23,074	32.8	40,886	58.0
2	2006	749.8	13,171	0	13,171	17.6	3,169	0	968	234	4,371	5.8	17,542	6,133	2,122	(9,287)	(12.4)	24,382	32.5	41,924	55.9
3	2007	767.2	12,772	0	12,772	16.6	3,264	0	933	241	4,439	5.8	17,211	7,287	2,185	(7,739)	(10.1)	25,389	33.1	42,600	55.5
4	2008	781.9	12,409	0	12,409	15.9	3,362	0	899	248	4,510	5.8	16,919	9,581	2,251	(5,087)	(6.5)	26,758	34.2	43,677	55.9
5	2009	790.0	12,037	0	12,037	15.2	3,463	0	864	256	4,583	5.8	16,621	12,147	2,319	(2,155)	(2.7)	27,597	34.9	44,218	56.0
6	2010	792.9	11,666	0	11,666	14.7	3,567	0	830	263	4,660	5.9	16,326	14,407	2,388	469	0.6	28,122	35.5	44,448	56.1
7	2011	777.9	11,260	0	11,260	14.5	3,674	0	795	271	4,741	6.1	16,001	15,897	2,460	2,356	3.0	27,640	35.5	43,641	56.1
8	2012	777.8	10,896	0	10,896	14.0	3,784	0	761	280	4,824	6.2	15,721	16,632	2,534	3,445	4.4	27,752	35.7	43,472	55.9
9	2013	744.2	10,537	0	10,537	14.2	3,898	0	726	288	4,912	6.6	15,449	15,824	2,610	2,985	4.0	27,805	37.4	43,254	58.1
10	2014	727.1	10,127	0	10,127	13.9	4,015	0	691	297	5,003	6.9	15,130	16,330	2,688	3,888	5.3	26,783	36.8	41,913	57.6
11	2015	747.3	9,837	0	9,837	13.2	4,135	0	657	305	5,098	6.8	14,934	17,054	2,768	4,888	6.5	28,242	37.8	43,176	57.8
12	2016	749.6	9,553	0	9,553	12.7	4,259	0	622	315	5,196	6.9	14,749	16,960	2,852	5,062	6.8	29,842	39.8	44,591	59.5
13	2017	756.9	9,235	0	9,235	12.2	4,387	0	588	324	5,299	7.0	14,534	18,202	2,937	6,604	8.7	30,727	40.6	45,262	59.8
14	2018	746.4	8,878	0	8,878	11.9	4,519	0	553	334	5,406	7.2	14,284	17,613	3,025	6,354	8.5	30,784	41.2	45,068	60.4
15	2019	750.4	8,554	0	8,554	11.4	4,654	0	519	344	5,517	7.4	14,071	18,765	3,116	7,810	10.4	31,526	42.0	45,597	60.8
16	2020	768.7	8,265	0	8,265	10.8	4,794	0	484	354	5,632	7.3	13,897	20,169	3,209	9,481	12.3	32,992	42.9	46,889	61.0
17	2021	761.8	7,952	0	7,952	10.4	4,938	0	449	365	5,752	7.6	13,704	19,216	3,306	8,818	11.6	33,964	44.6	47,668	62.6
18	2022	759.9	7,655	0	7,655	10.1	5,086	0	415	376	5,876	7.7	13,532	18,548	3,405	8,421	11.1	35,263	46.4	48,795	64.2
19	2023	771.2	7,331	0	7,331	9.5	5,239	0	380	387	6,006	7.8	13,337	21,002	3,507	11,172	14.5	35,986	46.7	49,323	64.0
20	2024	772.6	7,030	0	7,030	9.1	5,396	0	346	399	6,140	7.9	13,170	21,686	3,612	12,128	15.7	37,182	48.1	50,352	65.2
Net Present Value			106,291	0	106,291		37,017	0	7,354	2,734	47,105		153,396	128,615	24,781	0		270,859		424,255	
Nominal Levelized Cost ($/MWh)						14.5						6.4					0.0		36.9		57.8
Real Levelized Cost ($/MWh)						11.7						5.2					0.0		29.8		46.7

50% of Coyote Springs 2 (CCCT and Duct Burner)—Annual Value less Q2

Economic Analysis Detail

Assumptions

Installed Cost	44,413	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	133.24	2004 $000s	Nominal Discount	8.22	percent
Installed Cost	312	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.50	percent
Project Capacity	142.26	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,341	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.1	000s dth/day	Transportation	3.0	percent						

