

Naches Operation Cost vs. Purchased Power

Comparison of 30-Year Levelized Energy Cost

(Present Value Dollars in Thousands)

<u>Scenario</u>	Expected Future Cost Continued Operation	Sell & Purchase Market Energy <u>Medium Case</u>	Net Benefit or <u>(Cost)</u>
Base Case – Assume 27,393 Mwh generation & expenditures based on historical past	\$21,713	\$15,862	\$5,851
Alternative 1 - Assume 27,393 Mwh generation & expenditures less than base case	\$15,541	\$15,862	(\$321)
Alternative 2 - Assume 26,919 Mwh generation, \$1 million FERC relicensing & expenditures based on historical past	\$23,959	\$15,579	\$8,380
Alternative 3 - Assume 26,919 Mwh generation, \$1 million FERC relicensing & expenditures less than base case	\$17,601	\$15,579	\$2,022