Triple-E Report
January 1, 2005 – December 31, 2005

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SUMMARY OF TRIPLE-E REPORT

Table 1
For 2005, utility expenditures on a cash basis were $7,561,547. Of this amount, 67% was for customer incentives. By fuel, 61% of electric expenditures and 81% of gas expenditures went directly to the customer via incentives. Regional expenditures for participation in the Northwest Energy Efficiency Alliance (NEEA) for 2005 were $642,207. For electric, the bulk of the expenditures were allocated to HVAC (47%), Lighting (26%) and Industrial Process (15%). For gas, the expenditures were mostly attributed Shell (50%), Resource Management (30%) and HVAC (26%).

Table 2
Indirect, non-regional utility costs were $390,386 ($326,799 electric and $63587 gas). For electric, indirect costs were assigned 88% to Commercial/Industrial, 4% to Limited Income and 9% to Residential. For gas, indirect costs were assigned 79% to Commercial/Industrial, 5% to Limited Income and 16% to Residential.

Table 3
Direct incentives and indirect utility costs were allotted across the customer segments with the bulk going to HVAC (47%) and Lighting (26%) for electric and Shell (50%), Resource Management (30%) and HVAC (26%) for gas.

Table 4
During 2005, both Idaho (effective March 15) and Washington (effective July 15) Schedule 90 incentives were increased. This increase did not affect the surcharge that is levied in Schedule 91. For electric, direct customer incentives were mostly allocated to HVAC (45%) and lighting (27%). For gas, direct customer incentives were allocated mostly to Shell (54%), Resource Management (29%) and HVAC (23%).

Table 5 and 6
Savings are counted on a derated basis of first-year savings in the following manner: 75% when the project is contracted, 20% when the project begins construction and the remaining 5% when project completes. Post-audit analysis shows that 58 million kwhs and 1.1 million therms of savings were acquired through our local DSM programs. This year is the first time we have provided savings by state in the Triple E report. For, electric 30% is attributable to Idaho and 70% to Washington. For gas, 15% is attributable to Idaho and 85% to Washington. This does not include the interactive effects. At the spring Triple-E meeting, the question was raised about the amount of savings claimed where customers did not receive an incentive. For 2005, we claimed 1,368,471 kwhs (2%) and 330,916 (30%) therms for non-incentivized projects.

Table 7
Most of the electric non-energy benefits were attributable to four site-specific projects for labor savings, production savings and annual refrigerant replacement savings. Gas non-energy benefits were fairly insignificant. It should be noted that during this time period,

there was a large Industrial Process project (WA) that had no non-energy benefit estimate even though there will be significant non-energy benefits associated with the project.

Table 8

The bulk of the electric customer costs are allocated to Industrial Process (51%), HVAC (23%) and Lighting (21%) and the gas customer costs were attributed mostly to HVAC (59%) and Shell (35%). It should be noted that of the $16.5m Commercial/Industrial Industrial Process customer costs, $9m is attributed to one project (WA).

Tables 9-13

Also included for the first time, is the cost effectiveness benefit/cost statistics by state. The main driver of the Total Resource Cost-effectiveness (TRC) is the customer cost which for this report is 95%. Electric TRC is 1.20 and gas TRC is 1.10. The gas TRC is weighted down for a Limited Income adjustment on 2004 activity made in 2005. If that adjustment was backed out, the Limited Income TRC would have been 1.82 and the portfolio TRC would have been 1.17. Since the Utility Cost Test (UCT) takes into account incentive costs rather than customer costs, it should always be better—for electric it is 3.42 and for gas 3.00. Participant test is 1.52 and 2.27 and the non-participant tests are 0.78 and 0.60 for electric and gas, respectively.

Table 14

We began 2005 with a negative aggregate balance of $1.6 million. We ended August with a positive aggregate balance of $296k completing the 4-year business plan to return the tariff rider balance to zero. As of the end of 2005, the aggregate balance is negative $442k due to projects being paid immediately upon completion rather than scheduling payments at a future date as stated in their contracts.

Table 15

Historically, the Company has committed to delivering energy savings in proportion to the amount of tariff rider revenues being expended. For 2005, we delivered electric savings that were 119% and gas savings that were 416% proportionate. Proportionality on an mmbtu basis was 160%.

Table 1E Electric Utility Costs Aggregated by Programs and Customer Segments

	Incentives[1]	Implementation	TOTAL
SEGMENTS			
Commercial/Industrial	$ 2,719,420	$ 734,011	$ 3,453,430
Limited Income	$ 201,482	$ 40,007	$ 241,489
Residential	$ 212,048	$ 265,880	$ 477,928
GENERAL			
General (Implementation)	$ -	$ 326,799	$ 326,799
OTHER EXPENDITURES			
Regional[2]	$ -	$ 642,207	$ 642,207
TOTAL	**$ 3,132,950**	**$ 2,008,903**	**$ 5,141,853**
BROKEN OUT BY CATEGORY			
Total assigned to segments	$ 3,132,950	$ 1,039,897	$ 4,172,847
Total assigned to general	$ -	$ 326,799	$ 326,799
Total assigned to other	$ -	$ 642,207	$ 642,207
TOTAL	**$ 3,132,950**	**$ 2,008,903**	**$ 5,141,853**
CATEGORY AS A PERCENT			
Total assigned to segment	60.9%	20.2%	81.2%
Total assigned to general	0.0%	6.4%	6.4%
Total assigned to other pgms.	0.0%	12.5%	12.5%
TOTAL	**60.9%**	**39.1%**	**100.0%**
Total non-regional utility cost	**$ 3,132,950**	**$ 1,366,696**	**$ 4,499,646**

NOTES:

1) Incentives are accounted for on a cash basis and will not match de-rated incentive expenditures amounts.
2) Costs associated with membership in NEEA are included in this table, but are excluded from all other tables.

Table 1G Gas Utility Costs Aggregated by Programs and Customer Segments

	Incentives[1]	Implementation	TOTAL
SEGMENTS			
Commercial/Industrial	$ 1,213,566	$ 259,256	$ 1,472,822
Limited Income	$ 495,343	$ 14,686	$ 510,029
Residential	$ 241,464	$ 131,791	$ 373,255
GENERAL			
General	$ -	$ 63,587	$ 63,587
OTHER EXPENDITURES			
Regional[2]	$ -	$ -	$ -
TOTAL	**$ 1,950,373**	**$ 469,321**	**$ 2,419,694**
BROKEN OUT BY CATEGORY			
Total assigned to segments	$ 1,950,373	$ 405,733	$ 2,356,106
Total assigned to general	$ -	$ 63,587	$ 63,587
Total assigned to other	$ -	$ -	$ -
TOTAL	**$ 1,950,373**	**$ 469,321**	**$ 2,419,694**
CATEGORY AS A PERCENT			
Total assigned to segment	80.6%	16.8%	97.4%
Total assigned to general	0.0%	2.6%	2.6%
Total assigned to other pgms.	0.0%	0.0%	0.0%
TOTAL	**80.6%**	**19.4%**	**100.0%**
Total non-regional utility cost	**$ 1,950,373**	**$ 469,321**	**$ 2,419,694**

NOTES:

1) Incentives are accounted for on a cash basis and will not match de-rated incentive expenditures amounts.
2) Costs associated with gas programs in support of regional initiatives appear in this table but are excluded from other tables.

Table 1EG Electric Utility Costs Aggregated by Programs and Customer Segments

	Incentives[1]	Implementation	TOTAL
SEGMENTS			
Commercial/Industrial	$ 3,932,986	$ 993,266	$ 4,926,252
Limited Income	$ 696,825	$ 54,693	$ 751,518
Residential	$ 453,512	$ 397,671	$ 851,183
GENERAL			
General (Implementation)	$ -	$ 390,386	$ 390,386
OTHER EXPENDITURES			
Regional[2]	$ -	$ 642,207	$ 642,207
TOTAL	**$ 5,083,323**	**$ 2,478,224**	**$ 7,561,547**
BROKEN OUT BY CATEGORY			
Total assigned to segments	$ 5,083,323	$ 1,445,631	$ 6,528,953
Total assigned to general	$ -	$ 390,386	$ 390,386
Total assigned to other	$ -	$ 642,207	$ 642,207
TOTAL	**$ 5,083,323**	**$ 2,478,224**	**$ 7,561,547**
CATEGORY AS A PERCENT			
Total assigned to segment	67.2%	19.1%	86.3%
Total assigned to general	0.0%	5.2%	5.2%
Total assigned to other pgms.	0.0%	8.5%	8.5%
TOTAL	**67.2%**	**32.8%**	**100.0%**
Total non-regional utility cost	**$ 5,083,323**	**$ 1,836,017**	**$ 6,919,339**

NOTES:

1) Incentives are accounted for on a cash basis and will not match de-rated incentive expenditures amounts.
2) Costs associated with gas programs in support of regional initiatives appear in this table but are excluded from other tables.

Table 2E **Assignment of Non-Regional Electric Utility Costs to Customer Segments**

	Directly charged incentive cost [A]	Directly charged implementation cost [B]	Assigned general cost [C]	Total directly charged costs [D]	Total assigned general cost [E]	Total utility cost [F]
Commercial/Industrial	$ 2,719,420	$ 734,011	$ 286,190	$ 3,453,430	$ 286,190	$ 3,739,620
Limited Income	$ 201,482	$ 40,007	$ 11,946	$ 241,489	$ 11,946	$ 253,435
Residential	$ 212,048	$ 265,880	$ 28,663	$ 477,928	$ 28,663	$ 506,591
	$ 3,132,950	$ 1,039,897	$ 326,799	$ 4,172,847	$ 326,799	$ 4,499,646

Table 2G **Assignment of Non-Regional Gas Utility Costs to Customer Segments**

	Directly charged incentive cost [A]	Directly charged implementation cost [B]	Assigned general cost [C]	Total directly charged costs [D]	Total assigned general cost [E]	Total utility cost [F]
Commercial/Industrial	$ 1,213,566	$ 259,256	$ 50,256	$ 1,472,822	$ 50,256	$ 1,523,077
Limited Income	$ 495,343	$ 14,686	$ 3,142	$ 510,029	$ 3,142	$ 513,171
Residential	$ 241,464	$ 131,791	$ 10,190	$ 373,255	$ 10,190	$ 383,445
	$ 1,950,373	$ 405,733	$ 63,587	$ 2,356,106	$ 63,587	$ 2,419,694

NOTES:

Column [A] Represents direct cash incentives. This does not reconcile to accrued incentives used for cost-effectiveness calculations.

Column [B] Represents implementation costs that were charged directly to each customer segment.

Column [C] General costs have been assigned to customer segments based upon that segments share of energy acquired during 2005.

Column [D] The sum of directly assigned implementation and cash incentive costs.

Column [E] Equal to Column [C].

Column [F] The total utility cost, including incentives but excluding costs associated with regional programs for each customer segment.

Table 3E — Allocation of Incentive and Non-Incentive (Non-Regional) Electric Utility Costs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	TOTAL $	% of Portfolio
Commercial/Industrial	$ 3,073	$ 150,738	$ 1,528,913	$ 691,251	$ 1,178,388	$ 40,111	$ 417	$ 112,532	$ 34,198	$ 3,739,620	83.1%
Limited Income	$ 63,530	$ -	$ 170,477	$ -	$ -	$ -	$ -	$ -	$ 19,428	$ 253,435	5.6%
Residential	$ 53,518	$ -	$ 413,008	$ -	$ -	$ -	$ -	$ -	$ 40,065	$ 506,591	11.3%
TOTAL $	$ 120,121	$ 150,738	$ 2,112,398	$ 691,251	$ 1,178,388	$ 40,111	$ 417	$ 112,532	$ 93,691	$ 4,499,646	100.0%
% of portfolio	2.7%	3.3%	46.9%	15.4%	26.2%	0.9%	0.0%	2.5%	2.1%	100.0%	

NOTES:

Incentives are de-rated for degree of project completion to match recognition of kWh and therm claims.

Costs associated with regional programs are excluded from this table, and are excluded from all cost-effectiveness calculations.

Table 3G — Allocation of Incentive and Non-Incentive (Non-Regional) Gas Utility Costs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	TOTAL $	% of Portfolio
Commercial/Industrial	$ 77,083	$ -	$ 534,206	$ 3,756	$ (121)	$ 226	$ -	$ 713,268	$ 194,659	$ 1,523,077	62.9%
Limited Income	$ (212,004)	$ -	$ (76,717)	$ -	$ -	$ -	$ -	$ -	$ 801,892	$ 513,171	21.2%
Residential	$ 10,752	$ -	$ 166,736	$ -	$ -	$ -	$ -	$ -	$ 205,957	$ 383,445	15.8%
TOTAL $	$ (124,168)	$ -	$ 624,225	$ 3,756	$ (121)	$ 226	$ -	$ 713,268	$ 1,202,508	$ 2,419,694	100.0%
% of portfolio	-5.1%	0.0%	25.8%	0.2%	0.0%	0.0%	0.0%	29.5%	49.7%	100.0%	

NOTES:

Incentives are de-rated for degree of project completion to match recognition of kWh and therm claims.

Costs associated with regional programs are excluded from this table, and are excluded from all cost-effectiveness calculations.

Table 4E

Allocation of Electric Direct Incentives Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	TOTAL $	% of Portfolio
Commercial/Industrial	$ 2,235	$ 109,615	$ 1,111,812	$ 502,672	$ 856,914	$ 29,168	$ 303	$ 81,832	$ 24,869	$ 2,719,420	86.8%
Limited Income	$ 50,506	$ -	$ 135,530	$ -	$ -	$ -	$ -	$ -	$ 15,446	$ 201,482	6.4%
Residential	$ 22,402	$ -	$ 172,876	$ -	$ -	$ -	$ -	$ -	$ 16,770	$ 212,048	6.8%
TOTAL $	$ 75,143	$ 109,615	$ 1,420,219	$ 502,672	$ 856,914	$ 29,168	$ 303	$ 81,832	$ 57,085	$ 3,132,950	100.0%
% of portfolio	2.4%	3.5%	45.3%	16.0%	27.4%	0.9%	0.0%	2.6%	1.8%	100.0%	

NOTES:

Incentives represented in this table are calculated on a cash basis

Table 4G

Allocation of Gas Direct Incentives Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	TOTAL $	% of Portfolio
Commercial/Industrial	$ 61,419	$ -	$ 425,648	$ 2,993	$ (97)	$ 180	$ -	$ 568,322	$ 155,101	$ 1,213,566	62.2%
Limited Income	$ (204,639)	$ -	$ (74,052)	$ -	$ -	$ -	$ -	$ -	$ 774,034	$ 495,343	25.4%
Residential	$ 6,771	$ -	$ 104,998	$ -	$ -	$ -	$ -	$ -	$ 129,696	$ 241,464	12.4%
TOTAL $	$ (136,449)	$ -	$ 456,593	$ 2,993	$ (97)	$ 180	$ -	$ 568,322	$ 1,058,831	$ 1,950,373	100.0%
% of portfolio	-7.0%	0.0%	23.4%	0.2%	0.0%	0.0%	0.0%	29.1%	54.3%	100.0%	

NOTES:

Incentives represented in this table are calculated on a cash basis

Table 5E (ID) Allocation of Electric Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	36,448	1,121,535	1,903,124	7,496,923	3,184,651	628,658	3,686	-	85,804	14,460,827	82.7%
Limited Income	28,159	-	51,025	-	-	-	-	-	-	79,184	0.5%
Residential	138,899	-	2,633,752	-	-	-	-	-	181,310	2,953,961	16.9%
TOTAL kWh	203,506	1,121,535	4,587,901	7,496,923	3,184,651	628,658	3,686	-	267,114	17,493,972	100.0%
% of portfolio	1.2%	6.4%	26.2%	42.9%	18.2%	3.6%	0.0%	0.0%	1.5%	100.0%	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to electric programs (arising from joint or interactive savings effects).

Table 5E (WA) Allocation of Electric Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	5,466	934,497	18,950,915	1,931,591	12,888,307	(81,558)	2,000	1,534,909	380,655	36,546,782	89.7%
Limited Income	505,565	-	1,381,180	-	-	-	-	-	163,221	2,049,966	5.0%
Residential	400,794	-	1,531,146	-	-	-	-	-	222,713	2,154,653	5.3%
TOTAL kWh	911,825	934,497	21,863,241	1,931,591	12,888,307	(81,558)	2,000	1,534,909	766,589	40,751,400	100.0%
% of portfolio	2.2%	2.3%	53.7%	4.7%	31.6%	-0.2%	0.0%	3.8%	1.9%	100.0%	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to electric programs (arising from joint or interactive savings effects).

Table 5G (ID) Allocation of Electric Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	-	-	1,709	-	-	-	-	-	3,995	5,704	18.3%
Limited Income	-	-	-	-	-	-	-	-	-	-	0.0%
Residential	-	-	-	-	-	-	-	-	25,508	25,508	81.7%
TOTAL kWh	-	-	1,709	-	-	-	-	-	29,503	31,212	100.0%
% of portfolio	0.0%	0.0%	5.5%	0.0%	0.0%	0.0%	0.0%	0.0%	94.5%	100.0%	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to gas programs.