			Fixed Costs																		
			Capital Recovery and Miscellaneous				Operations & Maintenance														
	Year	Energy (GWh)	Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Total Fixed Costs ($000s)	Operating Margin ($000s)	Option Value ($000s)	Net Project Benefit ($000s)	Net Project Benefit ($/MWh)	Total Variable Costs ($000s)	Total Variable Costs ($/MWh)	Total Project Costs ($000s)	Total Project Costs ($/MWh)
1	2005	697.5	8,994	0	8,994	12.9	3,077	0	605	137	3,820	5.5	12,814	3,557	2,060	(7,196)	(10.3)	30,251	43.4	43,065	61.7
2	2006	707.5	8,778	0	8,778	12.4	3,169	0	584	141	3,895	5.5	12,674	3,865	2,122	(6,687)	(9.5)	30,713	43.4	43,387	61.3
3	2007	716.2	8,442	0	8,442	11.8	3,264	0	564	146	3,974	5.5	12,416	3,818	2,185	(6,413)	(9.0)	29,285	40.9	41,701	58.2
4	2008	727.3	8,158	0	8,158	11.2	3,362	0	543	150	4,055	5.6	12,213	3,910	2,251	(6,052)	(8.3)	28,724	39.5	40,938	56.3
5	2009	549.1	7,669	0	7,669	14.0	3,463	0	522	154	4,140	7.5	11,808	6,830	2,319	(2,659)	(4.8)	23,652	43.1	35,460	64.6
6	2010	514.6	7,409	0	7,409	14.4	3,567	0	501	159	4,227	8.2	11,636	8,342	2,388	(906)	(1.8)	23,190	45.1	34,826	67.7
7	2011	493.2	7,152	0	7,152	14.5	3,674	0	480	164	4,318	8.8	11,470	9,714	2,460	704	1.4	22,613	45.9	34,084	69.1
8	2012	468.8	6,888	0	6,888	14.7	3,784	0	459	169	4,412	9.4	11,301	10,592	2,534	1,824	3.9	21,719	46.3	33,019	70.4
9	2013	431.3	6,593	0	6,593	15.3	3,898	0	438	174	4,510	10.5	11,103	11,080	2,610	2,587	6.0	20,057	46.5	31,160	72.2
10	2014	395.3	6,289	0	6,289	15.9	4,015	0	417	179	4,611	11.7	10,900	11,810	2,688	3,597	9.1	18,215	46.1	29,115	73.7
11	2015	424.4	6,156	0	6,156	14.5	4,135	0	397	184	4,716	11.1	10,873	12,409	2,768	4,305	10.1	19,945	47.0	30,818	72.6
12	2016	430.3	5,986	0	5,986	13.9	4,259	0	376	190	4,825	11.2	10,811	12,553	2,852	4,593	10.7	20,888	48.5	31,699	73.7
13	2017	443.8	5,834	0	5,834	13.1	4,387	0	355	196	4,938	11.1	10,772	13,366	2,937	5,532	12.5	22,196	50.0	32,967	74.3
14	2018	448.2	5,617	0	5,617	12.5	4,519	0	334	202	5,054	11.3	10,671	13,376	3,025	5,730	12.8	22,151	49.4	32,822	73.2
15	2019	440.2	5,408	0	5,408	12.3	4,654	0	313	208	5,175	11.8	10,583	14,321	3,116	6,854	15.6	22,263	50.6	32,846	74.6
16	2020	458.1	5,273	0	5,273	11.5	4,794	0	292	214	5,300	11.6	10,573	15,073	3,209	7,710	16.8	23,929	52.2	34,503	75.3
17	2021	446.9	5,036	0	5,036	11.3	4,938	0	271	220	5,429	12.1	10,466	15,069	3,306	7,909	17.7	23,453	52.5	33,918	75.9
18	2022	490.4	4,948	0	4,948	10.1	5,086	0	250	227	5,563	11.3	10,512	14,881	3,405	7,774	15.9	26,085	53.2	36,597	74.6
19	2023	493.1	4,780	0	4,780	9.7	5,239	0	230	234	5,702	11.6	10,482	16,417	3,507	9,443	19.1	27,033	54.8	37,514	76.1
20	2024	506.0	4,629	0	4,629	9.1	5,396	0	209	241	5,845	11.6	10,474	17,191	3,612	10,329	20.4	28,339	56.0	38,813	76.7
Net Present Value			68,583	0	68,583		37,017	0	4,440	1,651	43,108		111,691	86,910	24,781	0		240,853		352,544	
Nominal Levelized Cost ($/MWh)						13.8						8.7					0.0		48.5		71.0
Real Levelized Cost ($/MWh)						11.2						7.0					0.0		39.2		57.4

