

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-10_____

DOCKET NO. UG-10_____

EXHIBIT NO._____(BWF-2)

BRUCE W. FOLSOM

REPRESENTING AVISTA CORPORATION

Avista Utilities
Summary of Demand-Side Management Energy Savings and Levelized Costs
January 1, 2008 through December 31, 2008

	Regular income portfolio		Limited income portfolio	
	kWh savings	Therm savings	kWh savings	Therm savings
Electric DSM programs	73,009,915	(100,172)	1,851,245	910
Gas DSM programs	1,376,547	1,785,623	4,147	102,438
Total	74,386,462	1,685,451	1,855,392	103,348

	Total portfolio	
	kWh savings	Therm savings
Electric DSM programs	74,861,160	(99,262)
Gas DSM programs	1,380,694	1,888,061
Total	76,241,854	1,788,799

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)	\$	26,723,986
Weighted average measure life		12.2
Discount rate		7.08%
kWh energy savings		74,861,160
TRC levelized cost	\$	0.045
(PACT) cost	\$	13,291,081
Weighted average measure life		12.2
Discount rate		7.08%
kWh energy savings		74,861,160
pact levelized cost	\$	0.022
Comparative electric levelized avoided cost for a flat loadshape	\$	0.098

Natural Gas DSM Program Portfolio

Total Resource Cost (TRC)	\$	19,014,283
Weighted average measure life		13.6
Discount rate		7.08%
Therms energy savings		1,888,061
TRC levelized cost	\$	1.177
(PACT) cost	\$	6,607,775
Weighted average measure life		13.6
Discount rate		7.08%
Therms energy savings		1,888,061
pact levelized cost	\$	0.409
Comparative natural gas levelized annual avoided cost	\$	0.795
Comparative natural gas levelized winter avoided cost	\$	0.810

Avista Utilities
Summary of Demand-Side Management Energy Savings and Levelized Costs
January 1, 2009 through December 31, 2009

	Regular income portfolio		Limited income portfolio	
	kWh savings	Therm savings	kWh savings	Therm savings
Electric DSM programs	77,693,931	(149,478)	3,136,077	1,155
Gas DSM programs	1,718,917	1,922,561	495	95,251
Total	79,412,848	1,773,083	3,136,572	96,406

	Total portfolio	
	kWh savings	Therm savings
Electric DSM programs	80,830,008	(148,323)
Gas DSM programs	1,719,412	2,017,812
Total	82,549,420	1,869,489

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)	\$ 41,554,730
Weighted average measure life	16.9
Discount rate	7.08%
kWh energy savings	80,830,008
TRC levelized cost	\$ 0.053

(PACT) cost	\$ 14,656,926
Weighted average measure life	16.9
Discount rate	7.08%
kWh energy savings	80,830,008
pact levelized cost	\$ 0.019

Comparative electric levelized
 avoided cost for a flat loadshape **\$ 0.118**

Natural Gas DSM Program Portfolio

Total Resource Cost (TRC)	\$ 26,879,320
Weighted average measure life	26.3
Discount rate	4.17%
Therms energy savings	2,017,812
TRC levelized cost	\$ 0.844

(PACT) cost	\$ 8,069,478
Weighted average measure life	26.3
Discount rate	4.17%
Therms energy savings	2,017,812
pact levelized cost	\$ 0.253

Comparative natural gas levelized
 annual avoided cost **\$0.925**

Comparative natural gas levelized
 winter avoided cost **\$0.944**

Avista Utilities

Summary of Electric Demand-Side Management Cost-Effectiveness

January 1, 2008 through December 31, 2008

TOTAL RESOURCE COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 50,820,676	\$ 2,026,328	\$ 52,847,004
Electric program gas avoided cost	\$ (551,338)	\$ 8,606	\$ (542,732)
Electric program non-energy benefits	\$ 3,796,344	\$ -	\$ 3,796,344
TOTAL TRC BENEFITS	\$ 54,065,682	\$ 2,034,934	\$ 56,100,616
Electric program non-incentive Utility Cost	\$ 3,880,458	\$ 15,001	\$ 3,895,459
Electric program customer cost	\$ 22,167,951	\$ 660,576	\$ 22,828,527
TOTAL TRC COSTS	\$ 26,048,409	\$ 675,577	\$ 26,723,986
NET TRC BENEFITS	\$ 28,017,273	\$ 1,359,357	\$ 29,376,630
TRC BENEFIT / COST RATIO	2.08	3.01	2.10

PROGRAM ADMINISTRATOR COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 50,820,676	\$ 2,026,328	\$ 52,847,004
Electric program gas avoided cost	\$ (551,338)	\$ 8,606	\$ (542,732)
TOTAL PACT BENEFITS	\$ 50,269,338	\$ 2,034,934	\$ 52,304,272
Electric program non-incentive utility cost	\$ 3,880,458	\$ 15,001	\$ 3,895,459
Electric program incentive utility cost	\$ 8,635,960	\$ 759,662	\$ 9,395,622
TOTAL PACT COSTS	\$ 12,516,418	\$ 774,663	\$ 13,291,081
NET PACT BENEFITS	\$ 37,752,920	\$ 1,260,271	\$ 39,013,191
PACT BENEFIT / COST RATIO	4.02	2.63	3.94

Avista Utilities
Summary of Electric Demand-Side Management Cost-Effectiveness
January 1, 2009 through December 31, 2009