Table 5G (WA) Allocation of Electric Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	(49,570)	-	(91,093)	-	-	-	-	-	1,695	(138,968)	487.6%
Limited Income	-	-	-	-	-	-	-	-	-	-	0.0%
Residential	-	-	-	-	-	-	-	-	110,466	110,466	-387.6%
TOTAL kWh	(49,570)	-	(91,093)	-	-	-	-	-	112,161	(28,502)	100.0%
% of portfolio	173.9%	0.0%	319.6%	0.0%	0.0%	0.0%	0.0%	0.0%	-393.5%	100.0%	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to gas programs.

Table 5E — Allocation of Electric Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	41,915	2,056,032	20,854,039	9,428,514	16,072,958	547,099	5,685	1,534,909	466,459	**51,007,609**	**87.6%**
Limited Income	533,724	-	1,432,205	-	-	-	-	-	163,221	**2,129,150**	**3.7%**
Residential	539,693	-	4,164,898	-	-	-	-	-	404,023	**5,108,614**	**8.8%**
TOTAL kWh	**1,115,332**	**2,056,032**	**26,451,142**	**9,428,514**	**16,072,958**	**547,099**	**5,685**	**1,534,909**	**1,033,702**	**58,245,373**	**100.0%**
% of portfolio	**1.9%**	**3.5%**	**45.4%**	**16.2%**	**27.6%**	**0.9%**	**0.0%**	**2.6%**	**1.8%**	**100.0%**	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to electric programs (arising from joint or interactive savings effects).

Table 5G — Allocation of Electric Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	(49,570)	-	(89,384)	-	-	-	-	-	5,690	**(133,264)**	**-4917.0%**
Limited Income	-	-	-	-	-	-	-	-	-	**-**	**0.0%**
Residential	-	-	-	-	-	-	-	-	135,974	**135,974**	**5017.0%**
TOTAL kWh	**(49,570)**	**-**	**(89,384)**	**-**	**-**	**-**	**-**	**-**	**141,664**	**2,710**	**100.0%**
% of portfolio	**-1829.0%**	**0.0%**	**-3298.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**5227.0%**	**100.0%**	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to gas programs.

Table 6E (ID) Allocation of Gas Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	(771)	-	(1,650)	-	(17,990)	-	-	-	-	(20,411)	58.1%
Limited Income	-	-	-	-	-	-	-	-	-	-	0.0%
Residential	-	-	(14,720)	-	-	-	-	-	-	(14,720)	41.9%
TOTAL therms	(771)	-	(16,370)	-	(17,990)	-	-	-	-	(35,131)	100.0%
% of portfolio	2.2%	0.0%	46.6%	0.0%	51.2%	0.0%	0.0%	0.0%	0.0%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therms savings attributable to electric programs (arising from joint or interactive savings effects).

Table 6E (WA) Allocation of Gas Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	(43)	-	(14,158)	(4,424)	(66,850)	-	-	-	-	(85,473)	100.0%
Limited Income	-	-	-	-	-	-	-	-	-	-	0.0%
Residential	-	-	-	-	-	-	-	-	-	-	0.0%
TOTAL therms	(43)	-	(14,158)	(4,424)	(66,850)	-	-	-	-	(85,473)	100.0%
% of portfolio	0.0%	0.0%	16.6%	5.2%	78.2%	0.0%	0.0%	0.0%	0.0%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therms savings attributable to electric programs (arising from joint or interactive savings effects).

Table 6G (ID) Allocation of Gas Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	1,067	-	79,128	-	(332)	129	-	-	17,356	97,348	60.9%
Limited Income	350	-	1,725	-	-	-	-	-	2,344	4,419	2.8%
Residential	1,369	-	25,332	-	-	-	-	-	31,402	58,103	36.3%
TOTAL therms	2,786	-	106,185	-	(332)	129	-	-	51,102	159,870	100.0%
% of portfolio	1.7%	0.0%	66.4%	0.0%	-0.2%	0.1%	0.0%	0.0%	32.0%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therm savings attributable to gas programs.

Table 6G (WA) Allocation of Gas Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	42,932	-	225,793	2,144	263	-	-	407,129	93,754	772,015	82.1%
Limited Income	(22,803)	-	(9,850)	-	-	-	-	-	82,583	49,930	5.3%
Residential	3,574	-	51,318	-	-	-	-	-	63,278	118,170	12.6%
TOTAL therms	23,703	-	267,261	2,144	263	-	-	407,129	239,615	940,115	100.0%
% of portfolio	2.5%	0.0%	28.4%	0.2%	0.0%	0.0%	0.0%	43.3%	25.5%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therm savings attributable to gas programs.

Table 6E — Allocation of Gas Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	(814)	-	(15,808)	(4,424)	(84,839)	-	-	-	-	(105,884)	87.8%
Limited Income	-	-	-	-	-	-	-	-	-	-	0.0%
Residential	-	-	(14,720)	-	-	-	-	-	-	(14,720)	12.2%
TOTAL therms	(814)	-	(30,528)	(4,424)	(84,839)	-	-	-	-	(120,604)	100.0%
% of portfolio	0.7%	0.0%	25.3%	3.7%	70.3%	0.0%	0.0%	0.0%	0.0%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therms savings attributable to electric programs (arising from joint or interactive savings effects).

Table 6G — Allocation of Gas Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	43,999	-	304,922	2,144	(69)	129	-	407,129	111,110	869,363	79.0%
Limited Income	(22,453)	-	(8,125)	-	-	-	-	-	84,927	54,349	4.9%
Residential	4,943	-	76,650	-	-	-	-	-	94,680	176,273	16.0%
TOTAL therms	26,489	-	373,447	2,144	(69)	129	-	407,129	290,717	1,099,985	100.0%
% of portfolio	2.4%	0.0%	34.0%	0.2%	0.0%	0.0%	0.0%	37.0%	26.4%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therm savings attributable to gas programs.

Table 7E

Allocation of Electric Non-Energy Benefits Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	$ 1,964	$ 3,109	$ 13,871	$ 12,063,324	$ 2,770,440	$ 2,194	$ 2,417	$ -	$ 6,640	$ 14,863,959	100.0%
Limited Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Residential	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
TOTAL	$ 1,964	$ 3,109	$ 13,871	$ 12,063,324	$ 2,770,440	$ 2,194	$ 2,417	$ -	$ 6,640	$ 14,863,959	100.0%
% of portfolio	0.0%	0.0%	0.1%	81.2%	18.6%	0.0%	0.0%	0.0%	0.0%	100.0%	

NOTES:

This table does not include non-energy benefits which were not sufficiently quantifiable to be claimed as part of the project benefits.

Table 7G

Allocation of Gas Non-Energy Benefits Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	$ 2,859	$ -	$ (50,880)	$ -	$ 1,714	$ -	$ -	$ -	$ 53,494	$ 7,186	5.3%
Limited Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Residential	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 129,103	$ 129,103	94.7%
TOTAL	$ 2,859	$ -	$ (50,880)	$ -	$ 1,714	$ -	$ -	$ -	$ 182,597	$ 136,290	100.0%
% of portfolio	2.1%	0.0%	-37.3%	0.0%	1.3%	0.0%	0.0%	0.0%	134.0%	100.0%	

NOTES:

This table does not include non-energy benefits which were not sufficiently quantifiable to be claimed as part of the project benefits.

Table 8E

Allocation of Electric Customer Costs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	$ 2,211	$ 271,533	$ 6,894,568	$ 16,520,093	$ 6,815,128	$ 611,496	$ 19,247	$ -	$ 300,704	$ 31,434,980	96.6%
Limited Income	$ 143,824	$ -	$ 98,678	$ -	$ -	$ -	$ -	$ -	$ 69,133	$ 311,636	1.0%
Residential	$ 88,700	$ -	$ 608,055	$ -	$ -	$ -	$ -	$ -	$ 99,475	$ 796,230	2.4%
TOTAL	$ 234,735	$ 271,533	$ 7,601,301	$ 16,520,093	$ 6,815,128	$ 611,496	$ 19,247	$ -	$ 469,312	$ 32,542,845	100.0%
% of portfolio	0.7%	0.8%	23.4%	50.8%	20.9%	1.9%	0.1%	0.0%	1.4%	100.0%	

Table 8G

Allocation of Gas Customer Costs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Resource Management	Shell	Total	% of Portfolio
Commercial/Industrial	$ 189,918	$ -	$ 2,082,412	$ 24,144	$ 14,814	$ 563	$ -	$ -	$ 939,646	$ 3,251,497	63.0%
Limited Income	$ 26,142	$ -	$ 158,901	$ -	$ -	$ -	$ -	$ -	$ 265,066	$ 450,109	8.7%
Residential	$ 24,600	$ -	$ 810,600	$ -	$ -	$ -	$ -	$ -	$ 621,283	$ 1,456,483	28.2%
TOTAL	$ 240,660	$ -	$ 3,051,913	$ 24,144	$ 14,814	$ 563	$ -	$ -	$ 1,825,995	$ 5,158,088	100.0%
% of portfolio	4.7%	0.0%	59.2%	0.5%	0.3%	0.0%	0.0%	0.0%	35.4%	100.0%	

Table 9E (ID) **Electric Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	4.46	3.17	8.17	0.81
Limited Income	1.36	1.36	NA	0.48
Residential	3.49	12.14	5.38	0.84
PORTFOLIO	4.36	3.65	7.87	0.82

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9G (ID) **Gas Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	0.79	3.27	1.86	0.64
Limited Income	0.27	0.27	NA	0.20
Residential	1.09	4.52	2.18	0.55
PORTFOLIO	0.85	2.74	2.08	0.57

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9E (WA) Electric Cost-Effectiveness Benefit/Cost Statistics by Customer Segment

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial*	0.64	3.24	0.73	0.79
Limited Income	3.02	3.02	NA	0.57
Residential	2.40	6.75	5.18	0.65
PORTFOLIO	0.69	3.33	0.85	0.76

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.
*With the large industrial process project pulled out (high customer cost, no non-energy benefits), the CI TRC would be 0.93 and the portfolio TRC for Washington electric would be 0.99

Table 9G (WA) Gas Cost-Effectiveness Benefit/Cost Statistics by Customer Segment

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	1.20	3.41	2.13	0.66
Limited Income	1.34	1.34	NA	0.43
Residential	0.99	4.34	1.89	0.55
PORTFOLIO	1.16	3.08	2.31	0.61

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9E (ID) Electric Cost-Effectiveness Benefit/Cost Statistics by Customer Segment

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	4.46	3.17	8.17	0.81
Limited Income	1.36	1.36	NA	0.48
Residential	3.49	12.13	5.38	0.84
PORTFOLIO	4.36	3.65	7.87	0.82

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9G (ID) Gas Cost-Effectiveness Benefit/Cost Statistics by Customer Segment

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	0.80	3.29	1.86	0.64
Limited Income	0.27	0.27	NA	0.20
Residential	1.09	4.54	2.18	0.56
PORTFOLIO	0.85	2.75	2.08	0.57

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9E (WA) **Electric Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial*	0.64	3.24	0.73	0.79
Limited Income	3.02	3.02	NA	0.57
Residential	2.40	6.75	5.18	0.65
PORTFOLIO	0.69	3.33	0.85	0.76

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.
*With the large industrial process project pulled out (high customer cost, no non-energy benefits), the CI TRC would be 0.93 and the portfolio TRC for Washington electric would be 0.99.

Table 9G (WA) **Gas Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	1.20	3.42	2.13	0.66
Limited Income	1.35	1.35	NA	0.43
Residential	1.00	4.36	1.89	0.55
PORTFOLIO	1.16	3.09	2.31	0.61

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9E Electric Cost-Effectiveness Benefit/Cost Statistics by Customer Segment

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	1.14	3.22	1.37	0.81
Limited Income	2.89	2.89	NA	0.57
Residential	2.77	8.80	5.57	0.67
PORTFOLIO	1.20	3.42	1.53	0.78

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9G Gas Cost-Effectiveness Benefit/Cost Statistics by Customer Segment

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	1.14	3.40	2.09	0.66
Limited Income**	1.06	1.06	NA	0.40
Residential	1.03	4.42	1.97	0.55
PORTFOLIO	1.10	3.01	2.27	0.60

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.
**Prior to adjustment on 2004 activity, the Limited Income TRC would be 1.82 for 2005.

Table 10E Electric Cost-Effectiveness Benefit/Cost Statistics by Technology

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Appliances	1.47	1.91	9.20	0.50
Compressed Air	2.23	5.35	3.31	0.95
HVAC	1.71	7.30	2.17	0.90
Industrial Process	0.99	5.49	1.00	0.97
Lighting	1.11	1.22	2.89	0.52
Motors	0.42	3.73	0.47	0.79
Renewables	0.27	3.38	0.33	0.59
Resource Management	6.16	6.16	NA	6.16
Shell	1.14	3.81	2.18	0.62
PORTFOLIO	1.20	3.42	1.53	0.78

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 10G Gas Cost-Effectiveness Benefit/Cost Statistics by Technology

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Appliances	0.31	0.45	1.59	0.28
Compressed Air	NA	NA	NA	NA
HVAC	0.88	2.92	1.88	0.56
Industrial Process	0.55	4.54	1.05	0.53
Lighting	0.10	10.39	0.09	0.83
Motors	1.34	2.47	3.83	0.59
Renewables	NA	NA	NA	NA
Resource Management	4.13	4.13	NA	4.13
Shell	1.30	3.47	3.04	0.54
PORTFOLIO	1.10	3.01	2.27	0.60

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 11E

Electric Net Benefits by Customer Segment

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	$ 4,518,259	$ 15,370,356	$ 9,593,646	$ (5,451,067)
Limited Income	$ 684,738	$ 684,738	$ 1,481,552	$ (796,814)
Residential	$ 1,622,962	$ 2,250,942	$ 2,870,965	$ (1,290,032)
PORTFOLIO	$ 6,825,959	$ 18,306,035	$ 13,946,162	$ (7,537,913)

NOTES:

Costs and benefits included in each cost-effectiveness test are detailed in Table 13.
Costs associated with regional programs are excluded from all cost-effectiveness calculations.

Table 11G

Gas Net Benefits by Customer Segment

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	$ 491,318	$ 2,897,126	$ 2,628,683	$ (2,148,082)
Limited Income	$ 30,407	$ 30,407	$ 790,004	$ (759,597)
Residential	$ 38,372	$ 1,114,625	$ 1,174,090	$ (1,108,133)
PORTFOLIO	$ 560,096	$ 4,042,157	$ 4,592,777	$ (4,015,813)

NOTES:

Costs and benefits included in each cost-effectiveness test are detailed in Table 13.
Costs associated with regional programs are excluded from all cost-effectiveness calculations.

Table 12E — Electric Net Benefits by Technology

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Appliances	$ 121,668	$ 181,228	$ 504,249	$ (384,859)
Compressed Air	$ 394,018	$ 577,978	$ 431,613	$ (37,595)
HVAC	$ 5,841,001	$ 12,125,337	$ 7,387,365	$ (1,651,498)
Industrial Process	$ (173,036)	$ 3,684,178	$ (64,216)	$ (128,130)
Lighting	$ 758,018	$ 944,635	$ 5,581,684	$ (5,114,653)
Motors	$ (359,082)	$ 192,561	$ (290,970)	$ (68,112)
Renewables	$ (14,230)	$ 1,924	$ (12,358)	$ (1,871)
Resource Management	$ 186,124	$ 186,124	$ -	$ 186,124
Shell	$ 304,134	$ 412,070	$ 408,796	$ (337,319)
PORTFOLIO	$ 6,825,959	$ 18,306,035	$ 13,946,162	$ (7,537,913)

NOTES:

Costs and benefits included in each cost-effectiveness test are detailed in Table 13.
Regional program costs and benefits are excluded from all cost-effectiveness calculations.

Table 12G — Gas Net Benefits by Technology

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Appliances	$ (174,246)	$ (90,269)	$ 50,926	$ (229,004)
Compressed Air	$ -	$ -	$ -	$ -
HVAC	$ (377,432)	$ 1,897,751	$ 1,966,317	$ (2,351,473)
Industrial Process	$ (11,257)	$ 10,759	$ 1,144	$ (12,401)
Lighting	$ (13,378)	$ (277)	$ (13,442)	$ 64
Motors	$ 213	$ 494	$ 797	$ (584)
Renewables	$ -	$ -	$ -	$ -
Resource Management	$ 543,852	$ 543,852	$ -	$ 543,852
Shell	$ 592,344	$ 1,679,847	$ 2,587,035	$ (1,966,266)
PORTFOLIO	$ 560,096	$ 403,937	$ 4,592,777	$ (4,015,813)

NOTES:

Costs and benefits included in each cost-effectiveness test are detailed in Table 13.
Regional program costs and benefits are excluded from all cost-effectiveness calculations.