50% of Coyote Springs 2 (CCCT and Duct Burner)—Annual Value

Economic Analysis Detail

Assumptions

Installed Cost	69,986	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	209.96	2004 $000s	Nominal Discount	8.22	percent
Installed Cost	492	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.50	percent
Project Capacity	142.26	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,341	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.1	000s dth/day	Transportation	3.0	percent						

	Year	Energy (GWh)	Fixed Costs: Capital Recovery and Miscellaneous: Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Operations & Maintenance: Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Total Fixed Costs ($000s)	Operating Margin ($000s)	Option Value ($000s)	Net Project Benefit ($000s)	Net Project Benefit ($/MWh)	Total Variable Costs ($000s)	Total Variable Costs ($/MWh)	Total Project Costs ($000s)	Total Project Costs ($/MWh)
1	2005	718.1	13,295	0	13,295	18.5	3,077	0	954	216	4,247	5.9	17,542	3,606	2,060	(11,876)	(16.5)	31,102	43.3	48,644	67.7
2	2006	776.2	12,998	0	12,998	16.7	3,169	0	921	223	4,313	5.6	17,311	4,629	2,122	(10,561)	(13.6)	32,785	42.2	50,096	64.5
3	2007	744.3	12,442	0	12,442	16.7	3,264	0	888	229	4,382	5.9	16,824	4,169	2,185	(10,469)	(14.1)	30,041	40.4	46,864	63.0
4	2008	749.4	12,005	0	12,005	16.0	3,362	0	855	236	4,454	5.9	16,459	4,036	2,251	(10,172)	(13.6)	29,432	39.3	45,891	61.2
5	2009	928.9	11,734	0	11,734	12.6	3,463	0	822	243	4,529	4.9	16,263	12,902	2,319	(1,043)	(1.1)	31,960	34.4	48,223	51.9
6	2010	943.1	11,401	0	11,401	12.1	3,567	0	789	251	4,607	4.9	16,009	15,253	2,388	1,632	1.7	32,888	34.9	48,896	51.8
7	2011	923.5	11,004	0	11,004	11.9	3,674	0	756	258	4,689	5.1	15,693	16,723	2,460	3,490	3.8	32,189	34.9	47,882	51.8
8	2012	932.4	10,680	0	10,680	11.5	3,784	0	724	266	4,774	5.1	15,454	17,475	2,534	4,555	4.9	32,744	35.1	48,197	51.7
9	2013	875.4	10,312	0	10,312	11.8	3,898	0	691	274	4,863	5.6	15,175	16,814	2,610	4,249	4.9	32,261	36.9	47,436	54.2
10	2014	862.5	9,924	0	9,924	11.5	4,015	0	658	282	4,955	5.7	14,879	17,383	2,688	5,192	6.0	31,310	36.3	46,189	53.6
11	2015	885.2	9,654	0	9,654	10.9	4,135	0	625	291	5,051	5.7	14,705	18,071	2,768	6,134	6.9	32,826	37.1	47,530	53.7
12	2016	907.9	9,440	0	9,440	10.4	4,259	0	592	299	5,151	5.7	14,590	18,095	2,852	6,356	7.0	35,501	39.1	50,091	55.2
13	2017	928.3	9,167	0	9,167	9.9	4,387	0	559	308	5,255	5.7	14,422	19,391	2,937	7,907	8.5	36,958	39.8	51,380	55.3
14	2018	901.0	8,803	0	8,803	9.8	4,519	0	526	318	5,363	6.0	14,165	18,582	3,025	7,442	8.3	36,489	40.5	50,654	56.2
15	2019	900.5	8,495	0	8,495	9.4	4,654	0	493	327	5,475	6.1	13,970	19,882	3,116	9,028	10.0	37,211	41.3	51,181	56.8
16	2020	927.8	8,246	0	8,246	8.9	4,794	0	460	337	5,591	6.0	13,837	21,278	3,209	10,651	11.5	39,136	42.2	52,973	57.1
17	2021	933.3	7,985	0	7,985	8.6	4,938	0	428	347	5,712	6.1	13,697	20,462	3,306	10,070	10.8	40,818	43.7	54,515	58.4
18	2022	934.9	7,732	0	7,732	8.3	5,086	0	395	357	5,838	6.2	13,570	19,666	3,405	9,501	10.2	42,657	45.6	56,227	60.1
19	2023	950.7	7,433	0	7,433	7.8	5,239	0	362	368	5,968	6.3	13,401	22,170	3,507	12,276	12.9	43,538	45.8	56,939	59.9
20	2024	951.8	7,160	0	7,160	7.5	5,396	0	329	379	6,104	6.4	13,264	22,878	3,612	13,226	13.9	44,955	47.2	58,219	61.2
Net Present Value			104,442	0	104,442		37,017	0	6,997	2,602	46,615		151,058	126,276	24,781	0		325,058		476,115	
Nominal Levelized Cost ($/MWh)						12.2						5.5					0.0		38.1		55.8
Real Levelized Cost ($/MWh)						9.9						4.4					0.0		30.8		45.1

