

Forward Price Curves and Gas Financial Hedge Information

This exhibit shows the timing, volume and price of gas financial hedge purchases for 2002 and Sumas gas and Mid-Columbia power forward price curves as of various dates. A comparison of these price curves with the prices at which the Company actually entered into gas financial purchases in 2001 for 2002 demonstrates that those purchases were in fact not uneconomic at the time they were made. (A transaction to obtain a fixed price for power or fuel -- whether a physical or financial transaction -- that was economic and for which there was a reasonable need at the time it was entered into should not be criticized merely because it subsequently turns out that future market conditions (which were unknowable at the time the transaction was entered into) differ from and are less than the fixed price.)

This exhibit also includes a summary of the Company's load-resource position upon which the Company based its decisions in April 2001, which shows that the Company needed to purchase sufficient fixed price gas for core load in the January through April and August through December periods of 2002. This was true even if one assumes that retail load would be no higher than projected and that all the Company's non-gas resources would operate at projected levels.