AVISTA CORP. RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION: WASHINGTON

DATE PREPARED:

09/17/2009

CASE NO:

UE-090134 & UG-090135

WITNESS:

Bruce Folsom

REQUESTER:

Public Counsel

RESPONDER:

Lori Hermanson

TYPE:

Data Request

DEPT:

Energy Solutions

REQUEST NO.:

PC - 514

TELEPHONE:

(509) 495-4658

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REQUEST:

Re: Testimony of Bruce Folsom, Exhibit No. ___ (BWF-2) and Avista's Response to Public Counsel Data Request No. 490.

(BWF-2) includes certain data and calculations that were based upon January to November, 2008, likely due to the timing of the company's rate case filing. This request asks for an updated version of this exhibit with final and complete 2008 data, as described below.

- Please provide a revised, updated version of this Exhibit (BWF-2), as an Excel workbook with all formulae intact, that reflects the final, corrected savings and costs for 2008. With respect to the gas cost effectiveness calculations, please be sure to use the final verified savings amount for 2008, as corrected by Avista on or about August 10, 2009 and shown in the Titus Evaluation Report (Exhibit No. (BJH-2), Corrected.) Please ensure that the Excel workbook file provided in response to this request includes any and all worksheets referenced in the cost-effectiveness calculations. In addition, please subtract 11,603 therms from the final verified gas savings for 2008 in light of Avista's admission in response to Public Counsel Data Request No. 490 that 10,108 therms were incorrectly included in the total Avista reported savings of 133,253 therms for residential insulation, which were subsequently verified for a total of 153,026 therms, (this error of 10,108 therms was then verified at 114.8%, as shown in Table H3-E of the Titus Report (Exhibit BJH-2) (10,108 * 114.8% = 11,603 therms).
- Please provide separate cost-effectiveness calculations for each state, Washington and Idaho, as b. an Excel workbook with all formulae intact, that reflects the final, corrected savings for 2008. With respect to the gas cost effectiveness calculations, the final savings amount for 2008 should be the verified savings, as corrected by Avista on or about August 10, 2009 and shown in the Titus Evaluation (BJH-2), Corrected.) Please ensure that the Excel workbook file provided in Report (Exhibit No. response to this request includes any and all worksheets referenced in the cost-effectiveness calculations. In addition, please subtract 11,603 therms from the final verified gas savings for Washington for 2008 in light of Avista's admission in response to Public Counsel Data Request No. 490 that 10,108 therms were incorrectly included in the total Avista reported savings of 133,253 therms for residential insulation, which were subsequently verified for a total of 153,026 therms, (this error of 10,108 therms was then verified at 114.8%, as shown in Table H3-E of the Titus Report (Exhibit BJH-2) (10,108 * 114.8% = 11,603 therms.)
- Please provide an Excel worksheet with the avoided cost calculations shown in this Exhibit, as c. revised pursuant to this request, with all formulae intact. Please ensure that the Excel file provided in response to this request includes any and all worksheets referenced in the avoided cost calculations.

RESPONSE:

- a) Please see "PC_DR_514-Attachment A.xls" for the revised exhibit. This request required Exhibit ___(BWF-2) to be recalculated using cost-effectiveness components (i.e. costs, non-energy benefits, savings, avoided costs, etc) computed on a completed basis. The Company typically reports on a derated basis, so this exercise should be considered stand-alone and will not mirror nor tie any other reporting done by the Company since this is using different methodology. Since more than 90% of the projects were winter type measures, the winter avoided cost was applied in this exercise. New weighted average measure lives were calculated based on the completed projects. Levelized TRC and UCT costs were based on a weighted average measure life of 19.5 years, so we used an average of 19 and 20 year avoided costs for comparable natural gas avoided costs.
- b) Please see PC_DR_514-Attachment A.xls
- c) Please see PC_DR_514-Attachment A.xls which is being provided in electronic format only.

Exhibit No. ____(BWF-2)

UE-090134, UG-09015, UG-060518 Exhibit No. Page 3 of 6

Summary of Natural Gas Demand-Side Management Cost-Effectiveness For PC-514 for the period January 1, 2008 through December 31, 2008