50% of Coyote Springs 2 (CCCT and Duct Burner)—Annual Value

Economic Analysis Detail

Assumptions

Installed Cost	77,576	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	232.73	2004 $000s	Nominal Discount	8.22	percent
Installed Cost	545	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.50	percent
Project Capacity	142.26	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,341	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.1	000s dth/day	Transportation	3.0	percent						

	Year	Energy (GWh)	Fixed Costs: Capital Recovery and Miscellaneous: Project ($000s)	Fixed Chrg. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Operations & Maintenance: Fixed ($000s)	Gtrans ($000s)	PrTax ($000s)	Insur. ($000s)	Total Costs ($000s)	Total Costs ($/MWh)	Total Fixed Costs ($000s)	Operating Margin ($000s)	Option Value ($000s)	Net Project Benefit ($000s)	Net Project Benefit ($/MWh)	Total Variable Costs ($000s)	Total Variable Costs ($/MWh)	Total Project Costs ($000s)	Total Project Costs ($/MWh)
1	2005	809.1	14,320	0	14,320	17.7	3,077	0	1,057	240	4,374	5.4	18,694	4,815	2,060	(11,819)	(14.6)	26,104	32.3	44,797	55.4
2	2006	872.8	13,987	0	13,987	16.0	3,169	0	1,021	247	4,437	5.1	18,424	6,525	2,122	(9,778)	(11.2)	27,907	32.0	46,331	53.1
3	2007	895.5	13,574	0	13,574	15.2	3,264	0	984	254	4,503	5.0	18,078	7,757	2,185	(8,135)	(9.1)	29,129	32.5	47,207	52.7
4	2008	919.8	13,215	0	13,215	14.4	3,362	0	948	262	4,572	5.0	17,787	10,239	2,251	(5,297)	(5.8)	31,072	33.8	48,859	53.1
5	2009	928.9	12,823	0	12,823	13.8	3,463	0	911	270	4,645	5.0	17,467	12,902	2,319	(2,247)	(2.4)	31,960	34.4	49,427	53.2
6	2010	943.1	12,449	0	12,449	13.2	3,567	0	875	278	4,720	5.0	17,169	15,253	2,388	472	0.5	32,888	34.9	50,056	53.1
7	2011	923.5	12,011	0	12,011	13.0	3,674	0	839	286	4,799	5.2	16,810	16,723	2,460	2,372	2.6	32,189	34.9	49,000	53.1
8	2012	932.4	11,648	0	11,648	12.5	3,784	0	802	295	4,881	5.2	16,529	17,475	2,534	3,479	3.7	32,744	35.1	49,273	52.8
9	2013	875.4	11,243	0	11,243	12.8	3,898	0	766	304	4,967	5.7	16,210	16,814	2,610	3,214	3.7	32,261	36.9	48,471	55.4
10	2014	862.5	10,817	0	10,817	12.5	4,015	0	729	313	5,057	5.9	15,874	17,383	2,688	4,197	4.9	31,310	36.3	47,184	54.7
11	2015	885.2	10,509	0	10,509	11.9	4,135	0	693	322	5,150	5.8	15,659	18,071	2,768	5,180	5.9	32,825	37.1	48,484	54.8
12	2016	907.9	10,257	0	10,257	11.3	4,259	0	656	332	5,247	5.8	15,504	18,095	2,852	5,442	6.0	35,501	39.1	51,005	56.2
13	2017	928.3	9,947	0	9,947	10.7	4,387	0	620	342	5,349	5.8	15,295	19,391	2,937	7,033	7.6	36,958	39.8	52,253	56.3
14	2018	901.0	9,544	0	9,544	10.6	4,519	0	583	352	5,454	6.1	14,998	18,582	3,025	6,609	7.3	36,489	40.5	51,487	57.1
15	2019	900.5	9,199	0	9,199	10.2	4,654	0	547	363	5,564	6.2	14,763	19,882	3,116	8,235	9.1	37,211	41.3	51,974	57.7
16	2020	927.8	8,912	0	8,912	9.6	4,794	0	510	373	5,678	6.1	14,590	21,278	3,209	9,898	10.7	39,136	42.2	53,726	57.9
17	2021	933.3	8,613	0	8,613	9.2	4,938	0	474	385	5,796	6.2	14,410	20,462	3,306	9,358	10.0	40,818	43.7	55,228	59.2
18	2022	934.9	8,322	0	8,322	8.9	5,086	0	437	396	5,920	6.3	14,242	19,666	3,405	8,829	9.4	42,657	45.6	56,899	60.9
19	2023	950.7	7,986	0	7,986	8.4	5,239	0	401	408	6,048	6.4	14,033	22,170	3,507	11,644	12.2	43,538	45.8	57,571	60.6
20	2024	951.8	7,675	0	7,675	8.1	5,396	0	365	420	6,181	6.5	13,856	22,878	3,612	12,635	13.3	44,955	47.2	58,811	61.8
Net Present Value			113,491	0	113,491		37,017	0	7,756	2,884	47,656		161,148	136,366	24,781	0		316,750		477,898	
Nominal Levelized Cost ($/MWh)						12.9						5.4					0.0		36.1		54.4
Real Levelized Cost ($/MWh)						10.4						4.4					0.0		29.2		44.0