Table 13E — Summary of Electric Cost-Effectiveness Tests and Descriptive Statistics

Total Resource Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 25,475,726	$ 1,046,456	$ 26,522,182
Non-Energy benefits	$ 14,863,959	$ -	$ 14,863,959
Natural Gas avoided cost	$ (647,249)	$ -	$ (647,249)
TRC benefits	$ 39,692,436	$ 1,046,456	$ 40,738,892
Non-incentive utility cost	$ 1,320,005	$ 50,083	$ 1,370,088
Customer cost	$ 32,231,210	$ 311,636	$ 32,542,845
TRC costs	$ 33,551,215	$ 361,719	$ 33,912,934
TRC ratio	**1.18**	**2.89**	**1.20**
Net TRC benefits	**$ 6,141,221**	**$ 684,738**	**$ 6,825,959**

Utility Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 25,475,726	$ 1,046,456	$ 26,522,182
Natural Gas avoided cost	$ (647,249)	$ -	$ (647,249)
UCT benefits	$ 24,828,477	$ 1,046,456	$ 25,874,933
Non-incentive utility cost	$ 1,320,005	$ 50,083	$ 1,370,088
Incentive cost	$ 5,887,174	$ 311,636	$ 6,198,809
UCT costs	$ 7,207,179	$ 361,719	$ 7,568,898
UCT ratio	**3.44**	**2.89**	**3.42**
Net UCT benefits	**$ 17,621,298**	**$ 684,738**	**$ 18,306,035**

Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric Bill Reduction	$ 25,009,646	$ 1,481,552	$ 26,491,198
Gas Bill Reduction	$ (1,064,959)	$ -	$ (1,064,959)
Non-Energy benefits	$ 14,863,959	$ -	$ 14,863,959
Participant benefits	$ 38,808,646	$ 1,481,552	$ 40,290,198
Customer project cost	$ 32,231,210	$ 311,636	$ 32,542,845
Incentive received	$ (5,887,174)	$ (311,636)	$ (6,198,809)
Participant costs	$ 26,344,036	$ -	$ 26,344,036
Participant Test ratio	**1.47**	**NA**	**1.53**
Net Participant benefits	**$ 12,464,610**	**$ 1,481,552**	**$ 13,946,162**

Electric Non-Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost savings	$ 25,475,726	$ 1,046,456	$ 26,522,182
Non-Participant benefits	$ 25,475,726	$ 1,046,456	$ 26,522,182
Electric Revenue loss	$ 25,009,646	$ 1,481,552	$ 26,491,198
Non-incentive utility cost	$ 1,320,005	$ 50,083	$ 1,370,088
Customer incentives	$ 5,887,174	$ 311,636	$ 6,198,809
Non-Participant costs	$ 32,216,824	$ 1,843,271	$ 34,060,095
Non-Part. ratio	**0.79**	**0.57**	**0.78**
Net Non-Part. benefits	**$ (6,741,099)**	**$ (796,814)**	**$ (7,537,913)**

Descriptive Statistics	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Annual kWh savings	56,116,223	2,129,150	58,245,373
Annual therm savings	(120,604)	-	(120,604)
Levelized TRC cost per kWh	$ 0.0592	$ 0.0168	$ 0.0577
Levelized UCT cost per kWh	$ 0.0127	$ 0.0168	$ 0.0129

NOTES:

Costs associated with membership in regional programs are excluded from all cost-effectiveness calculations.

"N/A" is listed for segments with benefits, but no costs.

Table 13G — Summary of Gas Cost-Effectiveness Tests and Descriptive Statistics

Total Resource Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 13,259	$ -	$ 13,259
Non-Energy benefits	$ 136,290	$ -	$ 136,290
Natural Gas avoided cost	$ 5,534,253	$ 503,704	$ 6,037,956
TRC benefits	$ 5,683,801	$ 503,704	$ 6,187,505
Non-incentive utility cost	$ 446,132	$ 23,189	$ 469,321
Customer cost	$ 4,707,980	$ 450,109	$ 5,158,088
TRC costs	$ 5,154,112	$ 473,297	$ 5,627,409
TRC ratio	**1.10**	**1.06**	**1.10**
Net TRC benefits	**$ 529,689**	**$ 30,407**	**$ 560,096**

Utility Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 13,259	$ -	$ 13,259
Natural Gas avoided cost	$ 5,534,253	$ 503,704	$ 6,037,956
UCT benefits	$ 5,547,511	$ 503,704	$ 6,051,215
Non-incentive utility cost	$ 446,132	$ 23,189	$ 469,321
Incentive cost	$ 1,089,629	$ 450,109	$ 1,539,737
UCT costs	$ 1,535,760	$ 473,297	$ 2,009,058
UCT ratio	**3.61**	**1.06**	**3.01**
Net UCT benefits	**$ 4,011,751**	**$ 30,407**	**$ 4,042,157**

Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric Bill Reduction	$ 30,127	$ -	$ 30,127
Gas Bill Reduction	$ 7,254,707	$ 790,004	$ 8,044,711
Non-Energy benefits	$ 136,290	$ -	$ 136,290
Participant benefits	$ 7,421,124	$ 790,004	$ 8,211,128
Customer project cost	$ 4,707,980	$ 450,109	$ 5,158,088
Incentive received	$ (1,089,629)	$ (450,109)	$ (1,539,737)
Participant costs	$ 3,618,351	$ -	$ 3,618,351
Participant Test ratio	**2.05**	**NA**	**2.27**
Net Participant benefits	**$ 3,802,773**	**$ 790,004**	**$ 4,592,777**

Gas Non-Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Gas avoided cost savings	$ 5,534,253	$ 503,704	$ 6,037,956
Non-Part benefits	$ 5,534,253	$ 503,704	$ 6,037,956
Gas Revenue loss	$ 7,254,707	$ 790,004	$ 8,044,711
Non-incentive utility cost	$ 446,132	$ 23,189	$ 469,321
Customer incentives	$ 1,089,629	$ 450,109	$ 1,539,737
Non-Part costs	$ 8,790,468	$ 1,263,301	$ 10,053,769
Non-Part. ratio	**0.63**	**0.40**	**0.60**
Net Non-Part. benefits	**$ (3,256,215)**	**$ (759,597)**	**$ (4,015,813)**

Descriptive Statistics	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Annual kWh savings	2,710	-	2,710
Annual therm savings	1,045,636	54,349	1,099,985
Levelized TRC cost per therm	$ 0.488	$ 0.862	$ 0.507
Levelized UCT cost per therm	$ 0.145	$ 0.862	$ 0.181

NOTES:

Costs associated with membership in regional programs are excluded from all cost-effectiveness calculations.

"N/A" is listed for segments with benefits, but no costs.

Table 13EG — Summary of Combined Gas and Electric Cost-Effectiveness Tests and Descriptive Statistics

Total Resource Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 25,488,984	$ 1,046,456	$ 26,535,441
Non-Energy benefits	$ 15,000,249	$ -	$ 15,000,249
Natural Gas avoided cost	$ 4,887,004	$ 503,704	$ 5,390,708
TRC benefits	$ 45,376,237	$ 1,550,160	$ 46,926,397
Non-incentive utility cost	$ 1,766,137	$ 73,272	$ 1,839,409
Customer cost	$ 36,939,189	$ 761,744	$ 37,700,934
TRC costs	$ 38,705,326	$ 835,016	$ 39,540,343
TRC ratio	**1.17**	**1.86**	**1.19**
Net TRC benefits	**$ 6,670,910**	**$ 715,144**	**$ 7,386,055**

Utility Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 25,488,984	$ 1,046,456	$ 26,535,441
Natural Gas avoided cost	$ 4,887,004	$ 503,704	$ 5,390,708
UCT benefits	$ 30,375,988	$ 1,550,160	$ 31,926,148
Non-incentive utility cost	$ 1,766,137	$ 73,272	$ 1,839,409
Incentive cost	$ 6,976,802	$ 761,744	$ 7,738,547
UCT costs	$ 8,742,939	$ 835,016	$ 9,577,956
UCT ratio	**3.47**	**1.86**	**3.33**
Net UCT benefits	**$ 21,633,049**	**$ 715,144**	**$ 22,348,193**

Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric Bill Reduction	$ 25,039,773	$ 1,481,552	$ 26,521,325
Gas Bill Reduction	$ 6,189,749	$ 790,004	$ 6,979,753
Non-Energy benefits	$ 15,000,249	$ -	$ 15,000,249
Participant benefits	$ 46,229,770	$ 2,271,556	$ 48,501,326
Customer project cost	$ 36,939,189	$ 761,744	$ 37,700,934
Incentive received	$ (6,976,802)	$ (761,744)	$ (7,738,547)
Participant costs	$ 29,962,387	$ -	$ 29,962,387
Participant Test ratio	**1.54**	**NA**	**1.62**
Net Participant benefits	**$ 16,267,383**	**$ 2,271,556**	**$ 18,538,939**

Gas and Electric Non-Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Gas avoided cost savings	$ 5,534,253	$ 503,704	$ 6,037,956
Electric avoided cost savings	$ 25,475,726	$ 1,046,456	$ 26,522,182
Non-Part benefits	$ 31,009,978	$ 1,550,160	$ 32,560,139
Gas Revenue loss	$ 7,254,707	$ 790,004	$ 8,044,711
Electric Revenue loss	$ 25,009,646	$ 1,481,552	$ 26,491,198
Non-incentive utility cost	$ 1,766,137	$ 73,272	$ 1,839,409
Customer incentives	$ 6,976,802	$ 761,744	$ 7,738,547
Non-Part costs	$ 41,007,292	$ 3,106,572	$ 44,113,864
Non-Part. ratio	**0.76**	**0.50**	**0.74**
Net Non-Part. benefits	**$ (9,997,314)**	**$ (1,556,412)**	**$ (11,553,726)**

Descriptive Statistics	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Annual kWh savings	56,118,933	2,129,150	58,248,083
Annual therm savings	925,032	54,349	979,381

NOTES:

Costs associated with membership in regional programs are excluded from all cost-effectiveness calculations.

"N/A" is listed for segments with benefits, but no costs.

Table 14E — **Tariff Rider Balances**

	January	February	March	April	May	June	July	August	September	October	November	December	1-1-05 to 12-31-05
WASHINGTON ELECTRIC TARIFF RIDER													
Actual WA Rev	$ 432,278	$ 425,962	$ 379,950	$ 354,355	$ 336,614	$ 333,754	$ 339,310	$ 369,325	$ 360,240	$ 355,874	$ 353,592	$ 446,238	$ 4,487,492
Actual WA Exp	$ 191,566	$ 257,324	$ 514,072	$ 344,514	$ 207,499	$ 146,044	$ 118,767	$ 136,335	$ 418,301	$ 485,324	$ 330,771	$ 392,717	$ 3,543,234
Adjustments													$ -
Balance reduction	$ (240,712)	$ (168,637)	$ 134,122	$ (9,841)	$ (129,116)	$ (187,710)	$ (220,543)	$ (232,990)	$ 58,061	$ 129,450	$ (22,821)	$ (53,522)	$ 944,258
Starting balance	$ 1,935,118	$ 1,694,406	$ 1,525,769	$ 1,659,891	$ 1,650,050	$ 1,520,934	$ 1,333,224	$ 1,112,681	$ 879,691	$ 937,752	$ 1,067,202	$ 1,044,381	
Ending balance	$ 1,694,406	$ 1,525,769	$ 1,659,891	$ 1,650,050	$ 1,520,934	$ 1,333,224	$ 1,112,681	$ 879,691	$ 937,752	$ 1,067,202	$ 1,044,381	$ 990,859	
IDAHO ELECTRIC TARIFF RIDER													
Actual ID Rev	$ 230,783	$ 207,043	$ 193,928	$ 196,015	$ 174,175	$ 180,931	$ 180,995	$ 198,080	$ 190,889	$ 182,031	$ 195,749	$ 245,973	$ 2,376,592
Actual ID Exp	$ 71,646	$ 110,759	$ 131,896	$ 105,424	$ 74,282	$ 43,290	$ 47,541	$ 112,572	$ 77,785	$ 160,628	$ 568,239	$ 194,556	$ 1,698,619
Adjustments													$ -
	$ (159,137)	$ (96,284)	$ (62,031)	$ (90,591)	$ (99,893)	$ (137,641)	$ (133,454)	$ (85,508)	$ (113,104)	$ (21,403)	$ 372,490	$ (51,417)	$ 677,973
Starting balance	$ (851,779)	$ (1,010,916)	$ (1,107,200)	$ (1,169,232)	$ (1,259,822)	$ (1,359,715)	$ (1,497,356)	$ (1,630,810)	$ (1,716,318)	$ (1,829,422)	$ (1,850,825)	$ (1,478,335)	
Ending balance	$ (1,010,916)	$ (1,107,200)	$ (1,169,232)	$ (1,259,822)	$ (1,359,715)	$ (1,497,356)	$ (1,630,810)	$ (1,716,318)	$ (1,829,422)	$ (1,850,825)	$ (1,478,335)	$ (1,529,752)	
COMBINED ELECTRIC TARIFF RIDERS													
Actual Rev	$ 663,061	$ 633,004	$ 573,878	$ 550,370	$ 510,789	$ 514,685	$ 520,305	$ 567,405	$ 551,129	$ 537,906	$ 549,341	$ 692,212	$ 6,864,085
Actual Exp	$ 263,212	$ 368,083	$ 645,969	$ 449,938	$ 281,781	$ 189,334	$ 166,308	$ 248,907	$ 496,086	$ 645,953	$ 899,010	$ 587,272	$ 5,241,853
Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balance reduction	$ (399,849)	$ (264,921)	$ 72,091	$ (100,432)	$ (229,008)	$ (325,351)	$ (353,997)	$ (318,499)	$ (55,043)	$ 108,047	$ 349,669	$ (104,939)	$ 1,622,231
Starting balance	$ 1,083,339	$ 683,490	$ 418,568	$ 490,659	$ 390,228	$ 161,219	$ (164,131)	$ (518,128)	$ (836,627)	$ (891,670)	$ (783,623)	$ (433,954)	
Ending balance	$ 683,490	$ 418,568	$ 490,659	$ 390,228	$ 161,219	$ (164,131)	$ (518,128)	$ (836,627)	$ (891,670)	$ (783,623)	$ (433,954)	$ (538,893)	

NOTES:

Table 14G — Tariff Rider Balances

	January	February	March	April	May	June	July	August	September	October	November	December	1-1-05 to 12-31-05
WASHINGTON GAS TARIFF RIDER													-
Actual WA Rev	$ 285,257	$ 223,390	$ 144,358	$ 113,714	$ 280,314	$ 44,836	$ 33,855	$ 26,927	$ 29,924	$ 54,948	$ 97,692	$ 205,418	$ 1,540,633
Actual WA Exp	$ 124,919	$ 59,965	$ 143,387	$ 274,166	$ 263,921	$ 95,788	$ 160,473	$ 22,905	$ 160,720	$ 170,247	$ 99,280	$ 220,117	$ 1,795,889
Adjustments													$ -
Balance reduction	$ (160,338)	$ (163,425)	$ (971)	$ 160,452	$ (16,393)	$ 50,952	$ 126,617	$ (4,021)	$ 130,796	$ 115,299	$ 1,588	$ 14,700	$ 255,257
Starting balance	$ (82,388)	$ (242,725)	$ (406,150)	$ (407,121)	$ (246,669)	$ (263,062)	$ (212,111)	$ (85,493)	$ (89,514)	$ 41,282	$ 156,581	$ 158,169	
Ending balance	$ (242,725)	$ (406,150)	$ (407,121)	$ (246,669)	$ (263,062)	$ (212,111)	$ (85,493)	$ (89,514)	$ 41,282	$ 156,581	$ 158,169	$ 172,869	
IDAHO GAS TARIFF RIDER													
Actual ID Rev	$ 47,683	$ 39,767	$ 32,138	$ 27,168	$ 16,140	$ 11,661	$ 8,113	$ 6,754	$ 8,247	$ 12,692	$ 22,645	$ 48,106	$ 281,114
Actual ID Exp	$ 16,766	$ 27,688	$ 63,435	$ 74,649	$ 15,619	$ 10,655	$ 18,872	$ 26,646	$ 165,640	$ 20,968	$ 31,780	$ 51,087	$ 523,804
Adjustments													$ -
Balance reduction	$ (30,917)	$ (12,079)	$ 31,297	$ 47,481	$ (521)	$ (1,006)	$ 10,759	$ 19,892	$ 157,393	$ 8,276	$ 9,134	$ 2,980	$ 242,691
Starting balance	$ 565,609	$ 534,693	$ 522,614	$ 553,911	$ 601,392	$ 600,871	$ 599,865	$ 610,624	$ 630,516	$ 787,909	$ 796,185	$ 805,319	
Ending balance	$ 534,693	$ 522,614	$ 553,911	$ 601,392	$ 600,871	$ 599,865	$ 610,624	$ 630,516	$ 787,909	$ 796,185	$ 805,319	$ 808,300	
COMBINED GAS TARIFF RIDERS													
Actual Rev	$ 332,939	$ 263,157	$ 176,496	$ 140,882	$ 296,454	$ 56,497	$ 41,968	$ 33,681	$ 38,171	$ 67,640	$ 120,337	$ 253,524	$ 1,821,747
Actual Exp	$ 141,685	$ 87,653	$ 206,822	$ 348,815	$ 279,540	$ 106,443	$ 179,345	$ 49,552	$ 326,360	$ 191,215	$ 131,059	$ 271,204	$ 2,319,694
Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balance reduction	$ (141,685)	$ (87,653)	$ (206,822)	$ (348,815)	$ (279,540)	$ (106,443)	$ (179,345)	$ (49,552)	$ (326,360)	$ (191,215)	$ (131,059)	$ (271,204)	$ (2,319,694)
Starting balance	$ 483,221	$ 291,967	$ 116,464	$ 146,790	$ 354,723	$ 337,809	$ 387,754	$ 525,131	$ 541,002	$ 829,191	$ 952,766	$ 963,488	
Ending balance	$ 291,967	$ 116,464	$ 146,790	$ 354,723	$ 337,809	$ 387,754	$ 525,131	$ 541,002	$ 829,191	$ 952,766	$ 963,488	$ 981,168	

NOTES:

