Avista Corp. Power Supply Expense Variances - 2008

	8784 <u>Total</u>	744 <u>Jan-08</u>	696 <u>Feb-08</u>	743 <u>Mar-08</u>	720 <u>Apr-08</u>	744 <u>May-08</u>	720 <u>Jun-08</u>	744 <u>Jul-08</u>	744 <u>Aug-08</u>	720 <u>Sep-08</u>	744 Oct-08	721 <u>Nov-08</u>	744 <u>Dec-08</u>
Actual Market Purchase Price	2,827,512 \$186,868,125 \$66.09	170,962 \$12,497,385 \$73.10	147,099 \$9,953,796 \$67.67	357,178 \$22,297,439 \$62.43	229,127 \$18,814,940 \$82.12	133,350 \$7,951,692 \$59.63	192,239 \$5,719,360 \$29.75	351,760 \$25,539,825 \$72.61	229,169 \$18,144,590 \$79.18	187,991 \$11,996,024 \$63.81	243,402 \$16,179,993 \$66.47	256,372 \$15,425,503 \$60.17	328,863 \$22,347,578 \$67.95
Actual Market Sale Price	2,782,126 \$162,378,787 \$58.37	66,058 \$4,253,575 \$64.39	102,194 \$6,589,368 \$64.48	341,773 \$20,907,800 \$61.17	170,516 \$9,253,303 \$54.27	333,679 \$13,957,597 \$41.83	349,507 \$12,278,528 \$35.13	433,942 \$30,972,653 \$71.38	161,116 \$12,385,263 \$76.87	119,158 \$7,770,158 \$65.21	183,042 \$11,928,804 \$65.17	254,067 \$14,778,953 \$58.17	267,074 \$17,302,785 \$64.79
Weighted Avg Market Price	\$62.26	\$70.67	\$66.36	\$61.81	\$70.23	\$46.91	\$33.22	\$71.93	\$78.22	\$64.35	\$65.91	\$59.17	\$66.53
Hydro Value													
Actual Hydro Authorized Hydro	4,655,547 4,646,604	330,191 337,508	281,651 359,087	330,437 333,340	334,577 461,585	659,835 687,701	702,665 684,973	563,314 473,072	283,670 279,913	249,988 222,460	271,065 223,939	278,865 240,182	369,289 342,844
Difference, MWh Difference, aMW	8,943 1.0	-7,317 -9.8	-77,436 -111.3	-2,903 -3.9	-127,008 -176.4	-27,866 -37.5	17,692 24.6	90,242 121.3	3,757 5.0	27,528 38.2	47,126 63.3	38,683 53.7	26,445 35.5
Value of Additional Generation	\$1,865,917	\$534,875	\$5,239,887	\$181,225	\$10,429,360	\$1,661,656	-\$621,538	-\$6,441,032	-\$288,807	-\$1,795,070	-\$3,071,190	-\$2,250,171	-\$1,713,279
Washington Allocation	\$1,228,333	\$352,108	\$3,449,418	\$119,300	\$6,865,647	\$1,093,868	-\$409,158	-\$4,240,131	-\$190,122	-\$1,181,694	-\$2,021,765	-\$1,481,288	-\$1,127,851
Gas Fired Generation													
Actual Gas Fired Generation Authorized Gas Fired Generation	1,734,908 1,242,354	196,858 87,146	187,352 96,907	178,591 92,739	98,645 48,442	45,631 40,685	3,411 32,091	102,322 106,258	185,194 137,756	178,037 158,330	189,734 153,559	166,975 154,096	202,158 134,345
