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Avista Corp. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of Paul Ridzon – Keybanc.

Paul Ridzon – Keybanc Capital Markets

I had a few questions. First, what's the embedded price of natural gas in your Washington electric rates?

Mark Thies

Currently the embedded costs in existing rates is \$8.30 per dekatherm for the unhedged portion.

Paul Ridzon – Keybanc Capital Markets

And that will change with the next rate order?

Mark Thies

Yes, it will.

Paul Ridzon – Keybanc Capital Markets

What's the current, I know it can change pretty quickly, but what are you seeing as far as the snow pack?

Scott Morris

Paul, right now snow pack is a little bit below normal. We caught up but it's been dry. However, I think a couple of things to remember about that. You're right, it can catch up pretty quickly. I think if we get normal precipitation we're not too worried.

The other thing to remember is that natural gas prices are quite low right now as you know and wholesale power prices are very low for the region. So overall I like our position.

Paul Ridzon – Keybanc Capital Markets

Are you aggressively trying to lock in some of that, those low prices?

Scott Morris

We are aggressively executing our hedging strategies and yes, we are making some purchases to take advantage of the market.

Paul Ridzon – Keybank Capital Markets

And just at in the fourth quarter other segment had a kind of a wide swing of \$0.04 can you just give a little more detail about what happened with these venture funds and litigation?

Scott Morris

Well the venture funds they're small investments that we have and we mark those to market and as the economy has come off significantly in the fourth quarter their performance, well actually throughout 2008, their performance had suffered and so we did take impairment about half of that amount was related to a couple of the venture fund investments that we have.

The other side of the litigation, we don't really comment on ongoing litigation. We had some litigation costs related to one of our subsidiaries and we incurred those costs of about \$1 million in the fourth quarter.

Paul Ridzon – Keybank Capital Markets

And just – you gave your Washington and Idaho rate case parameters. What was the rate base in each of those jurisdictions you filed for?

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