Table 14EG

Tariff Rider Balances

	January	February	March	April	May	June	July	August	September	October	November	December	1-1-05 to 12-31-05
COMBINED GAS AND ELECTRIC TARIFF RIDERS													
Actual Rev	$ 996,001	$ 896,161	$ 750,374	$ 691,252	$ 807,243	$ 571,182	$ 562,273	$ 601,086	$ 589,301	$ 605,546	$ 669,678	$ 945,736	$ 8,685,831
Actual Exp	$ 404,898	$ 455,736	$ 852,791	$ 798,754	$ 561,321	$ 295,777	$ 345,653	$ 298,458	$ 822,446	$ 837,168	$ 1,030,069	$ 858,477	$ 7,561,547
Balance reduction	$ 996,001	$ 896,161	$ 750,374	$ 691,252	$ 807,243	$ 571,182	$ 562,273	$ 601,086	$ 589,301	$ 605,546	$ 669,678	$ 945,736	$ (697,462)
Starting balance	$ 1,566,560	$ 975,457	$ 535,032	$ 637,449	$ 744,951	$ 499,028	$ 223,623	$ 7,003	$ (295,625)	$ (62,479)	$ 169,143	$ 529,535	
Ending balance	$ 975,457	$ 535,032	$ 637,449	$ 744,951	$ 499,028	$ 223,623	$ 7,003	$ (295,625)	$ (62,479)	$ 169,143	$ 529,535	$ 442,276	

NOTES:

Table 15EG

Calculation of Energy Savings vs. Utility Expenditure Proportionality

	Adjusted Proportionality Calculation		Unadjusted Proportionality Calculation	
	Electric	Gas	Electric	Gas
Actual 1/1/05 to 12/31/05 cash expenditures	$ 5,141,853	$ 2,419,694	$ 5,141,853	$ 2,419,694
Less cash incentives	$ (3,132,950)	$ (1,950,373)	$ -	$ -
Add in derated incentives	$ 6,198,809	$ 1,539,737	$ -	$ -
Adjusted (for incentives) utility expenditures	$ 8,207,713	$ 2,009,058	$ 5,141,853	$ 2,419,694
Normalize NEEA expenditures	$ 157,793	$ -	$ -	$ -
Total adjusted utility expenditures	$ 8,365,506	$ 2,009,058	$ 5,141,853	$ 2,419,694
DSM revenues 1/1/05 to 12/31/05	$ 6,864,085	$ 1,821,747	$ 6,864,085	$ 1,821,747
Adjusted utility expenditures divided by actual revenues	122%	110%	75%	133%
Energy savings from Triple-E Report	58,245,373	1,099,985	58,245,373	1,099,985
Tariff goal	40,000,000	240,000	40,000,000	240,000
% of goal achieved	146%	458%	146%	458%
Proportionality (kWh and therm)	**119%**	**416%**	**194%**	**345%**
Proportionality (mmbtu)	**160%**		**230%**	

NOTES:

(1) Adjustments for the difference between cash incentives and those accrued as projects move through the "pipeline" (contracted to construction to completed) remove the effect of scheduling cash payment of incentives to future dates.

(2) NEEA revenues have been adjusted to equal our annual maximum contractual obligation. Regional energy savings are not reflected in this calculation.

Appendix A

Methodology for the Recognition of Benefits and Costs

The core intent of this report is to provide suitable information for management of the Company's DSM programs and for meaningful oversight by the Triple-E board as well as forming the foundation for demonstrating regulatory prudence. Key to all of those objectives is the appropriate matching of costs and benefits under varying circumstances.

As part of the process of managing the DSM programs the Company has developed a categorization process for site-specific projects as they move towards completion. This process designates a "scope", "study", "contracted", "construction" and "completed" phase. In addition there is also an "inactive" and "terminated" phase for projects that are no longer progressing towards eventual fruition. This categorization is used to identify projects under various stages of active management and to project future project completions and cash flow impacts resulting from payment of incentives.

This methodology is applied only to site-specific projects. Non-residential prescriptive and all residential and limited income projects are realized only upon completion. These projects are smaller and have shorter more consistent sales cycles, thus reducing the value and increasing the cost of this form of detailed tracking of projects.

Due to the size of individual projects and the amount of time that some of these projects can spend in evaluation the Company has developed a "derating" process whereby costs and benefits are symmetrically realized as a project moves through the "pipeline". Specifically 75% of a project is recognized for cost-effectiveness purposes when a project reaches the "contracted" milestone, an additional 20% is realized (95% in total) when the project reaches "construction" and the final 5% (100% in total) when the project is completed and post-verified. Projected energy savings, non-energy benefits and customer incremental cost are all realized based upon the same schedule.

Specific definitions have been developed around the three phases where there is recognition of benefits to ensure consistency in the evaluation process and to provide a sound basis for future projections.

The percentage of project realization is based upon past analysis indicating that over 80% of projects reaching the "contracted" milestone and approximately 95% of projects reaching "construction" eventually follow through to completion. Since the vast majority of the utility effort invested in the project is in getting the project to the "contracted" phase these percentages most appropriately represent the value of the utility investment at each of those stages.

Periodic assessments of "stale" projects (those that have remained in a phase for an extended period of time) are undertaken. Projects that have languished in a phase and are deemed unlikely to move forward are moved to "terminated" or "inactive" status.

Projects moving backwards in the pipeline, such as from contracted or construction to terminated status, result in prior claims for that project being removed from the overall portfolio. On relatively rare occasions projects can move backwards from the construction or completion phases (usually when misunderstandings or administrative errors have resulted in erroneously advancing a project) resulting in a similar adjustment.

Project status can be revised not only when a project moves to a different stage in the pipeline, but also when the project characteristics change. Project specifications are frequently revised after an incentive contract has been signed with potential impacts upon expected energy acquisition, cost, incentive payments and other factors. As project expectations are updated in the DSM database these revisions are incorporated into the overall DSM portfolio status.

When a site-specific project reaches completion a post-verification is made and the DSM database is updated. If the project has changed since it was originally contracted an updated incentive calculation is carried out.

Projects with an incentive amount of $50,000 or more, with uncertain savings and where post-completion tracking can provide improved project commissioning and evaluation are subject to a performance contract. Typically the performance period is one year after the project has completed a commissioning period. Revisions to non-performance contracts occasionally occur after post-verification also occasionally occur as a result of improved information based upon measurement, evaluation, project commissioning or account follow-up activities. Revisions may be increase or decrease any of the project characteristics.

Fundamentally the derating process allows for a more accurate view of cost-effectiveness and other program characteristics by more closely matching utility resource investment (particularly marketing and project evaluation) to the consequential benefits. The improved accuracy and meaningfulness of these diagnostic statistics and projections lead to an improved ability to manage the DSM portfolio.

Appendix B

Introduction to Avista's Analytical Methodology

The analytical evaluation of Avista's programs can largely be divided into two general approaches; the standard practice cost-effectiveness tests and descriptive statistics. Each approach and each calculation within the two different approaches provide a different perspective on the status of a program. When viewed as a whole they are intended to provide a meaningful insight into the program for purposes of making informed decisions for the management of individual programs as well as the overall portfolio.

The descriptive statistics, such as direct incentive per kWh saved, general costs per kWh saved and so on are easily understood and calculated. Over the course of designing, implementing and evaluating these programs these descriptive calculations are made and modified as necessary.

The cost-effectiveness tests are a more standardized and, in many ways, a more rigorous analytical tool. In consideration of their value as a management tool we wrote a brief summary of calculation, meaning and interpretation of these tests for our implementation staff. This summary has been periodically modified and redistributed internally and externally for use in introducing the methodology for calculating and interpreting the standard practice tests.

Cost-Effectiveness Primer

The four 'standard practice tests' were developed in California as a means to evaluate the cost-effectiveness of demand-side management programs from the perspectives of different participants. These four tests are:

Total Resource Cost (TRC) test: This is a societal benefit-cost analysis and indicates the cost-effectiveness of a project is to the whole of society. In recent years the inclusion of non-energy benefits in this test has become more acceptable (and even expected). These costs include reductions in customer maintenance, reduced insurance and potentially even the value of reduced emissions and other societal costs of energy generation, transmission and delivery.

Utility Cost Test (UCT): This test indicates whether the utility cost of serving all customers goes up or down as a result of the program. This is not the customer 'energy' cost, which would include end-use equipment and similar costs, it is only the costs incurred by the utility to serve the customer.

Participant test: This is the cost-effectiveness for the participating customer. It includes the value of the energy savings (and other savings) from the project vs. the customer project costs.

Rate Impact Measure (RIM) test (also known as the non-participant test): This indicates if the program will result in a rate increase or decrease. It is also known as the 'non-participant test' because programs that fail the RIM test result in an increase in rates and disadvantage a non-participating customer. The 'non-participating customer' bears the cost of the rate increase without obtaining any program benefits.

What is and isn't included in the four standard practice tests can be shown in the illustrative table:

	TRC	UCT	PART	RIM
Electric avoided cost value (utility discount rate)	$ 4,330,973	$ 4,330,973		$ 4,330,973
Gas avoided cost value (utility discount rate)	$ 131,242	$ 131,242		$ 131,242
Customer value of kWh savings			$ 5,066,599	
Customer value of kW savings			$ 619,317	
Customer value of gas savings			$ 102,216	
Customer electric incentive received			$ 1,276,582	
Customer gas incentive received			$ 0	
Customer value of customer Non-Energy Benefits	$ 0		$ 0	

Quantifiable societal benefits (utility discount rate)	$ 0				
Utility value of lost kWh revenue (utility discount rate)					$ 6,922,382
Utility value of lost kW revenue utility discount rate)					$ 846,160
Utility value of lost therms revenue (ut. discount rate)					$ 145,947
Customer project costs	$ 3,873,881		$ 3,873,881		
General costs	$ 316,794	$ 316,794		$	316,794
Non-incentive implementation costs	$ 534,081	$ 534,081		$	534,081
Measurement & Evaluation costs	$ 2,584	$ 2,584			$ 2,584
Electric incentive costs		$ 1,276,582		$	1,276,582
Gas incentive costs		$ 0		$	0
Other utility costs	$ 0	$ 0		$	0
TOTAL BENEFITS	$ 4,462,216	$ 4,462,216	$ 7,064,714	$	4,462,216
TOTAL COSTS	$ 4,727,339	$ 2,130,040	$ 3,873,881	$	10,044,529
NET BENEFITS	$ (265,124)	$ 2,332,176	$ 3,190,833		$ (5,582,313)
Benefit / Cost ratio	0.94	2.09	1.82		0.44

The top section of the table is a compilation of program benefits. These are almost entirely the benefits of the reduced energy consumption. There are two ways of monetarily valuing the reduced energy usage, either at the rate that the customer would pay or at the 'avoided cost'.

The 'avoided cost' is based upon what costs the utility would save by not having to purchase and distribute the additional energy. These are based upon periodic filings made by Avista in both Idaho and Washington. In spite of the fact that the filings of both states are based upon the same utility system, the avoided costs are not the same. Generally speaking Washington avoided costs are based upon the price of electricity in the market while Idaho bases their avoided costs on the cost of generating additional kWh's from Avista's generation mix.

The avoided cost is the valuation of the energy savings used in the TRC, UCT and RIM tests. Since this is the value of the savings to the utility, the utility discount rate (currently 7.41% from the most recent filed electric or gas IRP applied to electric and gas analysis) is used to calculate a present value of the stream of future energy savings.

From the participating customer viewpoint, the value of the energy savings isn't the utility avoided costs, it's the rate that the customer would pay. Therefore, in the Participant test the energy rate is used to value those savings. A customer discount rate is then applied to calculate the present value of the stream of energy savings. Incentives received by the customer are also a program benefit in the participant test.

Other benefits that can be included in the analysis are the customer non-energy benefits and even societal benefits. Customer non-energy benefits might include reduced maintenance, lower insurance premiums, increased productivity, improved product, increased comfort, reduced absenteeism, reduced water/sewage costs and so on. Societal benefits could include improved air quality, reduced public sector expense (i.e. for sewage capacity, etc.), aesthetics etc. Due to the difficulty of accurately tracking and quantifying these benefits we haven't been able to include all program benefits in our calculations.

The table lists the program costs below the section on program benefits. These can be broadly categorized into three groups; (1) lost utility revenues, (2) project costs and (3) utility program costs.

The lost utility revenues only affect the RIM test. Note that in the RIM test the lost utility revenues are a cost and the avoided cost of the same energy is a benefit. Unless the utility has a negative margin on the energy sales (meaning that the utility is losing money for every kWh or therm sold) the program will fail the RIM test. This is why a program can only pass the RIM test if it effects underpriced energy sales (i.e. effects only system-peak energy usage).

The project cost is a cost to society (in the TRC test) and the participant (in the Participant test). These costs should be those associated with obtaining the energy savings claimed by the program only. This is because the program benefits must be consistent with the costs for a legitimate benefit – cost comparison to be made. The program benefits (in our analysis) are based solely upon the energy savings, therefore the costs should only be those costs associated with obtaining those energy savings.

The utility costs are those costs necessary to run the program. These are societal costs (in the TRC), utility costs (in the UCT) and costs that must be borne by the ratepayer (in the RIM). Note, however, that incentives are not a societal (TRC) cost. This is because incentives are a transfer payment from the utility to the customer and don't effect the benefits or costs of all of 'society'.

The final step is simply to add up the benefits appropriate for each test and the costs and perform the division. The benefit-cost ratio is simply the benefits divided by the costs. If the benefits are greater than the costs the 'B/C' ratio is over one and the program 'passes' that test.

In the example used the program is slightly non-cost effective on a societal basis (with a B/C ratio of .94 and a societal 'loss' of only $265,000). Oftentimes the TRC test would benefit substantially from developing project costs that are more consistent with the incremental cost of the energy savings. Furthermore, frequently benefits don't include the value of the reduced maintenance, increased productivity etc. that are present in many of the projects due to problems with reporting and/or quantifying these values.

The program passes the UCT with a B/C ratio of 2.09. This means the program reduces the utility cost of serving customers. In other words, the reduced cost of purchasing energy for the customer is less than the cost of running the program (including the incentives that we give the customer).

The Participant test also has a B/C that passes (1.82). This means that the participating customers are benefiting from our program. The value of their energy savings is greater than the project cost (less the incentive we pay them).

We expectedly fail the RIM test. This means that a non-participating customer is disadvantaged by the program. They incur the adverse effect of an upward pressure on rates but don't benefit from any of the program energy savings. The rate pressure is the result of lost revenues and program costs being greater than the reduced cost of acquiring the energy. Fortunately our programs cover virtually all customer classes and consequently we can state accurately state that we have very few customers who can truly be considered 'non-participants'. Those that don't directly participate in a program do benefit when their suppliers, customers or government participate in their programs.

In the past several years the TRC test has become the most frequently reviewed test of the four original standard practice tests, though most jurisdictions take all four standard practice tests into consideration. Unfortunately the TRC test is also one that is the most difficult to accurately calculate since it requires information that isn't often directly tracked by the utility (i.e. incremental project costs, non-energy benefits etc.).

Triple-E Report
January 1, 2006 – December 31, 2006

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Introduction

This annual Triple-E Report is produced in fulfillment of Avista's commitment to provide enhanced analysis and reporting to the External Energy Efficiency (aka Triple E) Board. This report covers the results from January 1 through December 31st, 2006 including costs, energy savings, cost-effectiveness and descriptive statistics, tariff rider balances, and any other applicable updates and disclosures.

The intent of this report is to provide a useful management tool for the implementation as well as a summary for external review and basis of regulatory prudency of the Company's energy efficiency programs.

Cost/Benefit Recognition

Key to providing useful management data is the matching of costs and benefits. As part of this process, the Company has developed a classification process for non-residential site specific projects as they move through the pipeline. The classification phases are scope, study, contracted, construction, and completed. In addition, there are also phases for inactive and terminated for projects that have abandoned or are no longer progressing toward fruition. These phases aid in identifying various stages of active management as well as projecting future project completions and cash flow impacts resulting from the payment of.

This methodology is applied to all site-specific non-residential projects. Since non-residential prescriptive, residential and limited income projects are smaller in nature and have shorter, more consistent sales cycles, they are realized only upon completion.

Due to the size of the individual projects and the amount of upfront time necessary to evaluate projects, the Company has developed a "derating" process whereby costs and benefits are symmetrically realized as a project moves through the pipeline. For cost-effective purposes, 75% of project is recognized when contracted, another 20% (95% in total) is realized when the project begins construction and the final 5% (100% in total) is realized when the project is completed and post-verified. All associated costs/benefits such as projected energy savings, non-energy benefits and customer incremental cost are all realized based on this same schedule.

Specific definitions have been developed around the three phases where there is recognition of cost/benefits to ensure consistency in the evaluation process and to provide a sound basis for future projections.

Utility Costs

Utility costs for each customer segment can be allocated into categories of either incentives or implementation. General utility costs have historically included costs that are difficult to accurately allocate to customer segments and programs. Examples of general costs would be an expense that benefits all customer segments and several programs/technologies or non-specific training that do not clearly benefit a particular project or segment or that benefits many projects/segments.

For purposes of calculating cost-effectiveness, general costs are allocated to implementation across customer segment and technology based on annual savings. This is also necessary for evaluation of the distribution of resources within each segment, program and technology. Eighty-one percent of electric utility costs, exclusive of regional expenditures, are allocated between HVAC, Lighting and Shell while 97% of the gas utility costs are allocated between HVAC and Shell. As compared with 2005, utility costs have increased 59%, which equates to an 83% increase for electric and a 16% increase for gas.