50% of Coyote Springs 2 (CCCT and Duct Burner)—Annual Value

Economic Analysis Detail

Assumptions											
Installed Cost	45,665	2004 $000s	Fixed Charge	0	2004$ per kW-mo	Insurance Cost	136.99	2004 $000s	Nominal Discount	8.22	percent
Installed Cost	321	2004 $/kW	Fixed O&M	1.75	2004$ per kW-mo	Gas Transport	0.00	2004 $/dth/day	Real Discount	5.50	percent
Project Capacity	142.26	MW	Escalation Rates			General Inflation	3.0	percent			
Heat Rate	7,341	Btu/kWh	Fixed O&M	3.0	percent	Option Value	2,000	2004 $000s			
Gas Usage Rate	25.1	000s dth/day	Transportation	3.0	percent						

			Fixed Costs																		
			Capital Recovery and Miscellaneous				Operations & Maintenance														
	Year	Energy	Project	Fixed Chrg.	Total Costs		Fixed	Gtrans	PrTax	Insur.	Total Costs		Total Fixed Costs	Operating Margin	Option Value	Net Project Benefit		Total Variable Costs		Total Project Costs	
		(GWh)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($000s)	($000s)	($000s)	($/MWh)	($000s)	($/MWh)	($000s)	($/MWh)
1	2005	718.1	9,244	0	9,244	12.9	3,077	0	622	141	3,841	5.3	13,084	3,594	2,060	(7,430)	(10.3)	31,113	43.3	44,197	61.5
2	2006	729.5	9,024	0	9,024	12.4	3,169	0	601	145	3,916	5.4	12,940	3,903	2,122	(6,915)	(9.5)	31,632	43.4	44,571	61.1
3	2007	740.0	8,681	0	8,681	11.7	3,264	0	579	150	3,994	5.4	12,675	3,856	2,185	(6,634)	(9.0)	30,221	40.8	42,896	58.0
4	2008	754.8	8,395	0	8,395	11.1	3,362	0	558	154	4,075	5.4	12,470	3,949	2,251	(6,270)	(8.3)	29,769	39.4	42,238	56.0
5	2009	581.4	7,913	0	7,913	13.6	3,463	0	537	159	4,159	7.2	12,071	7,003	2,319	(2,750)	(4.7)	25,002	43.0	37,073	63.8
6	2010	542.5	7,640	0	7,640	14.1	3,567	0	515	164	4,246	7.8	11,886	8,532	2,388	(966)	(1.8)	24,407	45.0	36,293	66.9
7	2011	519.3	7,374	0	7,374	14.2	3,674	0	494	168	4,336	8.3	11,710	9,899	2,460	649	1.2	23,778	45.8	35,488	68.3
8	2012	499.2	7,114	0	7,114	14.3	3,784	0	472	174	4,430	8.9	11,544	10,791	2,534	1,781	3.6	23,086	46.2	34,629	69.4
9	2013	472.4	6,835	0	6,835	14.5	3,898	0	451	179	4,527	9.6	11,362	11,534	2,610	2,782	5.9	21,912	46.4	33,274	70.4
10	2014	439.2	6,530	0	6,530	14.9	4,015	0	429	184	4,628	10.5	11,159	12,297	2,688	3,826	8.7	20,185	46.0	31,344	71.4