Difference, MWh Difference, aMW	492,554 56.23	109,712	90,445	85,852	50,203	4,946	-28,680	-3,936	47,438	19,707	36,175	12,879	67,813
Value of Generation Actual 547 Expense Authorized 547 Expense Net Higher Cost of Gas	-\$32,372,225 \$108,284,097 \$75,022,747 \$33,261,350	\$11,587,183 \$5,500,597	-\$5,831,804 \$10,874,279 \$5,979,584 \$4,894,695	-\$5,251,955 \$10,131,592 \$5,617,375 \$4,514,217	-\$2,724,340 \$7,496,860 \$3,069,671 \$4,427,189	-\$206,888 \$3,689,940 \$2,715,420 \$974,520	\$853,267 \$379,788 \$2,339,513 -\$1,959,725	\$285,777 \$4,268,868 \$6,293,663 -\$2,024,795	\$11,807,212 \$7,936,629	+ ,,-	+ , ,	\$10,191,078 \$9,214,143	-\$4,393,366 \$12,844,105 \$8,672,254 \$4,171,851
Net Cost of Gas Fired Generation	\$889,125	-\$977,936	-\$937,109	-\$737,738	\$1,702,849	\$767,632	-\$1,106,458	-\$1,739,018	\$223,943	\$3,626,333	\$60,374	\$227,770	-\$221,515
Washington Allocation	\$585,311	-\$643,776	-\$616,899	-\$485,653	\$1,120,985	\$505,332	-\$728,381	-\$1,144,796	\$147,421	\$2,387,215	\$39,744	\$149,941	-\$145,823
Colstrip Actual Colstrip Generation Authorized Colstrip Generation	1,757,659 1,725,226	163,948 154,932	153,371 146,356	163,178 151,397	150,929 124,649	137,537 102,558	73,250 122,128	140,563 154,838	153,906 156,448	134,230 151,403	163,230 155,183	159,637 151,403	163,880 153,931
Difference, MWh Difference, aMW	32,433 3.70	9,016	7,015	11,781	26,280	34,979	-48,878	-14,275	-2,542	-17,173	8,047	8,234	9,949
Value of Higher Generation Act Cost of Coal Auth Cost of Coal Net Higher Cost of Coal	-\$2,503,060 \$19,609,259 \$14,908,842 \$4,700,417	-\$580,554 \$1,693,941 \$1,338,874 \$355,067		-\$720,697 \$1,691,663 \$1,308,319 \$383,344	-\$1,426,123 \$1,479,583 \$1,077,180 \$402,403	-\$1,463,151 \$1,265,176 \$886,276 \$378,900	\$1,454,184 \$784,963 \$1,055,387 -\$270,424	\$1,036,448 \$1,541,332 \$1,338,060 \$203,272	\$201,264 \$2,085,867 \$1,351,971 \$733,896		-\$524,421 \$1,358,851 \$1,341,037 \$17,814	-\$478,968 \$1,132,866 \$1,308,376 -\$175,510	-\$644,561 \$3,575,916 \$1,330,222 \$2,245,694
Net Cost of Higher Colstrip Gen	\$2,197,357	-\$225,487	\$21,032	-\$337,353	-\$1,023,720	-\$1,084,251	\$1,183,760	\$1,239,720	\$935,160	\$1,048,447	-\$506,607	-\$654,478	\$1,601,133
Washington Allocation	\$1,446,520	-\$148,438	\$13,845	-\$222,080	-\$673,915	-\$713,762	\$779,269	\$816,108	\$615,616	\$690,193	-\$333,499	-\$430,843	\$1,054,026