As shown in Table 1, general costs are almost 6% of the total utility costs and 26% of the utility non-incentive costs. Nearly, 80% of expenditures were returned to ratepayers through incentives. The percentage returned to ratepayers remains roughly the same when expenditures are segmented between electric and gas.

Table 2 shows both direct and indirect (general) expenditures across customer segments for both electric and gas. Table 3 shows the total utility costs across each customer segment and technology for both fuels. Table 4 illustrates the distribution of direct incentives across customer segment as well as technology for both electric and gas.

Incentives

Table 4 illustrates electric and gas direct incentives returned to ratepayers. For 2006, the total incentives paid by the Company were $8.9 million, an increase of 75% from 2005. Electric incentives increased 114% while gas incentives increased by 12%. The bulk of the electric incentives were for HVAC and Lighting projects while the majority of the gas incentives were paid on HVAC and Shell projects. Incentives demonstrated in Table 4 are calculated on a cash basis but for cost-effectiveness purposes are derated in the same manner as other key variables.

Program Savings

During 2006, the Company contributed to projects incurring over 46 million kWh and almost 1.2 million therms. For electric savings, 37% of the savings were achieved in Idaho and the remaining 63% were achieved in Washington. For gas savings, 33% were achieved in Idaho and the remaining 67% were achieved in Washington.

Seventy-eight percent of the electric savings occurred in HVAC and Lighting while 97% of the gas savings occurred in HVAC and Shell. Refer to Tables 5 and 6 for more detail on energy savings across customer segment and technology.

The Company also participates in the Northwest Energy Efficiency Alliance (NEEA), however, the savings illustrated in this report exclude regional savings achieved through NEEA. Participation in NEEA is included in the Company's utility costs but is excluded for purposes of calculating cost-effectiveness.

Energy savings calculations exclude estimates of free-riders, free drivers, and any market transformation effects.

Non-Energy Benefits

The non-energy benefits shown in Table 7 reflect the quantifiable non-energy benefits accruing to these energy efficiency projects. Historically, quantifiable non-energy benefits have been limited to labor and/or maintenance savings associated with these projects. Non-energy benefits are down 62% as compared with 2005. Allocated by fuel, that is a decrease of 48% for electric and an increase of over tenfold.

In addition to the quantifiable non-energy benefits, there are non-energy benefits associated with many projects that are difficult to quantify and therefore have been excluded from this report.

Customer Costs

Customer costs are generally the bulk of the societal cost of energy efficiency measures and, for several reasons, are the most difficult to accurately track. Energy efficiency upgrades are also implemented as part of larger facility improvements making it difficult to identify and value the incremental cost that is consistent with the claimed energy savings.

For reporting purposes, the Company has historically emphasized that the baseline assumed for customer costs must be consistent with that used for the calculation of energy savings. Customer costs are always reviewed in depth prior to cost-effectiveness and other analysis is performed.

Customer costs are down 17% from 2005, when excluding a significant, non-recurring high customer cost projects that occurred in 2005. When allocated by fuel, this equates to 51% decrease for electric customer costs and a 91% decrease for gas customer costs. Customer costs are shown by customer segment and technology in Table 8.

Cost-Effectiveness

The Total Resource Cost (TRC) ratio is 1.67 for electric and 0.94 for natural gas. For purposes of this report, gas avoided costs from the last filed Integrated Resource Plan (IRP) were used, however, recent SENDOUT runs shows higher avoided costs. The largest, and most uncontrollable, component of TRC calculation is customer cost. For electric and gas, customer cost contributes 87% and 94%, respectively, of the cost. The Company's levelized TRC cost is 3.6 cents per kWh and 95 cents per therm. Based on our weighted average measure lives for electric and gas, this compares to a levelized avoided cost of 4.7 cents per kWh and 73 cents per winter therm (97% of 2006 therms are winter therms).

Despite the 0.94 TRC ratio for the Company's natural gas efficiency programs in 2006 we do contend that these programs have and are continuing to deliver cost-effective resources for our customer. We believe that this is the case for two reasons; (1) impending revisions in the avoided cost and (2) conservatism in the treatment of non-energy benefits. The reasoning behind each of these contentions is outlined below:

> Impending Review of Avoided Costs: Avista has recently completed the fundamental re-evaluation of electric avoided costs for use in evaluating electric-efficiency options. This revision recognizes several components of value not previously incorporated into the Company's avoided costs to include risk, emissions and capacity costs. It is the Company's intent to perform the same review of natural gas avoided costs. This review is likely to result in incorporating a value for reduced risk of price volatility, reduced end-use emissions and reduced compressor fuel cost into the final avoided cost. We are

confident that the 2006 natural gas portfolio would be TRC cost-effective when benchmarked against the revised avoided costs.

Conservatism in Quantification of Non-Energy Benefits: It has been the Company's policy to include within the cost-effectiveness evaluation only those non-energy benefits that can be quantified beyond reasonable doubt. This excludes the non-energy benefits associated with increased productivity, comfort, asset value, increased retail sales and many other elements that are not easily amenable to quantification. It is our subjective belief that the inclusion of reasonable values for these non-energy benefits would result in the natural gas programs being deemed TRC cost-effective.
The Utility Cost Test (UCT) ratio is 2.65 for electric and 2.98 for natural gas. The largest contributor to UCT cost is the incentive cost. For cost-effectiveness purposes, electric and gas derated incentives contribute 72% and 77%, respectively, of the cost. On a cash basis, this equates to almost 70% of utility expenditures being returned to customers in the form of direct incentives.

The Participant Test benefit-to-cost ratio was 3.33 for electric and 1.91 for gas. This test gives an indication of customer cost-effectiveness.

As expected, the Non-Participant Test of 0.65 for electric and 0.51 for natural gas was not cost-effective. As long as billing rates are greater than avoided costs, this benefit-cost ratio will always be less than 1. See Tables 9-13 for more on the cost-effectiveness tests.

Energy Efficiency Tariff Rider Balance

During 2006, the Company collected $7.1 million electric and $1.5 million natural gas tariff rider revenue. Utility expenditures were $8.5 and $2.8 million for electric and natural gas respectively, spending $2.6 million more than was collected in revenue. The aggregate tariff rider balance, as of the end of 2006, was negative $3.4 million which is an increase of $3 million from year end 2005. See Table 14 for more detail by jurisdiction and fuel.

Table 1E Electric Utility Costs Aggregated by Programs and Customer Segments

	Incentives[1]	Implementation	TOTAL
SEGMENTS			
Commercial/Industrial	$ 5,440,662	$ 919,671	$ 6,360,333
Limited Income	$ 781,963	$ 20,404	$ 802,368
Residential	$ 491,822	$ 141,289	$ 633,111
GENERAL			
General (Implementation)	$ 401	$ 417,102	$ 417,502
OTHER EXPENDITURES			
Regional[2]	$ -	$ 271,385	$ 271,385
TOTAL	**$ 6,714,847**	**$ 1,769,852**	**$ 8,484,699**
BROKEN OUT BY CATEGORY			
Total assigned to segments	$ 6,714,447	$ 1,081,365	$ 7,795,812
Total assigned to general	$ 401	$ 417,102	$ 417,502
Total assigned to other	$ -	$ 271,385	$ 271,385
TOTAL	**$ 6,714,847**	**$ 1,769,852**	**$ 8,484,699**
CATEGORY AS A PERCENT			
Total assigned to segment	79.1%	12.7%	91.9%
Total assigned to general	0.0%	4.9%	4.9%
Total assigned to other pgms.	0.0%	3.2%	3.2%
TOTAL	**79.1%**	**20.9%**	**100.0%**
Total non-regional utility cost	**$ 6,714,847**	**$ 1,498,467**	**$ 8,213,314**

NOTES:

1) Incentives are accounted for on a cash basis and will not match de-rated incentive expenditures amounts.

2) Costs associated with membership in NEEA are included in this table, but are excluded from other tables.

Table 1G **Gas Utility Costs Aggregated by Programs and Customer Segments**

	Incentives[1]	Implementation	TOTAL
SEGMENTS			
Commercial/Industrial	$ 1,213,031	$ 288,050	$ 1,501,081
Limited Income	$ 522,661	$ 21,922	$ 544,584
Residential	$ 443,929	$ 117,324	$ 561,253
GENERAL			
General	$ 320	$ 202,261	$ 202,581
OTHER EXPENDITURES			
Regional[2]	$ -	$ -	$ -
TOTAL	**$ 2,179,942**	**$ 629,557**	**$ 2,809,498**
BROKEN OUT BY CATEGORY			
Total assigned to segments	$ 2,179,622	$ 427,296	$ 2,606,918
Total assigned to general	$ 320	$ 202,261	$ 202,581
Total assigned to other	$ -	$ -	$ -
TOTAL	**$ 2,179,942**	**$ 629,557**	**$ 2,809,498**
CATEGORY AS A PERCENT			
Total assigned to segment	77.6%	15.2%	92.8%
Total assigned to general	0.0%	7.2%	7.2%
Total assigned to other pgms.	0.0%	0.0%	0.0%
TOTAL	**77.6%**	**22.4%**	**100.0%**
Total non-regional utility cost	**$ 2,179,942**	**$ 629,557**	**$ 2,809,498**

NOTES:

1) Incentives are accounted for on a cash basis and will not match de-rated incentive expenditures amounts.

2) Costs associated with membership in NEEA are included in this table, but are excluded from other tables.

Table 1EG Electric Utility Costs Aggregated by Programs and Customer Segments

	Incentives[1]	Implementation	TOTAL
SEGMENTS			
Commercial/Industrial	$ 6,653,693	$ 1,207,721	$ 7,861,414
Limited Income	$ 1,304,625	$ 42,327	$ 1,346,951
Residential	$ 935,751	$ 258,613	$ 1,194,364
GENERAL			
General (Implementation)	$ 720	$ 619,363	$ 620,083
OTHER EXPENDITURES			
Regional[2]	$ -	$ 271,385	$ 271,385
TOTAL	**$ 8,894,789**	**$ 2,399,409**	**$ 11,294,198**
BROKEN OUT BY CATEGORY			
Total assigned to segments	$ 8,894,069	$ 1,508,661	$ 10,402,729
Total assigned to general	$ 720	$ 619,363	$ 620,083
Total assigned to other	$ -	$ 271,385	$ 271,385
TOTAL	**$ 8,894,789**	**$ 2,399,409**	**$ 11,294,198**
CATEGORY AS A PERCENT			
Total assigned to segment	78.7%	13.4%	92.1%
Total assigned to general	0.0%	5.5%	5.5%
Total assigned to other pgms.	0.0%	2.4%	2.4%
TOTAL	**78.8%**	**21.2%**	**100.0%**
Total non-regional utility cost	**$ 8,894,789**	**$ 2,128,024**	**$ 11,022,813**

NOTES:

1) Incentives are accounted for on a cash basis and will not match de-rated incentive expenditures amounts.

2) Costs associated with membership in NEEA are included in this table, but are excluded from other tables.

Table 2E **Assignment of Non-Regional Electric Utility Costs to Customer Segments**

	Directly charged incentive cost [A]	Directly charged implementation cost [B]	Assigned general cost [C]	Total directly charged costs [D]	Total assigned general cost [E]	Total utility cost [F]
Commercial/Industrial	$ 5,440,662	$ 919,671	$ 345,400	$ 6,360,333	$ 345,400	$ 6,705,733
Limited Income	$ 781,963	$ 20,404	$ 13,393	$ 802,368	$ 13,393	$ 815,761
Residential	$ 491,822	$ 141,289	$ 58,709	$ 633,111	$ 58,709	$ 691,820
	$ 6,714,447	$ 1,081,365	$ 417,502	$ 7,795,812	$ 417,502	$ 8,213,314

Table 2G **Assignment of Non-Regional Gas Utility Costs to Customer Segments**

	Directly charged incentive cost [A]	Directly charged implementation cost [B]	Assigned general cost [C]	Total directly charged costs [D]	Total assigned general cost [E]	Total utility cost [F]
Commercial/Industrial	$ 1,213,031	$ 288,050	$ 121,822	$ 1,501,081	$ 121,822	$ 1,622,903
Limited Income	$ 522,661	$ 21,922	$ 13,789	$ 544,584	$ 13,789	$ 558,373
Residential	$ 443,929	$ 117,324	$ 66,969	$ 561,253	$ 66,969	$ 628,222
	$ 2,179,622	$ 427,296	$ 202,581	$ 2,606,918	$ 202,581	$ 2,809,498

NOTES:

Column [A] Represents direct cash incentives. This does not reconcile to accrued incentives used for cost-effectiveness calculations.

Column [B] Represents implementation costs that were charged directly to each customer segment.

Column [C] General costs have been assigned to customer segments based upon that segments share of energy acquired during 2006.

Column [D] The sum of directly assigned implementation and cash incentive costs.

Column [E] Equal to Column [C].

Column [F] The total utility cost, including incentives but excluding costs associated with regional programs for each customer segment.

Table 3E Allocation of Incentive and Non-Incentive (Non-Regional) Electric Utility Costs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Sustainable Buildings	Shell	TOTAL $	% of Portfolio
Commercial/Industrial	$ (2,234)	$ 196,055	$ 1,546,048	$ 653,808	$ 3,749,481	$ 442,160	$ 215	$ -	$ 120,201	$ 6,705,733	81.6%
Limited Income	$ 253,240	$ -	$ 181,686	$ -	$ -	$ -	$ -	$ -	$ 380,834	$ 815,761	9.9%
Residential	$ 28,976	$ -	$ 390,974	$ -	$ 188,615	$ -	$ (68)	$ 2,720	$ 80,602	$ 691,820	8.4%
TOTAL $	$ 279,983	$ 196,055	$ 2,118,709	$ 653,808	$ 3,938,096	$ 442,160	$ 147	$ 2,720	$ 581,637	$ 8,213,314	100.0%
% of portfolio	3.4%	2.4%	25.8%	8.0%	47.9%	5.4%	0.0%	0.0%	7.1%	100.0%	

NOTES:

Incentives are de-rated for degree of project completion to match recognition of kWh and therm claims.

Costs associated with regional programs are excluded from this table, and are excluded from all cost-effectiveness calculations.

Table 3G Allocation of Incentive and Non-Incentive (Non-Regional) Gas Utility Costs Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Sustainable Buildings	Shell	TOTAL $	% of Portfolio
Commercial/Industrial	$ 206,149	$ -	$ 1,197,607	$ (119,413)	$ 138	$ -	$ -	$ -	$ 338,422	$ 1,622,903	57.8%
Limited Income	$ 5,518	$ -	$ 27,391	$ -	$ -	$ -	$ -	$ -	$ 525,464	$ 558,373	19.9%
Residential	$ 2,698	$ -	$ 346,561	$ -	$ -	$ -	$ -	$ -	$ 278,963	$ 628,222	22.4%
TOTAL $	$ 214,364	$ -	$ 1,571,559	$ (119,413)	$ 138	$ -	$ -	$ -	$ 1,142,850	$ 2,809,498	100.0%
% of portfolio	7.6%	0.0%	55.9%	-4.3%	0.0%	0.0%	0.0%	0.0%	40.7%	100.0%	

NOTES:

Incentives are de-rated for degree of project completion to match recognition of kWh and therm claims.

Costs associated with regional programs are excluded from this table, and are excluded from all cost-effectiveness calculations.

Table 4E — Allocation of Electric Direct Incentives Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Sustainable Buildings	Shell	TOTAL $	% of Portfolio
Commercial/Industrial	$ (1,812)	$ 159,068	$ 1,254,378	$ 530,464	$ 3,042,122	$ 358,744	$ 174	$ -	$ 97,524	$ 5,440,662	81.0%
Limited Income	$ 242,748	$ -	$ 174,159	$ -	$ -	$ -	$ -	$ -	$ 365,056	$ 781,963	11.6%
Residential	$ 20,599	$ -	$ 277,948	$ -	$ 134,088	$ -	$ (48)	$ 1,934	$ 57,301	$ 491,822	7.3%
TOTAL $	$ 261,535	$ 159,068	$ 1,706,484	$ 530,464	$ 3,176,210	$ 358,744	$ 126	$ 1,934	$ 519,881	$ 6,714,447	100.0%
% of portfolio	3.9%	2.4%	25.4%	7.9%	47.3%	5.3%	0.0%	0.0%	7.7%	100.0%	

NOTES:

Incentives represented in this table are calculated on a cash basis

Table 4G — Allocation of Gas Direct Incentives Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Sustainable Buildings	Shell	TOTAL $	% of Portfolio
Commercial/Industrial	$ 154,085	$ -	$ 895,146	$ (89,254)	$ 103	$ -	$ -	$ -	$ 252,952	$ 1,213,031	55.7%
Limited Income	$ 5,165	$ -	$ 25,639	$ -	$ -	$ -	$ -	$ -	$ 491,858	$ 522,661	24.0%
Residential	$ 1,906	$ -	$ 244,895	$ -	$ -	$ -	$ -	$ -	$ 197,127	$ 443,929	20.4%
TOTAL $	$ 161,156	$ -	$ 1,165,680	$ (89,254)	$ 103	$ -	$ -	$ -	$ 941,937	$ 2,179,622	100.0%
% of portfolio	7.4%	0.0%	53.5%	-4.1%	0.0%	0.0%	0.0%	0.0%	43.2%	100.0%	

NOTES:

Incentives represented in this table are calculated on a cash basis

Table 5E (ID) Allocation of Electric Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	245,573	763,258	1,508,638	1,345,594	9,726,156	898,264	1,229	-	113,490	**14,602,201**	**85.2%**
Limited Income	3,938	-	-	-	-	-	-	-	206,024	**209,962**	**1.2%**
Residential	73,094	-	1,420,800	-	532,701	-	-	8,148	292,655	**2,327,398**	**13.6%**
TOTAL kWh	**322,605**	**763,258**	**2,929,438**	**1,345,594**	**10,258,857**	**898,264**	**1,229**	**8,148**	**612,169**	**17,139,561**	**100.0%**
% of portfolio	**1.9%**	**4.5%**	**17.1%**	**7.9%**	**59.9%**	**5.2%**	**0.0%**	**0.0%**	**3.6%**	**100.0%**	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to electric programs (arising from joint or interactive savings effects).

