

**Avista Utilities**  
**Summary of Washington Demand-Side Management Energy Savings and Levelized Costs**  
**January 1, 2012 through December 31, 2013**

	Regular income portfolio		Low income portfolio	
	MWh savings	Therm savings	MWh savings	Therm savings
Electric DSM programs	99,141	(372,768)	1,578	(45,554)
Gas DSM programs	42	1,175,796	68	42,700
<b>Total</b>	<b>99,183</b>	<b>803,028</b>	<b>1,646</b>	<b>(2,854)</b>

  

	Total portfolio	
	MWh savings	Therm savings
Electric DSM programs	100,719	(418,322)
Gas DSM programs	110	1,218,496
<b>Total</b>	<b>100,829</b>	<b>800,174</b>

**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**

**Electric DSM Program Portfolio**

Total Resource Cost (TRC)	\$ 44,683,303
Weighted average measure life	12.22
Discount rate	6.86%
MWh energy savings	100,719
TRC levelized cost	<b>\$ 54.787</b>

Prog. Admin. Cost Test (PACT) cost	\$ 26,459,855
Weighted average measure life	12.22
Discount rate	6.86%
MWh energy savings	100,719
UCT levelized cost	<b>\$ 32.443</b>

Comparative electric levelized avoided cost (assuming flat load)	<b>\$ 57.530</b>
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**Natural Gas DSM Program Portfolio**

Total Resource Cost (TRC)	\$ 20,850,286
Weighted average measure life	20.00
Discount rate	6.86%
Therms energy savings	2,616,741
TRC levelized cost	<b>\$ 0.744</b>

Prog. Admin. Cost Test (PACT) cost	\$ 8,335,517
Weighted average measure life	20.00
Discount rate	6.86%
Therms energy savings	2,616,741
UCT levelized cost	<b>\$ 0.297</b>

Comparative natural gas levelized avoided cost	<b>\$ 0.486</b>
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Comparative natural gas levelized winter avoided cost	<b>\$ 0.495</b>
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## Avista Utilities