11	2015	466.4	6,389	0	6,389	13.7	4,135	0	408	190	4,733	10.1	11,122	12,809	2,768	4,456	9.6	21,861	46.9	32,982	70.7
12	2016	482.6	6,239	0	6,239	12.9	4,259	0	386	195	4,841	10.0	11,080	13,044	2,852	4,816	10.0	23,348	48.4	34,428	71.3
13	2017	497.3	6,086	0	6,086	12.2	4,387	0	365	201	4,953	10.0	11,039	13,826	2,937	5,723	11.5	24,780	49.8	35,819	72.0
14	2018	498.0	5,853	0	5,853	11.8	4,519	0	343	207	5,069	10.2	10,923	13,770	3,025	5,873	11.8	24,530	49.3	35,452	71.2
15	2019	487.2	5,634	0	5,634	11.6	4,654	0	322	213	5,190	10.7	10,824	14,896	3,116	7,188	14.8	24,567	50.4	35,391	72.6
16	2020	504.8	5,496	0	5,496	10.9	4,794	0	300	220	5,314	10.5	10,810	15,539	3,209	7,939	15.7	26,279	52.1	37,089	73.5
17	2021	504.1	5,278	0	5,278	10.5	4,938	0	279	226	5,443	10.8	10,722	15,682	3,306	8,266	16.4	26,347	52.3	37,068	73.5
18	2022	559.0	5,214	0	5,214	9.3	5,086	0	258	233	5,577	10.0	10,791	15,435	3,405	8,050	14.4	29,598	53.0	40,388	72.3
19	2023	551.9	5,020	0	5,020	9.1	5,239	0	236	240	5,715	10.4	10,734	16,899	3,507	9,671	17.5	30,132	54.6	40,866	74.0
20	2024	566.2	4,869	0	4,869	8.6	5,396	0	215	247	5,858	10.3	10,727	17,710	3,612	10,595	18.7	31,582	55.8	42,309	74.7
Net Present Value			70,895	0	70,895		37,017	0	4,565	1,697	43,280		114,174	89,393	24,781	0		256,602		370,776	
Nominal Levelized Cost ($/MWh)						13.2						8.1					0.0		47.8		69.1
Real Levelized Cost ($/MWh)						10.7						6.5					0.0		38.6		55.8

In addition to the basic value of the one-half portion of Coyote Springs 2 (CS2) combined cycle combustion turbine project captured in the Aurora hourly dispatch model, the Company also estimated the value that results from trading in and out of the fueled state for the CS2 project. When a natural gas plant is fueled, based on economics, it may later be un-fueled (electricity purchased and natural gas sold) when the relative market implied heat rate economics change. Subsequently, if the relative electric and natural gas prices again change, the plant may be fueled again. These "heat rate swaps" are driven by the changing relative forward price economics of the plant. These option value swap transactions add to the overall plant economics.