Table 5E (WA) Allocation of Electric Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	(258,336)	357,024	7,325,689	2,390,355	11,698,887	1,628,296	-	-	573,353	**23,715,268**	**81.3%**
Limited Income	457,302	-	330,915	-	-	-	-	-	487,610	**1,275,827**	**4.4%**
Residential	199,694	-	2,259,931	-	1,242,969	-	(637)	17,460	466,153	**4,185,570**	**14.3%**
TOTAL kWh	**398,660**	**357,024**	**9,916,535**	**2,390,355**	**12,941,856**	**1,628,296**	**(637)**	**17,460**	**1,527,116**	**29,176,665**	**100.0%**
% of portfolio	**1.4%**	**1.2%**	**34.0%**	**8.2%**	**44.4%**	**5.6%**	**0.0%**	**0.1%**	**5.2%**	**100.0%**	
					0.296965274						
					0.042601476						

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to electric programs (arising from joint or interactive savings effects).

Table 5G (ID) Allocation of Electric Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	-	-	(80,712)	(144,103)	-	-	-	-	2,020	(222,795)	-595.3%
Limited Income	-	-	-	-	-	-	-	-	-	-	0.0%
Residential	-	-	-	-	-	-	-	-	260,221	260,221	695.3%
TOTAL kWh	-	-	(80,712)	(144,103)	-	-	-	-	262,241	37,426	100.0%
% of portfolio	0.0%	0.0%	-215.7%	-385.0%	0.0%	0.0%	0.0%	0.0%	700.7%	100.0%	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to gas programs.

Table 5G (WA) Allocation of Electric Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	21,319	-	36,864	-	-	-	-	-	13,872	72,055	7.9%
Limited Income	-	-	12,701	-	-	-	-	-	-	12,701	1.4%
Residential	-	-	125	-	-	-	-	-	831,556	831,681	90.8%
TOTAL kWh	21,319	-	49,690	-	-	-	-	-	845,428	916,437	100.0%
% of portfolio	2.3%	0.0%	5.4%	0.0%	0.0%	0.0%	0.0%	0.0%	92.3%	100.0%	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to gas programs.

Table 5E Allocation of Electric Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	(12,763)	1,120,283	8,834,327	3,735,949	21,425,043	2,526,560	1,229	-	686,843	**38,317,470**	**82.7%**
Limited Income	461,240	-	330,915	-	-	-	-	-	693,634	**1,485,789**	**3.2%**
Residential	272,788	-	3,680,731	-	1,775,670	-	(637)	25,608	758,808	**6,512,968**	**14.1%**
TOTAL kWh	**721,265**	**1,120,283**	**12,845,973**	**3,735,949**	**23,200,713**	**2,526,560**	**592**	**25,608**	**2,139,285**	**46,316,227**	**100.0%**
% of portfolio	**1.6%**	**2.4%**	**27.7%**	**8.1%**	**50.1%**	**5.5%**	**0.0%**	**0.1%**	**4.6%**	**100.0%**	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to electric programs (arising from joint or interactive savings effects).

Table 5G Allocation of Electric Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	21,319	-	(43,848)	(144,103)	-	-	-	-	15,892	**(150,740)**	**-15.8%**
Limited Income	-	-	12,701	-	-	-	-	-	-	**12,701**	**1.3%**
Residential	-	-	125	-	-	-	-	-	1,091,777	**1,091,902**	**114.5%**
TOTAL kWh	**21,319**	**-**	**(31,022)**	**(144,103)**	**-**	**-**	**-**	**-**	**1,107,669**	**953,863**	**100.0%**
% of portfolio	**2.2%**	**0.0%**	**-3.3%**	**-15.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**116.1%**	**100.0%**	

NOTES:

These savings include derated kWh savings from the contracted and construction phases.

Energy savings claims made in this table are electric kWh savings attributable to gas programs.

Table 6E (ID) Allocation of Gas Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	(7,416)	-	(2,067)	-	(63,359)	-	-	-	-	(72,842)	100.8%
Limited Income	-	-	-	-	-	-	-	-	-	-	0.0%
Residential	-	-	-	-	(784)	-	-	1,379	-	595	-0.8%
TOTAL therms	(7,416)	-	(2,067)	-	(64,142)	-	-	1,379	-	(72,247)	100.0%
% of portfolio	10.3%	0.0%	2.9%	0.0%	88.8%	0.0%	0.0%	-1.9%	0.0%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therms savings attributable to electric programs (arising from joint or interactive savings effects).

Table 6E (WA) Allocation of Gas Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	-	-	(20,122)	(66,069)	(55,652)	-	-	-	-	(141,843)	63.2%
Limited Income	-	-	75	-	-	-	-	-	1,448	1,523	-0.7%
Residential	-	-	(87,203)	-	-	-	-	2,955	-	(84,248)	37.5%
TOTAL therms	-	-	(107,250)	(66,069)	(55,652)	-	-	2,955	1,448	(224,568)	100.0%
% of portfolio	0.0%	0.0%	47.8%	29.4%	24.8%	0.0%	0.0%	-1.3%	-0.6%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therms savings attributable to electric programs (arising from joint or interactive savings effects).

Table 6G (ID) Allocation of Gas Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	7,638	-	99,929	38,405	-	-	-	-	8,497	**154,470**	**40.5%**
Limited Income	200	-	2,136	-	-	-	-	-	6,955	**9,291**	**2.4%**
Residential	468	-	148,977	-	-	-	-	-	68,161	**217,606**	**57.1%**
TOTAL therms	**8,306**	**-**	**251,042**	**38,405**	**-**	**-**	**-**	**-**	**83,613**	**381,367**	**100.0%**
% of portfolio	**2.2%**	**0.0%**	**65.8%**	**10.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**21.9%**	**100.0%**	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therm savings attributable to gas programs.

Table 6G (WA) Allocation of Gas Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	80,712	-	413,335	(89,583)	59	-	-	-	136,542	**541,065**	**69.8%**
Limited Income	578	-	1,726	-	-	-	-	-	67,134	**69,438**	**9.0%**
Residential	1,174	-	61,951	-	-	-	-	-	101,625	**164,750**	**21.3%**
TOTAL therms	**82,464**	**-**	**477,012**	**(89,583)**	**59**	**-**	**-**	**-**	**305,300**	**775,252**	**100.0%**
% of portfolio	**10.6%**	**0.0%**	**61.5%**	**-11.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**39.4%**	**100.0%**	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therm savings attributable to gas programs.

Table 6E Allocation of Gas Savings Attributable to Electric Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	(7,416)	-	(22,189)	(66,069)	(119,011)	-	-	-	-	(214,685)	72.3%
Limited Income	-	-	75	-	-	-	-	-	1,448	1,523	-0.5%
Residential	-	-	(87,203)	-	(784)	-	-	4,334	-	(83,653)	28.2%
TOTAL therms	(7,416)	-	(109,318)	(66,069)	(119,795)	-	-	4,334	1,448	(296,815)	100.0%
% of portfolio	2.5%	0.0%	36.8%	22.3%	40.4%	0.0%	0.0%	-1.5%	-0.5%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therms savings attributable to electric programs (arising from joint or interactive savings effects).

Table 6G Allocation of Gas Savings Attributable to Gas Programs Across Customer Segments and Technologies

	Appliances	Com-pressed Air	HVAC	Indust. Process	Lighting	Motors	Renew-ables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	88,350	-	513,264	(51,177)	59	-	-	-	145,039	695,535	60.1%
Limited Income	778	-	3,862	-	-	-	-	-	74,089	78,729	6.8%
Residential	1,642	-	210,928	-	-	-	-	-	169,786	382,355	33.1%
TOTAL therms	90,770	-	728,054	(51,177)	59	-	-	-	388,914	1,156,619	100.0%
% of portfolio	7.8%	0.0%	62.9%	-4.4%	0.0%	0.0%	0.0%	0.0%	33.6%	100.0%	

NOTES:

These savings include derated therm savings from the contracted and construction phases.

Energy savings claims made in this table are gas therm savings attributable to gas programs.

Table 7E — Allocation of Electric Non-Energy Benefits Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	209,204	27,346	845,403	32,135	6,553,349	-	-	-	75	$ 7,667,511	98.6%
Limited Income	-	-	-	-	-	-	-	-	-	$ -	0.0%
Residential	-	-	-	-	24,191	-	-	-	85,460	$ 109,651	1.4%
TOTAL	$ 209,204	$ 27,346	$ 845,403	$ 32,135	$ 6,577,540	$ -	$ -	$ -	$ 85,535	$ 7,777,162	100.0%
% of portfolio	2.7%	0.4%	10.9%	0.4%	84.6%	0.0%	0.0%	0.0%	1.1%	100.0%	

NOTES:

This table does not include non-energy benefits which were not sufficiently quantifiable to be claimed as part of the project benefits.

Table 7G — Allocation of Gas Non-Energy Benefits Across Customer Segments and Technologies

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Sustain. Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	696,148	-	811,398	1,739	-	-	-	-	(449)	$ 1,508,836	95.2%
Limited Income	-	-	-	-	-	-	-	-	-	$ -	0.0%
Residential	-	-	-	-	-	-	-	-	76,345	$ 76,345	4.8%
TOTAL	$ 696,148	$ -	$ 811,398	$ 1,739	$ -	$ -	$ -	$ -	$ 75,896	$ 1,585,181	100.0%
% of portfolio	43.9%	0.0%	51.2%	0.1%	0.0%	0.0%	0.0%	0.0%	4.8%	100.0%	

NOTES:

This table does not include non-energy benefits which were not sufficiently quantifiable to be claimed as part of the project benefits.

Table 8E — **Allocation of Electric Customer Costs Across Customer Segments and Technologies**

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Sustainable Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	(235,697)	119,037	3,113,915	1,585,532	5,614,346	796,661	9,963	122,100	448,449	$ 11,574,304	82.9%
Limited Income	220,606	-	99,844	-	-	-	-	-	307,881	$ 628,331	4.5%
Residential	57,700	-	1,022,287	-	45,148	-	1,284	66,000	563,092	$ 1,755,511	12.6%
TOTAL	$ 42,609	$ 119,037	$ 4,236,046	$ 1,585,532	$ 5,659,493	$ 796,661	$ 11,247	$ 188,100	$ 1,319,422	$ 13,958,147	100.0%
% of portfolio	0.3%	0.9%	30.3%	11.4%	40.5%	5.7%	0.1%	1.3%	9.5%	100.0%	

Table 8G — **Allocation of Gas Customer Costs Across Customer Segments and Technologies**

	Appliances	Compressed Air	HVAC	Industrial Process	Lighting	Motors	Renewables	Sustainable Buildings	Shell	Total	% of Portfolio
Commercial/Industrial	138,249	-	3,733,989	397,499	58	-	-	132,843	1,426,210	$ 5,828,847	59.1%
Limited Income	87,423	-	168,848	-	-	-	-	-	322,378	$ 578,650	5.9%
Residential	17,600	-	1,130,120	-	-	-	-	-	2,308,330	$ 3,456,049	35.0%
TOTAL	$ 243,272	$ -	$ 5,032,957	$ 397,499	$ 58	$ -	$ -	$ 132,843	$ 4,056,918	$ 9,863,546	100.0%
% of portfolio	2.5%	0.0%	51.0%	4.0%	0.0%	0.0%	0.0%	1.3%	41.1%	100.0%	

Table 9E (ID) **Electric Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	1.15	2.40	1.93	0.72
Limited Income	0.74	0.78	19.67	0.51
Residential	1.94	5.74	3.90	0.88
PORTFOLIO	1.24	2.64	2.27	0.75

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9G (ID) **Gas Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	0.85	2.39	1.88	0.80
Limited Income	0.38	0.40	12.41	0.40
Residential	0.79	3.47	1.51	0.82
PORTFOLIO	0.79	2.27	1.76	0.78

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9E (WA) **Electric Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	2.01	2.59	3.84	0.77
Limited Income	1.20	1.26	35.83	0.66
Residential	1.71	4.88	3.90	0.89
PORTFOLIO	1.93	2.65	4.00	0.78

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9G (WA) **Gas Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	1.12	3.67	2.09	0.85
Limited Income	1.30	1.37	43.47	0.70
Residential	0.71	4.07	1.30	0.84
PORTFOLIO	1.00	3.28	1.96	0.83

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9E **Electric Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	1.68	2.52	3.11	0.68
Limited Income	1.09	1.15	32.19	0.42
Residential	1.80	5.21	3.90	0.61
PORTFOLIO	1.67	2.65	3.33	0.65

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 9G **Gas Cost-Effectiveness Benefit/Cost Statistics by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	1.06	3.32	2.05	0.53
Limited Income	1.01	1.07	33.82	0.38
Residential	0.74	3.86	1.36	0.50
PORTFOLIO	0.94	2.98	1.91	0.51

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 10E **Electric Cost-Effectiveness Benefit/Cost Statistics by Technology**

	Total Resource Cost	Utility Cost	Participant	Non-Participant
Appliances	7.06	1.09	(4.07)	0.40
Compressed Air	2.66	4.33	6.19	0.82
HVAC	1.71	4.60	3.04	0.70
Industrial Process	0.82	3.95	0.67	0.96
Lighting	2.02	1.94	4.84	0.60
Motors	1.38	3.20	2.48	0.75
Renewables	(0.00)	1.06	(0.01)	0.44
Sustainable Buildings	0.24	0.14	(0.59)	0.04
Shell	0.90	2.58	1.79	0.57
PORTFOLIO	1.67	2.65	3.33	0.65

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 10G **Gas Cost-Effectiveness Benefit/Cost Statistics by Technology**

	Total Resource Cost	Utility Cost	Participant	Non-Participant
Appliances	3.54	2.09	10.91	0.40
Compressed Air	NA	NA	NA	NA
HVAC	1.05	2.95	2.25	0.52
Industrial Process	(1.08)	(19.20)	(1.69)	0.66
Lighting	2.82	4.69	13.38	0.47
Motors	NA	NA	NA	NA
Renewables	NA	NA	NA	NA
Sustainable Buildings	-	NA	-	NA
Shell	0.83	3.66	1.63	0.51
PORTFOLIO	0.94	2.98	1.91	0.51

NOTES:

Cost-effectiveness calculations do not include costs or benefits associated with regional programs.
"N/A" is listed for segments with benefits, but no costs.

Table 11E **Electric Net Benefits by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	$ 9,097,179	$ 8,919,353	$ 15,769,224	$ (7,459,847)
Limited Income	$ 62,823	$ 96,754	$ 1,058,470	$ (987,244)
Residential	$ 1,564,109	$ 2,755,669	$ 3,773,697	$ (2,245,688)
PORTFOLIO	$ 10,724,112	$ 11,771,776	$ 20,601,392	$ (10,692,779)

NOTES:

Costs and benefits included in each cost-effectiveness test are detailed in Table 13.
Costs associated with regional programs are excluded from all cost-effectiveness calculations.

Table 11G **Gas Net Benefits by Customer Segment**

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Commercial/Industrial	$ 369,523	$ 3,561,789	$ 4,917,300	$ (4,535,532)
Limited Income	$ 8,183	$ 39,432	$ 1,025,624	$ (1,013,983)
Residential	$ (963,941)	$ 1,925,867	$ 1,074,610	$ (2,031,683)
PORTFOLIO	$ (586,234)	$ 5,527,088	$ 7,017,533	$ (7,581,198)

NOTES:

Costs and benefits included in each cost-effectiveness test are detailed in Table 13.
Costs associated with regional programs are excluded from all cost-effectiveness calculations.

Table 12E — Electric Net Benefits by Technology

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Appliances	$ 369,841	$ 18,215	$ 722,374	$ (376,909)
Compressed Air	$ 258,633	$ 297,793	$ 344,941	$ (86,308)
HVAC	$ 3,293,508	$ 5,556,570	$ 6,340,369	$ (3,204,285)
Industrial Process	$ (305,527)	$ 1,024,299	$ (446,119)	$ (68,127)
Lighting	$ 7,061,037	$ 3,602,049	$ 11,969,186	$ (5,366,944)
Motors	$ 334,920	$ 835,089	$ 739,785	$ (404,865)
Renewables	$ (11,314)	$ (2)	$ (11,373)	$ 59
Sustainable Buildings	$ (143,367)	$ (274,181)	$ 208,367	$ (325,907)
Shell	$ (133,621)	$ 711,943	$ 733,861	$ (859,493)
PORTFOLIO	$ 10,724,112	$ 11,771,776	$ 20,601,392	$ (10,692,779)

NOTES:

Costs and benefits included in each cost-effectiveness test are detailed in Table 13.
Regional program costs and benefits are excluded from all cost-effectiveness calculations.