## Summary of Washington Electric Demand-Side Management Cost-Effectiveness

January 1, 2012 through December 31, 2013

<b>TOTAL RESOURCE COST TEST</b>	Regular income portfolio		Low income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 56,804,730	\$	1,405,267	\$ 58,209,997
Electric program natural gas avoided cost	\$ (764,412)	\$	(289,029)	\$ (1,053,441)
Electric program non-energy benefits	\$ 969,644	\$	733,279	\$ 1,702,923
<b>TOTAL TRC BENEFITS</b>	<b>\$ 57,009,962</b>	<b>\$</b>	<b>1,849,517</b>	<b>\$ 58,859,479</b>
Electric program non-incentive utility cost	\$ 9,285,963	\$	186,463	\$ 9,472,426
Electric program customer cost	\$ 33,273,690	\$	1,937,187	\$ 35,210,877
<b>TOTAL TRC COSTS</b>	<b>\$ 42,559,653</b>	<b>\$</b>	<b>2,123,650</b>	<b>\$ 44,683,303</b>
<b>NET TRC BENEFITS</b>	<b>\$ 14,450,309</b>	<b>\$</b>	<b>(274,133)</b>	<b>\$ 14,176,176</b>
<b>TRC BENEFIT / COST RATIO</b>	<b>1.34</b>		<b>0.87</b>	<b>1.32</b>
<b>PROGRAM ADMINISTRATOR COST TEST</b>	Regular income portfolio		Low income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 56,804,730	\$	1,405,267	\$ 58,209,997
Electric program natural gas avoided cost	\$ (764,412)	\$	(289,029)	\$ (1,053,441)
<b>TOTAL PACT BENEFITS</b>	<b>\$ 56,040,318</b>	<b>\$</b>	<b>1,116,238</b>	<b>\$ 57,156,556</b>
Electric program non-incentive utility cost	\$ 9,285,963	\$	186,463	\$ 9,472,426
Electric program incentive cost	\$ 15,047,169	\$	1,940,260	\$ 16,987,429
<b>TOTAL PACT COSTS</b>	<b>\$ 24,333,132</b>	<b>\$</b>	<b>2,126,723</b>	<b>\$ 26,459,855</b>
<b>NET PACT BENEFITS</b>	<b>\$ 31,707,186</b>	<b>\$</b>	<b>(1,010,485)</b>	<b>\$ 30,696,701</b>
<b>PACT BENEFIT / COST RATIO</b>	<b>2.30</b>		<b>0.52</b>	<b>2.16</b>
<b>PARTICIPANT TEST</b>	Regular income portfolio		Low income portfolio	Overall portfolio
Electric program electric bill reduction	\$ 56,077,289	\$	1,686,219	\$ 57,763,508
Electric program gas bill reduction	\$ (2,607,506)	\$	(404,878)	\$ (3,012,384)
Non-energy benefits	\$ 969,644	\$	714,499	\$ 1,684,143
<b>TOTAL PARTICIPANT BENEFITS</b>	<b>\$ 54,439,427</b>	<b>\$</b>	<b>1,995,840</b>	<b>\$ 56,435,267</b>
Customer project cost	\$ 33,273,690	\$	1,918,674	\$ 35,192,364
Electric program incentive cost	\$ (15,047,169)	\$	(1,921,747)	\$ (16,968,916)
<b>TOTAL PARTICIPANT COSTS</b>	<b>\$ 18,226,521</b>	<b>\$</b>	<b>(3,073)</b>	<b>\$ 18,223,448</b>
<b>NET PARTICIPANT BENEFITS</b>	<b>\$ 36,212,906</b>	<b>\$</b>	<b>1,998,913</b>	<b>\$ 38,211,819</b>
<b>PARTICIPANT BENEFIT / COST RATIO</b>	<b>2.99</b>		<b>N/A</b>	<b>3.10</b>
<b>NON-PARTICIPANT TEST</b>	Regular income portfolio		Low income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 56,804,730	\$	1,405,267	\$ 58,209,997
<b>TOTAL NON-PARTICIPANT BENEFITS</b>	<b>\$ 56,804,730</b>	<b>\$</b>	<b>1,405,267</b>	<b>\$ 58,209,997</b>
Electric program lost electric revenue PV	\$ 53,469,783	\$	1,281,341	\$ 54,751,124
Electric program non-incentive utility cost	\$ 9,285,963	\$	186,463	\$ 9,472,426
Electric program incentive cost	\$ 15,047,169	\$	1,940,260	\$ 16,987,429
<b>TOTAL NON-PARTICIPANT COSTS</b>	<b>\$ 77,802,915</b>	<b>\$</b>	<b>3,408,064</b>	<b>\$ 81,210,979</b>
<b>NET NON-PARTICIPANT BENEFITS</b>	<b>\$ (20,998,185)</b>	<b>\$</b>	<b>(2,002,797)</b>	<b>\$ (23,000,982)</b>
<b>NON-PARTICIPANT BENEFIT / COST RATIO</b>	<b>0.73</b>		<b>0.41</b>	<b>0.72</b>

