

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-100176

EXHIBIT NO. ____ (LBH-2)

LORI B. HERMANSON

REPRESENTING AVISTA CORPORATION

Avista Utilities
Summary of Washington Demand-Side Management Energy Savings and Levelized Costs
January 1, 2010 through December 31, 2011

	Regular income portfolio		Limited income portfolio	
	MWh savings	Therm savings	MWh savings	Therm savings
Electric DSM programs	169,431	(334,698)	2,910	-
Gas DSM programs	3,174	2,462,825	2	37,091
Total	172,605	2,128,127	2,912	37,091

	Total portfolio	
	MWh savings	Therm savings
Electric DSM programs	172,341	(334,698)
Gas DSM programs	3,176	2,499,916
Total	175,517	2,165,218

Note: Electric savings derived from gas DSM programs include the impact of electric to natural gas conversions as well as interactive savings resulting from natural gas DSM projects. Therm savings derived from electric DSM projects recognize interactive impacts of electric DSM measures.

DSM Program Portfolio Levelized Cost Calculations

<u>Electric DSM Program Portfolio</u>		<u>Natural Gas DSM Program Portfolio</u>	
Total Resource Cost (TRC) \$	58,195,043	Total Resource Cost (TRC) \$	29,332,894
Weighted average measure life	11.82	Weighted average measure life	20.71
Discount rate	6.80%	Discount rate	6.80%
MWh energy savings	172,341	Therms energy savings	2,499,916
TRC levelized cost	\$ 42.483	TRC levelized cost	\$ 1.072
Program Administrator Cost (PAC) ¹ \$	25,112,158	Program Administrator Cost (PAC) ¹ \$	11,338,277
Weighted average measure life	11.82	Weighted average measure life	20.71
Discount rate	6.80%	Discount rate	6.80%
MWh energy savings	172,341	Therms energy savings	2,499,916
PACT levelized cost	\$ 18.332	PACT levelized cost	\$ 0.415

1) Program Administrator costs, used for cost-effectiveness reporting, are those associated with projects from the DSM project tracking databases that completed during the 2010-2011 timeframe (net of NEEA expenditures). These differ from the cash basis expenditures from the financial accounting system that occurred during the 2010-2011 timeframe and described on page 2 of Ms. Hermanson's testimony and page 9 of Mr. Folsom's testimony.

Summary of Washington Electric Demand-Side Management Cost-Effectiveness

January 1, 2010 through December 31, 2011

TOTAL RESOURCE COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 90,145,900	\$ 2,671,761	\$ 92,817,661
Electric program natural gas avoided cost	\$ (2,299,207)	\$ -	\$ (2,299,207)
Electric program non-energy benefits	\$ 1,168,421	\$ 113,128	\$ 1,281,549
TOTAL TRC BENEFITS	\$ 89,015,114	\$ 2,784,889	\$ 91,800,003
Electric program non-incentive utility cost	\$ 7,127,786	\$ 228,118	\$ 7,355,904
Electric program customer cost	\$ 49,112,679	\$ 1,726,460	\$ 50,839,139
TOTAL TRC COSTS	\$ 56,240,465	\$ 1,954,578	\$ 58,195,043
NET TRC BENEFITS	\$ 32,774,649	\$ 830,311	\$ 33,604,960
TRC BENEFIT / COST RATIO	1.58	1.42	1.58
PROGRAM ADMINISTRATOR COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 90,145,900	\$ 2,671,761	\$ 92,817,661
Electric program natural gas avoided cost	\$ (2,299,207)	\$ -	\$ (2,299,207)
TOTAL PAC BENEFITS	\$ 87,846,694	\$ 2,671,761	\$ 90,518,455
Electric program non-incentive utility cost	\$ 7,127,786	\$ 228,118	\$ 7,355,904
Electric program incentive cost	\$ 16,029,794	\$ 1,726,460	\$ 17,756,254
TOTAL PAC COSTS	\$ 23,157,580	\$ 1,954,578	\$ 25,112,158
NET PAC BENEFITS	\$ 64,689,113	\$ 717,183	\$ 65,406,296
PAC BENEFIT / COST RATIO	3.79	1.37	3.60
PARTICIPANT TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Electric program electric bill reduction	\$ 59,014,322	\$ 2,553,112	\$ 61,567,433
Electric program gas bill reduction	\$ 463,723	\$ -	\$ 463,723
Non-energy benefits	\$ 1,168,421	\$ 113,128	\$ 1,281,549
TOTAL PARTICIPANT BENEFITS	\$ 60,646,465	\$ 2,666,240	\$ 63,312,705
Customer project cost	\$ 49,112,679	\$ 1,726,460	\$ 50,839,139
Electric program incentive cost	\$ (16,029,794)	\$ (1,726,460)	\$ (17,756,254)
TOTAL PARTICIPANT COSTS	\$ 33,082,885	\$ -	\$ 33,082,885
NET PARTICIPANT BENEFITS	\$ 27,563,580	\$ 2,666,240	\$ 30,229,820
PARTICIPANT BENEFIT / COST RATIO	1.83	N/A	1.91
NON-PARTICIPANT TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 90,145,900	\$ 2,671,761	\$ 92,817,661
TOTAL NON-PARTICIPANT BENEFITS	\$ 90,145,900	\$ 2,671,761	\$ 92,817,661
Electric program lost electric revenue PV	\$ 59,014,322	\$ 2,553,112	\$ 61,567,433
Electric program non-incentive utility cost	\$ 7,127,786	\$ 228,118	\$ 7,355,904
Electric program incentive cost	\$ 16,029,794	\$ 1,726,460	\$ 17,756,254
TOTAL NON-PARTICIPANT COSTS	\$ 82,171,902	\$ 4,507,690	\$ 86,679,592
NET NON-PARTICIPANT BENEFITS	\$ 7,973,998	\$ (1,835,929)	\$ 6,138,070
NON-PARTICIPANT BENEFIT / COST RATIO	1.10	0.59	1.07