Table 12G — Gas Net Benefits by Technology

	Total Resource Cost Test	Utility Cost Test	Participant Test	Non-Participant Test
Appliances	$ 753,058	$ 1,261,847	$ 1,266,237	$ (512,074)
Compressed Air	$ -	$ -	$ -	$ -
HVAC	$ 268,601	$ 4,088,933	$ 4,721,254	$ (4,445,507)
Industrial Process	$ (764,402)	$ (931,956)	$ (931,956)	$ 173,025
Lighting	$ 169	$ 458	$ 458	$ (290)
Motors	$ -	$ -	$ -	$ -
Renewables	$ -	$ -	$ -	$ -
Sustainable Buildings	$ (132,843)	$ (132,843)	$ (132,843)	$ -
Shell	$ (710,817)	$ 630,860	$ 2,094,382	$ (2,796,352)
PORTFOLIO	$ (586,234)	$ 4,917,300	$ 7,017,533	$ (7,581,198)

NOTES:

Costs and benefits included in each cost-effectiveness test are detailed in Table 13.
Regional program costs and benefits are excluded from all cost-effectiveness calculations.

Table 13E — Summary of Electric Cost-Effectiveness Tests and Descriptive Statistics

Total Resource Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 19,412,648	$ 712,978	$ 20,125,626
Non-Energy benefits	$ 7,777,162	$ -	$ 7,777,162
Natural Gas avoided cost	$ (1,211,480)	$ 11,961	$ (1,199,519)
TRC benefits	$ 25,978,330	$ 724,939	$ 26,703,269
Non-incentive utility cost	$ 1,987,226	$ 33,785	$ 2,021,011
Customer cost	$ 13,329,815	$ 628,331	$ 13,958,147
TRC costs	$ 15,317,042	$ 662,116	$ 15,979,158
TRC ratio	**1.70**	**1.09**	**1.67**
Net TRC benefits	**$ 10,661,289**	**$ 62,823**	**$ 10,724,112**

Utility Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 19,412,648	$ 712,978	$ 20,125,626
Natural Gas avoided cost	$ (1,211,480)	$ 11,961	$ (1,199,519)
UCT benefits	$ 18,201,168	$ 724,939	$ 18,926,107
Non-incentive utility cost	$ 1,987,226	$ 33,785	$ 2,021,011
Incentive cost	$ 4,539,021	$ 594,400	$ 5,133,421
UCT costs	$ 6,526,247	$ 628,185	$ 7,154,432
UCT ratio	**2.79**	**1.15**	**2.65**
Net UCT benefits	**$ 11,674,921**	**$ 96,754**	**$ 11,771,675**

Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric Bill Reduction	$ 22,591,936	$ 1,072,037	$ 23,663,973
Gas Bill Reduction	$ (2,035,382)	$ 20,364	$ (2,015,017)
Non-Energy benefits	$ 7,777,162	$ -	$ 7,777,162
Participant benefits	$ 28,333,716	$ 1,092,402	$ 29,426,117
Customer project cost	$ 13,329,815	$ 628,331	$ 13,958,147
Incentive received	$ (4,539,021)	$ (594,400)	$ (5,133,421)
Participant costs	$ 8,790,794	$ 33,931	$ 8,824,725
Participant Test ratio	**3.22**	**32.19**	**3.33**
Net Participant benefits	**$ 19,542,921**	**$ 1,058,470**	**$ 20,601,392**

Electric Non-Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost savings	$ 19,412,648	$ 712,978	$ 20,125,626
Non-Participant benefits	$ 19,412,648	$ 712,978	$ 20,125,626
Electric Revenue loss	$ 22,591,936	$ 1,072,037	$ 23,663,973
Non-incentive utility cost	$ 1,987,226	$ 33,785	$ 2,021,011
Customer incentives	$ 4,539,021	$ 594,400	$ 5,133,421
Non-Participant costs	$ 29,118,183	$ 1,700,222	$ 30,818,405
Non-Part. ratio	**0.67**	**0.42**	**0.65**
Net Non-Part. benefits	**$ (9,705,534)**	**$ (987,244)**	**$ (10,692,779)**

Descriptive Statistics	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Annual kWh savings	44,830,438	1,485,789	46,316,227
Annual therm savings	(298,338)	1,523	(296,815)
Levelized TRC cost per kWh	$ 0.0359	$ 0.0425	$ 0.0361
Levelized UCT cost per kWh	$ 0.0153	$ 0.0403	$ 0.0162

NOTES:

Costs associated with membership in regional programs are excluded from all cost-effectiveness calculations.
"N/A" is listed for segments with benefits, but no costs.

Table 13G — Summary of Gas Cost-Effectiveness Tests and Descriptive Statistics

Total Resource Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 511,952	$ 6,862	$ 518,814
Non-Energy benefits	$ 1,585,181	$ -	$ 1,585,181
Natural Gas avoided cost	$ 7,187,212	$ 615,661	$ 7,802,873
TRC benefits	$ 9,284,345	$ 622,523	$ 9,906,868
Non-incentive utility cost	$ 593,867	$ 35,690	$ 629,557
Customer cost	$ 9,284,896	$ 578,650	$ 9,863,546
TRC costs	$ 9,878,763	$ 614,340	$ 10,493,103
TRC ratio	**0.94**	**1.01**	**0.94**
Net TRC benefits	**$ (594,418)**	**$ 8,183**	**$ (586,234)**

Utility Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 511,952	$ 6,862	$ 518,814
Natural Gas avoided cost	$ 7,187,212	$ 615,661	$ 7,802,873
UCT benefits	$ 7,699,164	$ 622,523	$ 8,321,687
Non-incentive utility cost	$ 593,867	$ 35,690	$ 629,557
Incentive cost	$ 1,617,641	$ 547,401	$ 2,165,042
UCT costs	$ 2,211,508	$ 583,091	$ 2,794,599
UCT ratio	**3.48**	**1.07**	**2.98**
Net UCT benefits	**$ 5,487,657**	**$ 39,432**	**$ 5,527,088**

Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric Bill Reduction	$ 531,064	$ 10,319	$ 541,383
Gas Bill Reduction	$ 11,542,919	$ 1,046,553	$ 12,589,473
Non-Energy benefits	$ 1,585,181	$ -	$ 1,585,181
Participant benefits	$ 13,659,164	$ 1,056,872	$ 14,716,036
Customer project cost	$ 9,284,896	$ 578,650	$ 9,863,546
Incentive received	$ (1,617,641)	$ (547,401)	$ (2,165,042)
Participant costs	$ 7,667,255	$ 31,248	$ 7,698,504
Participant Test ratio	**1.78**	**33.82**	**1.91**
Net Participant benefits	**$ 5,991,909**	**$ 1,025,624**	**$ 7,017,533**

Gas Non-Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Gas avoided cost savings	$ 7,187,212	$ 615,661	$ 7,802,873
Non-Part benefits	$ 7,187,212	$ 615,661	$ 7,802,873
Gas Revenue loss	$ 11,542,919	$ 1,046,553	$ 12,589,473
Non-incentive utility cost	$ 593,867	$ 35,690	$ 629,557
Customer incentives	$ 1,617,641	$ 547,401	$ 2,165,042
Non-Part costs	$ 13,754,427	$ 1,629,644	$ 15,384,071
Non-Part. ratio	**0.52**	**0.38**	**0.51**
Net Non-Part. benefits	**$ (6,567,215)**	**$ (1,013,983)**	**$ (7,581,198)**

Descriptive Statistics	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Annual kWh savings	941,162	12,701	953,863
Annual therm savings	1,077,890	78,729	1,156,619
Levelized TRC cost per therm	$ 0.9630	$ 0.7446	$ 0.9497
Levelized UCT cost per therm	$ 0.2156	$ 0.7067	$ 0.2529

NOTES:

Costs associated with membership in regional programs are excluded from all cost-effectiveness calculations.
"N/A" is listed for segments with benefits, but no costs.

Table 13EG — Summary of Combined Gas and Electric Cost-Effectiveness Tests and Descriptive Statistics

Total Resource Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 19,924,601	$ 719,839	$ 20,644,440
Non-Energy benefits	$ 9,362,343	$ -	$ 9,362,343
Natural Gas avoided cost	$ 5,975,732	$ 627,623	$ 6,603,354
TRC benefits	$ 35,262,676	$ 1,347,462	$ 36,610,138
Non-incentive utility cost	$ 2,581,093	$ 69,475	$ 2,650,568
Customer cost	$ 22,614,711	$ 1,206,981	$ 23,821,692
TRC costs	$ 25,195,805	$ 1,276,456	$ 26,472,260
TRC ratio	**1.40**	**1.06**	**1.38**
Net TRC benefits	**$ 10,066,871**	**$ 71,006**	**$ 10,137,877**

Utility Cost Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric avoided cost	$ 19,924,601	$ 719,839	$ 20,644,440
Natural Gas avoided cost	$ 5,975,732	$ 627,623	$ 6,603,354
UCT benefits	$ 25,900,332	$ 1,347,462	$ 27,247,794
Non-incentive utility cost	$ 2,581,093	$ 69,475	$ 2,650,568
Incentive cost	$ 6,156,662	$ 1,141,801	$ 7,298,463
UCT costs	$ 8,737,755	$ 1,211,276	$ 9,949,031
UCT ratio	**2.96**	**1.11**	**2.74**
Net UCT benefits	**$ 17,162,577**	**$ 136,186**	**$ 17,298,763**

Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Electric Bill Reduction	$ 23,122,999	$ 1,082,356	$ 24,205,355
Gas Bill Reduction	$ 9,507,538	$ 1,066,917	$ 10,574,455
Non-Energy benefits	$ 9,362,343	$ -	$ 9,362,343
Participant benefits	$ 41,992,880	$ 2,149,273	$ 44,142,154
Customer project cost	$ 22,614,711	$ 1,206,981	$ 23,821,692
Incentive received	$ (6,156,662)	$ (1,141,801)	$ (7,298,463)
Participant costs	$ 16,458,050	$ 65,180	$ 16,523,229
Participant Test ratio	**2.55**	**32.97**	**2.67**
Net Participant benefits	**$ 25,534,831**	**$ 2,084,094**	**$ 27,618,924**

Gas and Electric Non-Participant Test	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Gas avoided cost savings	$ 7,187,212	$ 615,661	$ 7,802,873
Electric avoided cost savings	$ 19,412,648	$ 712,978	$ 20,125,626
Non-Part benefits	$ 26,599,860	$ 1,328,639	$ 27,928,499
Gas Revenue loss	$ 11,542,919	$ 1,046,553	$ 12,589,473
Electric Revenue loss	$ 22,591,936	$ 1,072,037	$ 23,663,973
Non-incentive utility cost	$ 2,581,093	$ 69,475	$ 2,650,568
Customer incentives	$ 6,156,662	$ 1,141,801	$ 7,298,463
Non-Part costs	$ 42,872,610	$ 3,329,866	$ 46,202,476
Non-Part. ratio	**0.62**	**0.40**	**0.60**
Net Non-Part. benefits	**$ (16,272,750)**	**$ (2,001,228)**	**$ (18,273,977)**

Descriptive Statistics	Regular Income portfolio	Limited Income portfolio	Overall portfolio
Annual kWh savings	45,771,600	1,498,490	47,270,090
Annual therm savings	779,552	80,252	859,804

NOTES:

Costs associated with membership in regional programs are excluded from all cost-effectiveness calculations.
"N/A" is listed for segments with benefits, but no costs.

Table 14EG — Tariff Rider Balances

	January	February	March	April	May	June	July	August	September	October	November	December 1-1-06 to 12-31-06	
WASHINGTON ELECTRIC TARIFF RIDER													
Actual WA Rev	$ 446,248	$ 420,393	$ 409,030	$ 372,097	$ 346,044	$ 349,851	$ 360,931	$ 390,738	$ 399,774	$ 365,071	$ 374,111	$ 448,780	$ 4,683,069
Actual WA Exp	$ 333,930	$ 312,238	$ 626,882	$ 196,475	$ 424,522	$ 257,871	$ 381,054	$ 576,002	$ 280,463	$ 596,386	$ 613,224	$ 446,298	$ 5,045,345
Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balance reduction	$ (112,318)	$ (108,155)	$ 217,852	$ (175,622)	$ 78,478	$ (91,981)	$ 20,123	$ 185,264	$ (119,311)	$ 231,315	$ 239,113	$ (2,482)	$ 362,276
Starting balance	$ 990,859	$ 878,541	$ 770,386	$ 988,238	$ 812,616	$ 891,094	$ 799,113	$ 819,236	$ 1,004,500	$ 885,189	$ 1,116,503	$ 1,355,617	
Ending balance	$ 878,541	$ 770,386	$ 988,238	$ 812,616	$ 891,094	$ 799,113	$ 819,236	$ 1,004,500	$ 885,189	$ 1,116,503	$ 1,355,617	$ 1,353,135	
IDAHO ELECTRIC TARIFF RIDER													
Actual ID Rev	$ 240,583	$ 214,036	$ 221,565	$ 200,010	$ 191,359	$ 179,946	$ 185,777	$ 191,457	$ 191,575	$ 176,956	$ 192,136	$ 228,612	$ 2,414,013
Actual ID Exp	$ 110,691	$ 134,312	$ 190,201	$ 302,590	$ 1,149,686	$ 184,079	$ 465,652	$ 207,080	$ 102,953	$ 305,338	$ 158,555	$ 128,217	$ 3,439,354
Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ (129,891)	$ (79,725)	$ (31,364)	$ 102,580	$ 958,327	$ 4,133	$ 279,875	$ 15,623	$ (88,622)	$ 128,381	$ (33,581)	$ (100,395)	$ 1,025,342
Starting balance	$ (1,529,752)	$ (1,659,644)	$ (1,739,368)	$ (1,770,733)	$ (1,668,152)	$ (709,825)	$ (705,692)	$ (425,817)	$ (410,194)	$ (498,816)	$ (370,435)	$ (404,016)	
Ending balance	$ (1,659,644)	$ (1,739,368)	$ (1,770,733)	$ (1,668,152)	$ (709,825)	$ (705,692)	$ (425,817)	$ (410,194)	$ (498,816)	$ (370,435)	$ (404,016)	$ (504,411)	
COMBINED ELECTRIC TARIFF RIDERS													
Actual Rev	$ 686,831	$ 634,429	$ 630,595	$ 572,107	$ 537,403	$ 529,797	$ 546,709	$ 582,196	$ 591,349	$ 542,028	$ 566,247	$ 677,392	$ 7,097,082
Actual Exp	$ 444,621	$ 446,550	$ 817,082	$ 499,065	$ 1,574,208	$ 441,949	$ 846,706	$ 783,083	$ 383,415	$ 901,724	$ 771,780	$ 574,515	$ 8,484,699
Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balance reduction	$ 242,209	$ 187,879	$ (186,487)	$ 73,042	$ (1,036,805)	$ 87,848	$ (299,998)	$ (200,887)	$ 207,934	$ (359,696)	$ (205,532)	$ 102,876	$ (1,387,618)
Starting balance	$ (538,893)	$ (781,102)	$ (968,982)	$ (782,494)	$ (855,536)	$ 181,269	$ 93,421	$ 393,419	$ 594,306	$ 386,372	$ 746,069	$ 951,601	
Ending balance	$ (781,102)	$ (968,982)	$ (782,494)	$ (855,536)	$ 181,269	$ 93,421	$ 393,419	$ 594,306	$ 386,372	$ 746,069	$ 951,601	$ 848,725	
WASHINGTON GAS TARIFF RIDER													
Actual WA Rev	$ 100,141	$ 90,887	$ 91,681	$ 62,725	$ 37,708	$ 21,016	$ 15,820	$ 13,507	$ 16,730	$ 26,723	$ 128,011	$ 429,272	$ 1,034,222
Actual WA Exp	$ 170,927	$ 82,445	$ 81,531	$ 79,638	$ 68,844	$ 203,786	$ 156,001	$ 183,133	$ 262,260	$ 204,660	$ 244,073	$ 352,662	$ 2,089,961
Adjustments'	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 300,000
Balance reduction	$ 95,786	$ 16,558	$ 14,850	$ 41,914	$ 56,136	$ 207,771	$ 165,180	$ 194,626	$ 270,530	$ 202,937	$ 141,062	$ (51,610)	$ 1,355,739
Starting balance	$ 172,869	$ 268,654	$ 285,213	$ 300,063	$ 341,976	$ 398,112	$ 605,883	$ 771,063	$ 965,689	$ 1,236,219	$ 1,439,156	$ 1,580,218	
Ending balance	$ 268,654	$ 285,213	$ 300,063	$ 341,976	$ 398,112	$ 605,883	$ 771,063	$ 965,689	$ 1,236,219	$ 1,439,156	$ 1,580,218	$ 1,528,608	
IDAHO GAS TARIFF RIDER													
Actual ID Rev	$ 45,514	$ 39,314	$ 40,411	$ 29,035	$ 17,814	$ 10,428	$ 7,605	$ 6,735	$ 8,151	$ 12,475	$ 70,361	$ 211,706	$ 499,548
Actual ID Exp	$ 41,024	$ 40,232	$ 72,635	$ 106,559	$ 130,213	$ 62,895	$ 62,939	$ 23,822	$ 33,631	$ 48,385	$ 42,308	$ 54,893	$ 719,537
Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ (4,490)	$ 919	$ 32,224	$ 77,524	$ 112,399	$ 52,467	$ 55,334	$ 17,088	$ 25,480	$ 35,909	$ (28,053)	$ (156,812)	$ 219,989
Starting balance	$ 808,300	$ 803,810	$ 804,729	$ 836,953	$ 914,477	$ 1,026,876	$ 1,079,343	$ 1,134,677	$ 1,151,764	$ 1,177,244	$ 1,213,153	$ 1,185,101	
Ending balance	$ 803,810	$ 804,729	$ 836,953	$ 914,477	$ 1,026,876	$ 1,079,343	$ 1,134,677	$ 1,151,764	$ 1,177,244	$ 1,213,153	$ 1,185,101	$ 1,028,289	