TOTAL RESOURCE COST TEST	г ^г	Regular income portfolio		Limited income portfolio	. (Overall portfolio
Gas program gas avoided cost	t \$	13,019,354	\$	725,460	s	13,744,814
Gas program electric avoided cost		1,812,775	\$	5,461	\$	1,818,236
Gas program non-energy benefits		243,010	\$	<u> </u>	\$	243,010
TOTAL TRC BENEFITS	\$	15,075,138	\$	730,921	\$	15,806,060
Gas program non-incentive utility cost	t \$	1,160,114	\$	43,582	\$	1,203,696
Gas program customer cost	<u> </u>	20,474,010	\$	566,474	18	21,040,484
TOTAL TRC COSTS	\$	21,634,124	\$	610,056	\$	22,244,180
NET TRC BENEFITS	\$	(6,558,986)	\$	120,865	s	(6,438,120)
TRC BENEFIT / COST RATIO	1	0.70		1.20	!!	0.71
UTILITY COST TEST		Regular income portfolio		Limited income portfolio	" C	verall portfolio
Gas program gas avoided cost	· \$	13,019,354	\$	725,460		
Gas program electric avoided cost	-	1,812,775	\$	725,460 5,461	II .	13,744,814 1,818,236
TOTAL UCT BENEFITS		14,832,128	\$	730,921	=	15,563,050
Gas program non-incentive utility cost	· œ	1 100 444	Φ.			
Gas program incentive utility cost		1,160,114 4,536,361	\$ \$	43,582	il	1,203,696
TOTAL UCT COSTS	=	5,696,475	<u>Ψ</u> \$	548,903		5,085,264
	·	5,090,475	Φ	592,485	Þ	6,288,960
NET UCT BENEFITS	\$	9,135,653	\$	138,436	\$	9,274,090
UCT BENEFIT / COST RATIO		2.60		1.23		2.47
PARTICIPANT TEST	· R	egular income portfolio		Limited income portfolio	0	verall portfolio
	_	degular income portfolio	\$		_	
PARTICIPANT TEST	\$			1,009,636	\$	18,042,058
PARTICIPANT TEST Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits	\$ \$ \$	17,032,422	\$		\$	
PARTICIPANT TEST Gas program gas bill reduction Gas program electric bill reduction	\$ \$ \$	17,032,422 1,451,048	\$ \$	1,009,636	\$ \$ \$	18,042,058 1,455,573
PARTICIPANT TEST Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost	\$ \$ \$ \$	17,032,422 1,451,048 243,010	\$ \$ \$	1,009,636 4,525 -	\$ \$ \$	18,042,058 1,455,573 243,010 19,740,641
PARTICIPANT TEST Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS	\$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480	\$ \$ \$	1,009,636 4,525 - 1,014,162	\$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484
PARTICIPANT TEST Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost	\$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361)	\$ \$ \$	1,009,636 4,525 - 1,014,162 566,474	\$ \$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost	\$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649	\$ \$ \$ \$ \$ \$	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571	\$ \$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS	\$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649	\$ \$ \$ \$ \$	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571	\$ \$ \$ \$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264)
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS	\$ \$ \$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831	\$ \$ \$ \$ \$ \$ \$ \$	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571	\$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFITS NON-PARTICIPANT TEST	\$ \$ \$ \$ \$ \$ R	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831 1.17 egular income portfolio	\$ \$ \$ \$ \$ \$ \$ \$ L	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571 996,591 n/a	\$ \$ \$ \$ \$ O	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421 1.24
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS	\$ \$ \$ \$ \$ \$ \$ R	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831 1.17 egular income portfolio 13,019,354	\$ \$ \$ \$ \$ \$ L	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571 996,591 n/a	\$ \$ \$ \$ \$ \$ \$ O \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421 1.24 verall portfolio 13,744,814
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS	\$ \$ \$ \$ \$ \$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831 1.17 egular income portfolio 13,019,354 13,019,354	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571 996,591 n/a Limited income portfolio 725,460	\$ \$ \$ \$ \$ \$ \$ O \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421 1.24 verall portfolio 13,744,814 13,744,814
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFITS Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831 1.17 egular income portfolio 13,019,354 13,019,354 17,032,422	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571 996,591 n/a Limited income portfolio 725,460 725,460 1,009,636	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421 1.24 verall portfolio 13,744,814 13,744,814 18,042,058
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFITS Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831 1.17 egular income portfolio 13,019,354 13,019,354 17,032,422 1,160,114	\$ \$ \$ \$ \$ \$ \$ \$ L	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571 996,591 n/a Limited income portfolio 725,460 725,460 1,009,636 43,582	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421 1.24 verall portfolio 13,744,814 13,744,814 18,042,058 1,203,696
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT BENEFITS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost Gas program incentive utility cost	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831 1.17 egular income portfolio 13,019,354 13,019,354 17,032,422 1,160,114 4,536,361	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571 996,591 n/a Limited income portfolio 725,460 725,460 1,009,636 43,582 548,903	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421 1.24 verall portfolio 13,744,814 18,042,058 1,203,696 5,085,264
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT BENEFITS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program incentive utility cost Gas program incentive utility cost TOTAL NON-PARTICIPANT COSTS	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831 1.17 egular income portfolio 13,019,354 13,019,354 17,032,422 1,160,114 4,536,361	\$ \$ \$ \$ \$ \$ \$ \$ L	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571 996,591 n/a Limited income portfolio 725,460 725,460 1,009,636 43,582	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421 1.24 verall portfolio 13,744,814 13,744,814 18,042,058 1,203,696
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT BENEFITS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost Gas program incentive utility cost	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	17,032,422 1,451,048 243,010 18,726,480 20,474,010 (4,536,361) 15,937,649 2,788,831 1.17 egular income portfolio 13,019,354 13,019,354 17,032,422 1,160,114 4,536,361	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,009,636 4,525 - 1,014,162 566,474 (548,903) 17,571 996,591 n/a Limited income portfolio 725,460 725,460 1,009,636 43,582 548,903	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	18,042,058 1,455,573 243,010 19,740,641 21,040,484 (5,085,264) 15,955,220 3,785,421 1.24 verall portfolio 13,744,814 18,042,058 1,203,696 5,085,264