The Company developed a back-cast model to estimate some potential values for different historic data periods. The model output is an estimate of potential option values for half of the CS2 plant using different sets of historic data. The model used historical daily forward electric and natural gas price curves from the Company's power transaction records system (Nucleus). Mid-Columbia prices were used for electric power. Since the Company has tracked daily forward Rathdrum prices, and because those prices are close to natural gas prices at Stanfield, those prices were used for forward natural gas prices. Three different periods were modeled including a 37-month, a 25-month, and a 13-month period. Monthly flat forward electric and natural gas prices for each of the twelve forward months were captured for each trading day (typically five days per week) of the period being modeled. The plant's corresponding cost to generate was calculated using forward natural gas prices, estimated O&M costs and the plant's net heat rate[1]. The cost to generate ($/MWh) is calculated as follows:

(Net heat rate/1000) x (natural gas price/Dth) + (O&M cost/MWh)

For each trading day, a "generate vs. buy" comparison was made for each forward month between the cost to generate and market price of power. For any given forward month, the initial status of the plant is assumed to be off-line, or "unfueled." Therefore, the first decision that the model had to make is when to purchase fuel and sell electric energy, or "fuel" the plant. When the initial decision was made to fuel the plant for a forward month, the total margin value ($/MWh) was then calculated based on the following formula:

(Electric market price/MWh – cost to generate/MWh) x plant availability x hours in the month

As the model moved through the trading days, if the plant became uneconomic for a forward month for which was previously fueled, the model would unfuel the plant (sell natural gas and purchase electric power) and calculate the margin ($/MWh) based on the following formula:

(Cost to generate/MWh – electric market price/MWh) x plant capability x hours in the month

[1] Net hear rate includes the BPA transmission losses of 1.9% to deliver CS2 power to Avista's system or the Mid-Columbia.

As the model moved through the trading days, the state of the plant (fueled or unfueled) was tracked for each forward month. As opportunities arose, the plant was either unfueled or fueled based on the changing forward prices for the 12-month forward period. The model was limited to the extent it could only fuel or unfuel the plant when the value of the deal was greater than or equal to $1/MWh threshold.

Also, in order to avoid capturing value that was already accounted for in the Aurora hourly dispatch analysis, the status of the plant must always have been in an unfueled state before the forward month became the current month in order to avoid double counting. To ensure this, the model checked to see if the plant was in an unfueled state. If the plant was in a fueled state, then the value of the last fueling transaction was removed, including the value it created, in order to return the plant to the unfueled state.

Results for the three periods modeled for the second half of CS2 were as follows:

	7-1-01 thru 7-31-04	7-1-02 thru 7-31-04	7-1-03 thru 7-31-04
Total Value	$ 33,781,422	$ 12,955,663	$ 5,665,707
Average Value/month	$ 913,011	$ 518,227	$ 435,824
Average Value/year	$ 10,956,137	$ 6,218,718	$ 5,229,884

The Company chose to use $2 million per year as conservative value that would escalate with inflation over the period of the economic analysis.

CSII Acquisition Rate Impact Analysis
September 21, 2004 Update

Year	Revenue Reqment ($000s)	Rate Impact ($000)	Rate Impact (percent)
2005	450,000	10,499	2.3%
2006	468,000	9,188	2.0%
2007	486,720	9,179	1.9%
2008	506,189	8,920	1.8%
2009	526,436	401	0.1%
2010	547,494	(2,159)	-0.4%
2011	569,394	(3,983)	-0.7%
2012	592,169	(5,012)	-0.8%
2013	615,856	(4,493)	-0.7%
2014	640,490	(5,337)	-0.8%
2015	666,110	(6,278)	-0.9%
2016	692,754	(6,394)	-0.9%
2017	720,464	(7,877)	-1.1%
2018	749,283	(7,567)	-1.0%
2019	779,254	(8,965)	-1.2%
2020	810,425	(10,577)	-1.3%
2021	842,842	(9,855)	-1.2%
2022	876,555	(9,400)	-1.1%
2023	911,617	(12,093)	-1.3%
2024	948,082	(12,990)	-1.4%
Net Present Values			
20 Years	***5,850,503***	***(5,744)***	-0.1%
5 Years	***1,923,151***	***31,563***	1.6%

NOTES:

1) Excludes potential Q2 revenues through 2008

2) Assumes $450MM base revenue requirement, escalating @ 4% per year.

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