Avista Utilities

Summary of Washington Natural Gas Demand-Side Management Cost-Effectiveness

January 1, 2010 through December 31, 2011

TOTAL RESOURCE COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Gas program natural gas avoided cost	\$ 29,615,217	\$ 398,001	\$ 30,013,218
Gas program electric avoided cost	\$ 4,280,553	\$ 1,705	\$ 4,282,258
Gas program non-energy benefits	\$ 657,263	\$ -	\$ 657,263
TOTAL TRC BENEFITS	\$ 34,553,033	\$ 399,707	\$ 34,952,739
Gas program non-incentive utility cost	\$ 2,276,722	\$ 124,909	\$ 2,401,631
Gas program customer cost	\$ 25,788,164	\$ 1,143,099	\$ 26,931,263
TOTAL TRC COSTS	\$ 28,064,886	\$ 1,268,008	\$ 29,332,894
NET TRC BENEFITS	\$ 6,488,147	\$ (868,301)	\$ 5,619,846
TRC BENEFIT / COST RATIO	1.23	0.32	1.19
PROGRAM ADMINISTRATOR COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Gas program gas avoided cost	\$ 29,615,217	\$ 398,001	\$ 30,013,218
Gas program electric avoided cost	\$ 4,280,553	\$ 1,705	\$ 4,282,258
TOTAL PAC BENEFITS	\$ 33,895,770	\$ 399,707	\$ 34,295,476
Gas program non-incentive utility cost	\$ 2,276,722	\$ 124,909	\$ 2,401,631
Gas program incentive cost	\$ 7,793,547	\$ 1,143,099	\$ 8,936,646
TOTAL PAC COSTS	\$ 10,070,269	\$ 1,268,008	\$ 11,338,277
NET PAC BENEFITS	\$ 23,825,501	\$ (868,301)	\$ 22,957,199
PAC BENEFIT / COST RATIO	3.37	0.32	3.02
PARTICIPANT TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Gas program gas bill reduction	\$ 15,821,096	\$ 319,782	\$ 16,140,878
Gas program electric bill reduction	\$ 3,500,939	\$ 1,281	\$ 3,502,220
Non-energy benefits	\$ 657,263	\$ -	\$ 657,263
TOTAL PARTICIPANT BENEFITS	\$ 19,979,298	\$ 321,063	\$ 20,300,361
Customer project cost	\$ 25,788,164	\$ 1,143,099	\$ 26,931,263
Gas program incentive cost	\$ (7,793,547)	\$ (1,143,099)	\$ (8,936,646)
TOTAL PARTICIPANT COSTS	\$ 17,994,617	\$ -	\$ 17,994,617
NET PARTICIPANT BENEFITS	\$ 1,984,681	\$ 321,063	\$ 2,305,744
PARTICIPANT BENEFIT / COST RATIO	1.11	n/a	1.13
NON-PARTICIPANT TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Gas program natural gas avoided cost	\$ 29,615,217	\$ 398,001	\$ 30,013,218
TOTAL NON-PARTICIPANT BENEFITS	\$ 29,615,217	\$ 398,001	\$ 30,013,218
Gas program lost gas revenue PV	\$ 15,821,096	\$ 319,782	\$ 16,140,878
Gas program non-incentive utility cost	\$ 2,276,722	\$ 124,909	\$ 2,401,631
Gas program incentive cost	\$ 7,793,547	\$ 1,143,099	\$ 8,936,646
TOTAL NON-PARTICIPANT COSTS	\$ 25,891,365	\$ 1,587,790	\$ 27,479,155
NET NON-PARTICIPANT BENEFITS	\$ 3,723,852	\$ (1,189,789)	\$ 2,534,064
NON-PARTICIPANT BENEFIT / COST RATIO	1.14	0.25	1.09