**Avista Utilities**

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

**January 1, 2012 through December 31, 2013**

<b>TOTAL RESOURCE COST TEST</b>	Regular income portfolio	Low income portfolio	Overall portfolio
Gas program natural gas avoided cost	\$ 6,425,634	\$ 326,167	\$ 6,751,801
Gas program electric avoided cost	\$ (146,793)	\$ 42,370	\$ (104,423)
Gas program non-energy benefits	\$ 29,078	\$ 688,342	\$ 717,420
<b>TOTAL TRC BENEFITS</b>	<b>\$ 6,307,919</b>	<b>\$ 1,056,879</b>	<b>\$ 7,364,798</b>
Gas program non-incentive utility cost	\$ 2,291,951	\$ 98,721	\$ 2,390,672
Gas program customer cost	\$ 16,417,633	\$ 2,041,981	\$ 18,459,614
<b>TOTAL TRC COSTS</b>	<b>\$ 18,709,584</b>	<b>\$ 2,140,702</b>	<b>\$ 20,850,286</b>
<b>NET TRC BENEFITS</b>	<b>\$ (12,401,665)</b>	<b>\$ (1,083,823)</b>	<b>\$ (13,485,488)</b>
<b>TRC BENEFIT / COST RATIO</b>	<b>0.34</b>	<b>0.49</b>	<b>0.35</b>
<b>PROGRAM ADMINISTRATOR COST TEST</b>			
Gas program gas avoided cost	\$ 6,425,634	\$ 326,167	\$ 6,751,801
Gas program electric avoided cost	\$ (146,793)	\$ 42,370	\$ (104,423)
<b>TOTAL PACT BENEFITS</b>	<b>\$ 6,278,841</b>	<b>\$ 368,537</b>	<b>\$ 6,647,378</b>
Gas program non-incentive utility cost	\$ 2,291,951	\$ 98,721	\$ 2,390,672
Gas program incentive cost	\$ 3,902,864	\$ 2,041,981	\$ 5,944,845
<b>TOTAL PACT COSTS</b>	<b>\$ 6,194,815</b>	<b>\$ 2,140,702</b>	<b>\$ 8,335,517</b>
<b>NET PACT BENEFITS</b>	<b>\$ 84,026</b>	<b>\$ (1,772,165)</b>	<b>\$ (1,688,139)</b>
<b>PACT BENEFIT / COST RATIO</b>	<b>1.01</b>	<b>0.17</b>	<b>0.80</b>
<b>PARTICIPANT TEST</b>			
Gas program gas bill reduction	\$ 7,443,364	\$ 506,866	\$ 7,950,230
Gas program electric bill reduction	\$ (93,254)	\$ 75,520	\$ (17,734)
Non-energy benefits	\$ 29,078	\$ 688,342	\$ 717,420
<b>TOTAL PARTICIPANT BENEFITS</b>	<b>\$ 7,379,188</b>	<b>\$ 1,270,728</b>	<b>\$ 8,649,916</b>
Customer project cost	\$ 16,417,633	\$ 2,041,981	\$ 18,459,614
Gas program incentive cost	\$ (3,902,864)	\$ (2,041,981)	\$ (5,944,845)
<b>TOTAL PARTICIPANT COSTS</b>	<b>\$ 12,514,769</b>	<b>\$ -</b>	<b>\$ 12,514,769</b>
<b>NET PARTICIPANT BENEFITS</b>	<b>\$ (5,135,581)</b>	<b>\$ 1,270,728</b>	<b>\$ (3,864,853)</b>
<b>PARTICIPANT BENEFIT / COST RATIO</b>	<b>0.59</b>	<b>n/a</b>	<b>0.69</b>
<b>NON-PARTICIPANT TEST</b>			
Gas program natural gas avoided cost	\$ 6,425,634	\$ 326,167	\$ 6,751,801
<b>TOTAL NON-PARTICIPANT BENEFITS</b>	<b>\$ 6,425,634</b>	<b>\$ 326,167</b>	<b>\$ 6,751,801</b>
Gas program lost gas revenue PV	\$ 7,350,110	\$ 582,386	\$ 7,932,496
Gas program non-incentive utility cost	\$ 2,291,951	\$ 98,721	\$ 2,390,672
Gas program incentive cost	\$ 3,902,864	\$ 2,041,981	\$ 5,944,845
<b>TOTAL NON-PARTICIPANT COSTS</b>	<b>\$ 13,544,925</b>	<b>\$ 2,723,088</b>	<b>\$ 16,268,013</b>
<b>NET NON-PARTICIPANT BENEFITS</b>	<b>\$ (7,119,291)</b>	<b>\$ (2,396,921)</b>	<b>\$ (9,516,212)</b>
<b>NON-PARTICIPANT BENEFIT / COST RATIO</b>	<b>0.47</b>	<b>0.12</b>	<b>0.42</b>

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