Avista Corp.

Power Supply Expense Variances - 2008

Cost Increases Due to Other Factors

\$2,989,292

I	8784 <u>Total</u>	744 <u>Jan-08</u>	696 <u>Feb-08</u>	743 <u>Mar-08</u>	720 <u>Apr-08</u>	744 <u>May-08</u>	720 <u>Jun-08</u>	744 <u>Jul-08</u>	744 <u>Aug-08</u>	720 <u>Sep-08</u>	744 <u>Oct-08</u>	721 <u>Nov-08</u>	744 <u>Dec-08</u>
Kettle Falls													
Actual Kettle Falls Generation Authorized Kettle Falls Generation	200,423 334,014	29837 33,513	30893 31,625	29524 33,969	5075 32,618	463 2,427	-216 -	-279 31,474	22350 33,683	13504 32,911	8562 34,300	27374 33,194	33336 34,300
Difference, MWh Difference, aMW	-133,591 -15.25	-3,676	-732	-4,445	-27,543	-1,964	-216	-31,753	-11,333	-19,407	-25,738	-5,820	-964
Cost of Lower Generation Act Cost of Wood	\$9,548,739 \$7,499,899	\$268,717 \$872,100	\$49,532 \$923,943	\$277,487 \$1.024.035	\$2,261,715 \$186,626	\$117,114 \$40,673	\$6,426 -\$51,371	\$2,305,453 \$0	\$897,297 \$746,061	\$1,238,394 \$962,991	\$1,710,917 \$310,557	\$350,180 \$991,369	\$65,508 \$1,492,915
Auth Cost of Wood	\$9,605,369	\$963,808	\$909,218	\$976,372	\$937,983	\$40,673 \$70,701	-\$51,371 \$0	ەں \$907,141	\$968,779	\$945,888	\$985,759	\$953,961	\$985,759
Net Higher Cost of Wood	-\$2,105,470	-\$91,708	\$14,725	\$47,663	-\$751,357	-\$30,028	-\$51,371	-\$907,141	-\$222,718	\$17,103	-\$675,202	\$37,408	\$507,156
Net Cost of Lower Kettle Falls Gen	\$7,443,269	\$177,009	\$64,257	\$325,150	\$1,510,358	\$87,086	-\$44,945	\$1,398,312	\$674,579	\$1,255,497	\$1,035,715	\$387,588	\$572,664
Washington Allocation	\$4,899,904	\$116,525	\$42,301	\$214,046	\$994,268	\$57,329	-\$29,587	\$920,509	\$444,075	\$826,493	\$681,811	\$255,149	\$376,985
M: 10 1 1:													
Mid Columbia	¢22 200 540	¢4 coc ooo	¢4 500 040	¢4 507 504	¢4 500 200	£4 004 404	¢4.050.044	¢4 704 204	¢4 co4 500	¢4 544 500	¢4 707 004	#0.004.007	CO DAE 470
Actuals Authorized	\$22,300,548 \$19,294,945	\$1,665,181	\$1,538,012 \$1,563,433	\$1,597,504 \$1,507,095	\$1,589,369 \$1,641,328	\$1,831,134 \$1,645,353	\$1,952,614 \$1,574,597	\$1,761,391 \$1,672,634	\$1,681,592 \$1,556,377		\$1,787,091 \$1,577,680	\$2,624,937 \$1,658,286	\$2,815,476 \$1,762,310
Variance	\$3,005,603	\$ (58,279)	\$ (25,421)	\$ 90,409	(51,959)	\$ 185,781 \$	\$ 378,017	\$ 88,757	\$ 125,215	\$ 43,855	\$ 209,411	\$ 966,651	\$1,053,166
Washington Allocation	\$1,978,588	-\$38,365	-\$16,735	\$59,516	-\$34,205	\$122,300	\$248,849	\$58,429	\$82,429	\$28,870	\$137,855	\$636,346	\$693,299
Retail Load													
Actual Load	9,231,616	929,759	799,025	798,494	730,822	693,621	678,258	764,120	745.712	673,392	726,525	746,122	945.766
Authorized Load	9,351,999	927,827	819,939	835,722	704,435	698,833	688,847	762,842	790,994	695,484	769,599	760,344	897,133
Difference, MWh Difference, aMW	-120,383 -13.7	1,932	-20,914	-37,228	26,387	-5,212	-10,589	1,278	-45,282	-22,092	-43,074	-14,222	48,633
Cost of Additional Load WA share of Additional Load Retail Revenue Credit	-\$8,280,721 -\$5,451,199 \$6,821,676	\$124,404 \$81,895 \$126,425	-\$1,415,194 -\$931,623 (\$255,548)	-\$2,324,021 -\$1,529,903 \$1,606,076	\$1,431,930 \$942,639 \$206,958	-\$310,793 -\$204,595 \$1,303,361	-\$315,037 -\$207,389 \$998,707	\$91,217 \$60,048 \$1,047,830	-\$3,585,229 -\$2,360,156 \$695,075	-\$1,409,728 -\$928,024 \$303,217	-\$2,863,317 -\$1,884,921 \$1,566,119	-\$855,716 -\$563,318 \$840,776	\$3,150,761 \$2,074,146 (\$1,617,320)
Net Cost of Additional Load	\$1,370,477	\$208,320	-\$1,187,171	\$76,173	\$1,149,597	\$1,098,766	\$791,318	\$1,107,878	-\$1,665,081	-\$624,807	-\$318,802	\$277,458	\$456,826
Total Increased Cost due to Higher Hydro, CS2/Colstrip/KF/Grant PUD/Load	\$11,509,134	-\$153,625	\$1,684,759	-\$238,697	\$9,422,379	\$2,163,832	\$652,310	-\$2,482,003	-\$565,661	\$2,126,270	-\$1,814,656	-\$593,235	\$1,307,461
Actual Power Supply Expense Increase	\$14,498,426												

Factors Contributing to Increased Power Supply Expense 2008 - Washington Allocation					
Change in Hydro Generation	\$1,228,333				
Change in Gas Fired Generation and Fuel Expense	\$585,311				
Change in Colstrip Generation and Fuel Expense	\$1,446,520				
Change in Kettle Falls Generation and Fuel Expense	\$4,899,904				
Change in Mid Columbia Contracts Expense	\$1,978,589				
Change in Retail Loads	\$1,370,478				
Change in Market Prices and Contract Costs	\$2,989,291				
Total Expenses Above the Authorized Level	\$14,498,426				

2008 Generation and Load Differences from the Authorized Level						
	Change aMW	Change %				
Change in Hydro Generation	1.0	0.2%				
Change in Gas Fired Generation	56.2	39.6%				
Change in Colstrip Generation	3.7	1.9%				
Change in Kettle Falls Generation	-15.3	-40.0%				
Change in Retail Loads	-13.7	-1.3%				

2008 Generation Plant Availabi	lity Factors
Colstrip Unit 3	97.9%
Colstrip Unit 4	96.2%
Coyote Springs 2	83.6%
Kettle Falls	99.6%