TOTAL RESOURCE COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 89,665,176	\$ 5,058,238	\$ 94,723,414
Electric program gas avoided cost	\$ (1,242,608)	\$ 13,726	\$ (1,228,882)
Electric program non-energy benefits	\$ 2,359,419	\$ 57,353	\$ 2,416,772
TOTAL TRC BENEFITS	\$ 90,781,987	\$ 5,129,317	\$ 95,911,304
Electric program non-incentive utility cost	\$ 4,443,392	\$ 13,726	\$ 4,457,118
Electric program customer cost	\$ 36,286,445	\$ 811,167	\$ 37,097,612
TOTAL TRC COSTS	\$ 40,729,837	\$ 824,893	\$ 41,554,730
NET TRC BENEFITS	\$ 50,052,150	\$ 4,304,424	\$ 54,356,574
TRC BENEFIT / COST RATIO	2.23	6.22	2.31
PROGRAM ADMINISTRATOR COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Electric program electric avoided cost	\$ 89,665,176	\$ 5,058,238	\$ 94,723,414
Electric program gas avoided cost	\$ (1,242,608)	\$ 13,726	\$ (1,228,882)
TOTAL PACT BENEFITS	\$ 88,422,568	\$ 5,071,964	\$ 93,494,532
Electric program non-incentive Program Administrator	\$ 4,443,392	\$ 13,726	\$ 4,457,118
Electric program incentive Program Administrator	\$ 10,213,534	\$ 811,167	\$ 11,024,701
TOTAL PACT COSTS	\$ 14,656,926	\$ 824,893	\$ 15,481,819
NET PACT BENEFITS	\$ 73,765,642	\$ 4,247,071	\$ 78,012,713
PACT BENEFIT / COST RATIO	6.03	6.15	6.04

Avista Utilities
Summary of Gas Demand-Side Management Cost-Effectiveness
January 1, 2008 through December 31, 2008

TOTAL RESOURCE COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Gas program gas avoided cost	\$ 12,788,576	\$ 959,557	\$ 13,748,133
Gas program electric avoided cost	\$ 1,795,233	\$ 5,303	\$ 1,800,536
Gas program non-energy benefits	\$ 814,663	\$ -	\$ 814,663
TOTAL TRC BENEFITS	\$ 15,398,472	\$ 964,860	\$ 16,363,332
Gas program non-incentive utility cost	\$ 1,192,106	\$ 11,579	\$ 1,203,685
Gas program customer cost	\$ 17,244,124	\$ 566,474	\$ 17,810,598
TOTAL TRC COSTS	\$ 18,436,230	\$ 578,053	\$ 19,014,283
NET TRC BENEFITS	\$ (3,037,758)	\$ 386,807	\$ (2,650,951)
TRC BENEFIT / COST RATIO	0.84	1.67	0.86
PROGRAM ADMINISTRATOR COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Gas program gas avoided cost	\$ 12,788,576	\$ 959,557	\$ 13,748,133
Gas program electric avoided cost	\$ 1,795,233	\$ 5,303	\$ 1,800,536
TOTAL PACT BENEFITS	\$ 14,583,809	\$ 964,860	\$ 15,548,669
Gas program non-incentive utility cost	\$ 1,192,106	\$ 11,579	\$ 1,203,685
Gas program incentive utility cost	\$ 4,752,645	\$ 651,445	\$ 5,404,090
TOTAL PACT COSTS	\$ 5,944,751	\$ 663,024	\$ 6,607,775
NET PACT BENEFITS	\$ 8,639,058	\$ 301,836	\$ 8,940,894
PACT BENEFIT / COST RATIO	2.45	1.46	2.35

Avista Utilities
Summary of Gas Demand-Side Management Cost-Effectiveness
January 1, 2009 through December 31, 2009

TOTAL RESOURCE COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Gas program gas avoided cost	\$ 26,961,465	\$ 1,786,514	\$ 28,747,979
Gas program electric avoided cost	\$ 5,166,457	\$ 1,517	\$ 5,167,974
Gas program non-energy benefits	\$ 126,896	\$ -	\$ 126,896
TOTAL TRC BENEFITS	\$ 32,254,818	\$ 1,788,031	\$ 34,042,849
Gas program non-incentive utility cost	\$ 1,442,740	\$ 162,726	\$ 1,605,466
Gas program customer cost	\$ 24,649,562	\$ 624,292	\$ 25,273,854
TOTAL TRC COSTS	\$ 26,092,302	\$ 787,018	\$ 26,879,320
NET TRC BENEFITS	\$ 6,162,516	\$ 1,001,013	\$ 7,163,529
TRC BENEFIT / COST RATIO	1.24	2.27	1.27

PROGRAM ADMINISTRATOR COST TEST	Regular income portfolio	Limited income portfolio	Overall portfolio
Gas program gas avoided cost	\$ 26,961,465	\$ 1,786,514	\$ 28,747,979
Gas program electric avoided cost	\$ 5,166,457	\$ 1,517	\$ 5,167,974
TOTAL PACT BENEFITS	\$ 32,127,922	\$ 1,788,031	\$ 33,915,953
Gas program non-incentive utility cost	\$ 1,442,740	\$ 162,726	\$ 1,605,466
Gas program incentive utility cost	\$ 5,839,720	\$ 624,292	\$ 6,464,012
TOTAL PACT COSTS	\$ 7,282,460	\$ 787,018	\$ 8,069,478
NET PACT BENEFITS	\$ 24,845,462	\$ 1,001,013	\$ 25,846,475
PACT BENEFIT / COST RATIO	4.41	2.27	4.20