Table 14EG

Tariff Rider Balances

	January	February	March	April	May	June	July	August	September	October	November	December 1-1-06 to 12-31-06	
COMBINED GAS TARIFF RIDERS													
Actual Rev	$ 145,655	$ 130,201	$ 132,092	$ 91,760	$ 55,522	$ 31,443	$ 23,425	$ 20,242	$ 24,881	$ 39,199	$ 198,372	$ 640,978	$ 1,533,771
Actual Exp	$ 211,951	$ 122,677	$ 154,166	$ 186,197	$ 199,057	$ 266,682	$ 218,939	$ 206,956	$ 295,891	$ 253,045	$ 286,381	$ 407,555	$ 2,809,498
Adjustments	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 300,000
Balance reduction	$ (41,296)	$ 32,523	$ 2,926	$ (69,437)	$ (118,535)	$ (210,238)	$ (170,514)	$ (161,714)	$ (246,010)	$ (188,846)	$ (63,009)	$ 258,423	$ (975,728)
Starting balance	$ 981,168	$ 1,072,465	$ 1,089,941	$ 1,137,015	$ 1,256,453	$ 1,424,988	$ 1,685,226	$ 1,905,740	$ 2,117,454	$ 2,413,463	$ 2,652,310	$ 2,765,319	
Ending balance	$ 1,072,465	$ 1,089,941	$ 1,137,015	$ 1,256,453	$ 1,424,988	$ 1,685,226	$ 1,905,740	$ 2,117,454	$ 2,413,463	$ 2,652,310	$ 2,765,319	$ 2,556,896	
COMBINED GAS AND ELECTRIC TARIFF RIDERS													
Actual Rev	$ 832,485	$ 764,630	$ 762,687	$ 663,867	$ 592,925	$ 561,240	$ 570,134	$ 602,438	$ 616,230	$ 581,227	$ 764,619	$ 1,318,370	$ 8,630,852
Actual Exp	$ 656,572	$ 569,227	$ 971,249	$ 685,262	$ 1,773,265	$ 708,631	$ 1,065,646	$ 990,038	$ 679,307	$ 1,154,769	$ 1,058,161	$ 982,071	$ 11,294,198
Balance reduction	$ 200,913	$ 220,403	$ (183,562)	$ 3,605	$ (1,155,341)	$ (122,391)	$ (470,512)	$ (362,601)	$ (38,076)	$ (548,542)	$ (268,542)	$ 361,299	$ (2,363,346)
Starting balance	$ 442,276	$ 291,362	$ 120,959	$ 354,521	$ 400,916	$ 1,606,257	$ 1,778,647	$ 2,299,159	$ 2,711,760	$ 2,799,836	$ 3,398,378	$ 3,716,920	
Ending balance	$ 291,362	$ 120,959	$ 354,521	$ 400,916	$ 1,606,257	$ 1,778,647	$ 2,299,159	$ 2,711,760	$ 2,799,836	$ 3,398,378	$ 3,716,920	$ 3,405,621	

NOTES:

1) Transfer from DSM to LIRAP

Table 15EG **Calculation of Energy Savings vs. Utility Expenditure Proportionality**

	Adjusted Proportionality Calculation		Unadjusted Proportionality Calculation	
	Electric	**Gas**	**Electric**	**Gas**
Actual 1/1/06 to 12/31/06 cash expenditures	$ 8,484,699	$ 2,809,498	$ 8,484,699	$ 2,809,498
Less cash incentives	$ (6,714,847)	$ (2,179,942)	$ -	$ -
Add in derated incentives	$ 5,133,421	$ 2,165,042	$ -	$ -
Adjusted (for incentives) utility expenditures	$ 6,903,273	$ 2,794,599	$ 8,484,699	$ 2,809,498
Normalize NEEA expenditures	$ 528,615	$ -	$ -	$ -
Total adjusted utility expenditures	$ 7,431,888	$ 2,794,599	$ 8,484,699	$ 2,809,498
DSM revenues 1/1/06 to 12/31/06	$ 7,097,082	$ 1,533,771	$ 7,097,082	$ 1,533,771
Adjusted utility expenditures divided by actual revenues	105%	182%	120%	183%
Energy savings from Triple-E Report	46,316,227	1,156,619	46,316,227	1,156,619
IRP Goal	47,500,000	1,062,000	47,500,000	1,062,000
% of goal achieved	98%	109%	98%	109%
Proportionality (kWh and therm)	**93%**	**60%**	**82%**	**59%**
Proportionality (mmbtu)	**75%**		**70%**	

NOTES:

(1) Adjustments for the difference between cash incentives and those accrued as projects move through the "pipeline" (contracted to construction to completed) remove the effect of scheduling cash payment of incentives to future dates.

(2) NEEA revenues have been adjusted to equal our annual maximum contractual obligation. Regional energy savings are not reflected in this calculation.

Appendix A

Methodology for the Recognition of Benefits and Costs

The core intent of this report is to provide suitable information for management of the Company's DSM programs and for meaningful oversight by the Triple-E board as well as forming the foundation for demonstrating regulatory prudence. Key to all of those objectives is the appropriate matching of costs and benefits under varying circumstances.

As part of the process of managing the DSM programs the Company has developed a categorization process for site-specific projects as they move towards completion. This process designates a "scope", "study", "contracted", "construction" and "completed" phase. In addition there is also an "inactive" and "terminated" phase for projects that are no longer progressing towards eventual fruition. This categorization is used to identify projects under various stages of active management and to project future project completions and cash flow impacts resulting from payment of incentives.

This methodology is applied only to site-specific projects. Non-residential prescriptive and all residential and limited income projects are realized only upon completion. These projects are smaller and have shorter more consistent sales cycles, thus reducing the value and increasing the cost of this form of detailed tracking of projects.

Due to the size of individual projects and the amount of time that some of these projects can spend in evaluation the Company has developed a "derating" process whereby costs and benefits are symmetrically realized as a project moves through the "pipeline". Specifically 75% of a project is recognized for cost-effectiveness purposes when a project reaches the "contracted" milestone, an additional 20% is realized (95% in total) when the project reaches "construction" and the final 5% (100% in total) when the project is completed and post-verified. Projected energy savings, non-energy benefits and customer incremental cost are all realized based upon the same schedule.

Specific definitions have been developed around the three phases where there is recognition of benefits to ensure consistency in the evaluation process and to provide a sound basis for future projections.

The percentage of project realization is based upon past analysis indicating that over 80% of projects reaching the "contracted" milestone and approximately 95% of projects reaching "construction" eventually follow through to completion. Since the vast majority of the utility effort invested in the project is in getting the project to the "contracted" phase these percentages most appropriately represent the value of the utility investment at each of those stages.

Periodic assessments of "stale" projects (those that have remained in a phase for an extended period of time) are undertaken. Projects that have languished in a phase and are deemed unlikely to move forward are moved to "terminated" or "inactive" status.

Projects moving backwards in the pipeline, such as from contracted or construction to terminated status, result in prior claims for that project being removed from the overall portfolio. On relatively rare occasions projects can move backwards from the construction or completion phases (usually when misunderstandings or administrative errors have resulted in erroneously advancing a project) resulting in a similar adjustment.

Project status can be revised not only when a project moves to a different stage in the pipeline, but also when the project characteristics change. Project specifications are frequently revised after an incentive contract has been signed with potential impacts upon expected energy acquisition, cost, incentive payments and other factors. As project expectations are updated in the DSM database these revisions are incorporated into the overall DSM portfolio status.

When a site-specific project reaches completion a post-verification is made and the DSM database is updated. If the project has changed since it was originally contracted an updated incentive calculation is carried out.

Projects with an incentive amount of $50,000 or more, with uncertain savings and where post-completion tracking can provide improved project commissioning and evaluation are subject to a performance contract. Typically the performance period is one year after the project has completed a commissioning period. Revisions to non-performance contracts occasionally occur after post-verification also occasionally occur as a result of improved information based upon measurement, evaluation, project commissioning or account follow-up activities. Revisions may be increase or decrease any of the project characteristics.

Fundamentally the derating process allows for a more accurate view of cost-effectiveness and other program characteristics by more closely matching utility resource investment (particularly marketing and project evaluation) to the consequential benefits. The improved accuracy and meaningfulness of these diagnostic statistics and projections lead to an improved ability to manage the DSM portfolio.

Appendix B

Introduction to Avista's Analytical Methodology

The analytical evaluation of Avista's programs can largely be divided into two general approaches; the standard practice cost-effectiveness tests and descriptive statistics. Each approach and each calculation within the two different approaches provide a different perspective on the status of a program. When viewed as a whole they are intended to provide a meaningful insight into the program for purposes of making informed decisions for the management of individual programs as well as the overall portfolio.

The descriptive statistics, such as direct incentive per kWh saved, general costs per kWh saved and so on are easily understood and calculated. Over the course of designing, implementing and evaluating these programs these descriptive calculations are made and modified as necessary.

The cost-effectiveness tests are a more standardized and, in many ways, a more rigorous analytical tool. In consideration of their value as a management tool we wrote a brief summary of calculation, meaning and interpretation of these tests for our implementation staff. This summary has been periodically modified and redistributed internally and externally for use in introducing the methodology for calculating and interpreting the standard practice tests.

Cost-Effectiveness Primer

The four 'standard practice tests' were developed in California as a means to evaluate the cost-effectiveness of demand-side management programs from the perspectives of different participants. These four tests are:

Total Resource Cost (TRC) test: This is a societal benefit-cost analysis and indicates the cost-effectiveness of a project is to the whole of society. In recent years the inclusion of non-energy benefits in this test has become more acceptable (and even expected). These costs include reductions in customer maintenance, reduced insurance and potentially even the value of reduced emissions and other societal costs of energy generation, transmission and delivery.

Utility Cost Test (UCT): This test indicates whether the utility cost of serving all customers goes up or down as a result of the program. This is not the customer 'energy' cost, which would include end-use equipment and similar costs, it is only the costs incurred by the utility to serve the customer.

Participant test: This is the cost-effectiveness for the participating customer. It includes the value of the energy savings (and other savings) from the project vs. the customer project costs.

Rate Impact Measure (RIM) test (also known as the non-participant test): This indicates if the program will result in a rate increase or decrease. It is also known as the 'non-participant test' because programs that fail the RIM test result in an increase in rates and disadvantage a non-participating customer. The 'non-participating customer' bears the cost of the rate increase without obtaining any program benefits.

What is and isn't included in the four standard practice tests can be shown in the illustrative table:

	TRC	UCT	PART	RIM
Electric avoided cost value (utility discount rate)	$ 4,330,973	$ 4,330,973		$ 4,330,973
Gas avoided cost value (utility discount rate)	$ 131,242	$ 131,242		$ 131,242
Customer value of kWh savings			$ 5,066,599	
Customer value of kW savings			$ 619,317	
Customer value of gas savings			$ 102,216	
Customer electric incentive received			$ 1,276,582	
Customer gas incentive received			$ 0	
Customer value of customer Non-Energy Benefits	$ 0		$ 0	

Quantifiable societal benefits (utility discount rate)	$ 0				
Utility value of lost kWh revenue (utility discount rate)					$ 6,922,382
Utility value of lost kW revenue utility discount rate)					$ 846,160
Utility value of lost therms revenue (ut. discount rate)					$ 145,947
Customer project costs	$ 3,873,881			$ 3,873,881	
General costs	$ 316,794	$ 316,794			$ 316,794
Non-incentive implementation costs	$ 534,081	$ 534,081			$ 534,081
Measurement & Evaluation costs	$ 2,584	$ 2,584			$ 2,584
Electric incentive costs		$ 1,276,582			$ 1,276,582
Gas incentive costs		$ 0			$ 0
Other utility costs	$ 0	$ 0			$ 0
TOTAL BENEFITS	$ 4,462,216	$ 4,462,216	$ 7,064,714		$ 4,462,216
TOTAL COSTS	$ 4,727,339	$ 2,130,040	$ 3,873,881		$ 10,044,529
NET BENEFITS	$ (265,124)	$ 2,332,176	$ 3,190,833		$ (5,582,313)
Benefit / Cost ratio	0.94	2.09	1.82		0.44

The top section of the table is a compilation of program benefits. These are almost entirely the benefits of the reduced energy consumption. There are two ways of monetarily valuing the reduced energy usage, either at the rate that the customer would pay or at the 'avoided cost'.

The 'avoided cost' is based upon what costs the utility would save by not having to purchase and distribute the additional energy. These are based upon periodic filings made by Avista in both Idaho and Washington. In spite of the fact that the filings of both states are based upon the same utility system, the avoided costs are not the same. Generally speaking Washington avoided costs are based upon the price of electricity in the market while Idaho bases their avoided costs on the cost of generating additional kWh's from Avista's generation mix.

The avoided cost is the valuation of the energy savings used in the TRC, UCT and RIM tests. Since this is the value of the savings to the utility, the utility discount rate (currently 7.41% from the most recent filed electric or gas IRP applied to electric and gas analysis) is used to calculate a present value of the stream of future energy savings.

From the participating customer viewpoint, the value of the energy savings isn't the utility avoided costs, it's the rate that the customer would pay. Therefore, in the Participant test the energy rate is used to value those savings. A customer discount rate is then applied to calculate the present value of the stream of energy savings. Incentives received by the customer are also a program benefit in the participant test.

Other benefits that can be included in the analysis are the customer non-energy benefits and even societal benefits. Customer non-energy benefits might include reduced maintenance, lower insurance premiums, increased productivity, improved product, increased comfort, reduced absenteeism, reduced water/sewage costs and so on. Societal benefits could include improved air quality, reduced public sector expense (i.e. for sewage capacity, etc.), aesthetics etc. Due to the difficulty of accurately tracking and quantifying these benefits we haven't been able to include all program benefits in our calculations.

The table lists the program costs below the section on program benefits. These can be broadly categorized into three groups; (1) lost utility revenues, (2) project costs and (3) utility program costs.

The lost utility revenues only affect the RIM test. Note that in the RIM test the lost utility revenues are a cost and the avoided cost of the same energy is a benefit. Unless the utility has a negative margin on the energy sales (meaning that the utility is losing money for every kWh or therm sold) the program will fail the RIM test. This is why a program can only pass the RIM test if it effects underpriced energy sales (i.e. effects only system-peak energy usage).

The project cost is a cost to society (in the TRC test) and the participant (in the Participant test). These costs should be those associated with obtaining the energy savings claimed by the program only. This is because the program benefits must be consistent with the costs for a legitimate benefit – cost comparison to be made. The program benefits (in our analysis) are based solely upon the energy savings, therefore the costs should only be those costs associated with obtaining those energy savings.

The utility costs are those costs necessary to run the program. These are societal costs (in the TRC), utility costs (in the UCT) and costs that must be borne by the ratepayer (in the RIM). Note, however, that incentives are not a societal (TRC) cost. This is because incentives are a transfer payment from the utility to the customer and don't effect the benefits or costs of all of 'society'.

The final step is simply to add up the benefits appropriate for each test and the costs and perform the division. The benefit-cost ratio is simply the benefits divided by the costs. If the benefits are greater than the costs the 'B/C' ratio is over one and the program 'passes' that test.

In the example used the program is slightly non-cost effective on a societal basis (with a B/C ratio of .94 and a societal 'loss' of only $265,000). Oftentimes the TRC test would benefit substantially from developing project costs that are more consistent with the incremental cost of the energy savings. Furthermore, frequently benefits don't include the value of the reduced maintenance, increased productivity etc. that are present in many of the projects due to problems with reporting and/or quantifying these values.

The program passes the UCT with a B/C ratio of 2.09. This means the program reduces the utility cost of serving customers. In other words, the reduced cost of purchasing energy for the customer is less than the cost of running the program (including the incentives that we give the customer).

The Participant test also has a B/C that passes (1.82). This means that the participating customers are benefiting from our program. The value of their energy savings is greater than the project cost (less the incentive we pay them).

We expectedly fail the RIM test. This means that a non-participating customer is disadvantaged by the program. They incur the adverse effect of an upward pressure on rates but don't benefit from any of the program energy savings. The rate pressure is the result of lost revenues and program costs being greater than the reduced cost of acquiring the energy. Fortunately our programs cover virtually all customer classes and consequently we can state accurately state that we have very few customers who can truly be considered 'non-participants'. Those that don't directly participate in a program do benefit when their suppliers, customers or government participate in their programs.

In the past several years the TRC test has become the most frequently reviewed test of the four original standard practice tests, though most jurisdictions take all four standard practice tests into consideration. Unfortunately the TRC test is also one that is the most difficult to accurately calculate since it requires information that isn't often directly tracked by the utility (i.e. incremental project costs, non-energy benefits etc.).