decatherms per day, equivalent to the approximate maximum generation of Avista's project share. Once that amount of gas was actually forecast to be burned by the project for a particular delivery month, all other analyses remained the same.

Q. What is the result of having Coyote Springs II available?

A. My Exhibit No. ___ (APB-4) summarizes the effect of having Coyote Springs II available. The availability of Coyote Springs II would have offered the Company an opportunity to further reduce overall power supply expenses. This is possible because the same quantity of gas run through Coyote Springs II will generate significant additional quantities of electricity to sell into the market compared to the electricity that could have been generated from less efficient Company-owned plants. Thus, the potential electric sales revenue side of the equation, with Coyote Springs II available, becomes much more favorable. As can be observed, for much of the review period it would have been more beneficial to sell generated electricity than to resell the gas directly. In general, only after all of the Coyote Springs II generation capacity is committed do the analyses begin to resemble the Company's original analysis without Coyote Springs II.

Based on this method, having Coyote Springs II available would have provided approximately $3.84~~6.02~~ million in additional benefits to offset the

costs related to the out-of-market fixed-price gas on a system basis~~.~~ ~~Compared to~~ above the Company's claim of approximately $4.38 million (Exhibit No. ___ (RLS-2)) which was based on selling all of the gas. ~~without Coyote Springs II, this is about $1.64 million more on a system basis, or $1.1 million more for the Washington jurisdiction for this review period.~~

Q. Does this second method provide an adequate measure of the additional power supply costs due to the delay in the in service date of Coyote Springs II?

A. No. This method only serves to recreate the decision making process for each of the actual gas sales transactions that were entered into by the Company. Had Coyote Springs II been available, the actual sales Avista made may or may not have taken place on those dates with those prices. For example, if the analysis indicated that a particular sale was not the best option, the gas associated with that transaction would have remained available for future analyses of other options. The ultimate effect on power supply expenses of having Coyote Springs II available would not be known until an analysis is carried out based on actual real time decisions.

Q. Please describe the third method to determine the effect on power supply costs of the Coyote Springs II delay.

Summary of Gas Sales versus Electric Sales
Assumption: Coyote Springs II is operational

Transaction Date	Delivery Month	Volume (dth/day)	Gas Price ($/dth)	Incremental Benefit of CS II Available (Compared to Gas Sales)
1/8/2002	Jul-02	10,000	$ 2.195	$ 317,312
4/3/2002	Jul-02	5,000	$ 3.350	$ 59,562
4/4/2002	Nov-02	5,000	$ 3.650	$ 193,464
	Dec-02	5,000	$ 3.650	$ 199,913
4/5/2002	Jul-02	15,000	$ 3.023	$ -
	Nov-02	5,000	$ 3.520	$ 212,964
	Dec-02	5,000	$ 3.520	$ 220,063
5/17/2002	Jul-02	5,000	$ 3.200	$ -
	Aug-02	5,000	$ 3.280	$ 435,117
	Sep-02	5,000	$ 3.320	$ 372,052
	Oct-02	5,000	$ 3.400	$ 255,336
5/21/2002	Aug-02	5,000	$ 3.060	$ 431,645
	Sep-02	5,000	$ 3.060	$ 390,828
	Oct-02	5,000	$ 3.060	$ 320,486
	Nov-02	10,000	$ 3.648	$ 107,458
5/22/2002	Sep-02	5,000	$ 3.120	$ 174,776
	Oct-02	5,000	$ 3.120	$ 173,178
5/23/2002	Oct-02	5,000	$ 3.400	$ 71,924
	Nov-02	5,000	$ 3.600	$ -
	Dec-02	5,000	$ 3.741	$ 122,930
5/28/2002	Oct-02	13,000	$ 3.027	$ -
6/5/2002	Dec-02	5,000	$ 3.810	$ 97,301
6/19/2002	Jul-02	5,000	$ 2.630	$ -
6/20/2002	Nov-02	12,000	$ 3.540	$ -
	Dec-02	5,000	$ 3.820	$ -
7/15/2002	Aug-02	30,000	$ 2.200	$ -
	Sep-02	22,000	$ 2.240	$ -
8/13/2002	Sep-02	3,000	$ 2.550	$ -
9/10/2002	Oct-02	4,000	$ 2.990	$ -
9/17/2002	Dec-02	11,000	$ 4.020	$ -
10/1/2002	Oct-02	3,000	$ 3.480	$ -
	Nov-02	3,000	$ 3.725	$ -
11/20/2002	Dec-02	5,500	$ 3.970	$ -
Total Incremental Benefit as Compared to Selling the Gas				**$ 3,838,998**