Summary of Washington Natural Gas Demand-Side Management Cost-Effectiveness For PC-514 for the period January 1, 2008 through December 31, 2008

TOTAL RESOURCE COST TEST	Regular income portfolio)	Limited income portfolio	0	verall portfolio
Gas program gas avoided cost	\$ 7,604,763	\$	648,435	\$	8,253,199
Gas program electric avoided cost	\$ 590,318	\$	5,461	\$	595,779
Gas program non-energy benefits	\$ 231,437	\$		\$	231,437
TOTAL TRC BENEFITS	\$ 8,426,518	\$	653,897	\$	9,080,414
Gas program non-incentive utility cost	\$ 782,188	\$	39,452	\$	821,640
Gas program customer cost		\$	396,532		12,409,144
TOTAL TRC COSTS	\$ 12,794,800	\$	435,984	_	13,230,784
NET TRC BENEFITS	\$ (4,368,282)	\$	217,913	l s	(4,150,370)
TRC BENEFIT / COST RATIO	0.66		1.50	ł .	0.69
UTILITY COST TEST	Regular income portfolio		Limited income portfolio	•	verall portfolio
		_		_	verali portiolio
Gas program gas avoided cost		\$	648,435	\$	8,253,199
Gas program electric avoided cost		\$	5,461	\$	595,779
TOTAL UCT BENEFITS	,,	\$	653,897	\$	8,848,977
Gas program non-incentive utility cost		\$	39,452	\$	821,640
Gas program incentive utility cost		\$	496,886		3,572,073
TOTAL UCT COSTS	,	\$	536,338		4,393,713
NET UCT BENEFITS	\$ 4,337,706	\$	117,559	\$	4,455,264
UCT BENEFIT / COST RATIO	2.12		1.22		2.01
PARTICIPANT TEST	Regular income portfolio		Limited income portfolio	0	verall portfolio
PARTICIPANT TEST Gas program gas bill reduction		_			· · · · · · · · · · · · · · · · · · ·
	\$ 10,066,199	\$	900,399	\$	10,966,598
Gas program gas bill reduction	\$ 10,066,199 \$ 565,019	_			10,966,598 569,545
Gas program gas bill reduction Gas program electric bill reduction	\$ 10,066,199 \$ 565,019 \$ 231,437	\$	900,399	\$ \$ \$	10,966,598
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655	\$ \$ \$	900,399 4,525 - 904,924	\$ \$ \$	10,966,598 569,545 231,437 11,767,579
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612	\$ \$ \$	900,399 4,525 -	\$ \$ \$	10,966,598 569,545 231,437
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187	\$ \$ \$	900,399 4,525 904,924 396,532	\$ \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799	\$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418	\$ \$ \$ \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799	\$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886	\$ \$ \$ \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638)
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72	\$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418 11,506 n/a	\$ \$ \$ \$ \$ \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFITS NON-PARTICIPANT TEST	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72 Regular income portfolio	\$ \$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418 11,506 n/a	\$ \$ \$ \$ \$ \$ O	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72 Regular income portfolio \$ 7,604,763	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418 11,506 n/a Limited income portfolio	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFITS NON-PARTICIPANT TEST	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72 Regular income portfolio \$ 7,604,763	\$ \$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418 11,506 n/a	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72 Regular income portfolio \$ 7,604,763 \$ 7,604,763	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418 11,506 n/a Limited income portfolio 648,435 648,435 900,399	\$ \$ \$ \$ \$ O \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74 verall portfolio 8,253,199
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72 Regular income portfolio \$ 7,604,763 \$ 7,604,763 \$ 10,066,199 \$ 782,188	\$ \$ \$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418 11,506 n/a Limited income portfolio 648,435 648,435	\$ \$ \$ \$ \$ O \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74 verall portfolio 8,253,199 8,253,199
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost Gas program incentive utility cost	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72 Regular income portfolio \$ 7,604,763 \$ 10,066,199 \$ 782,188 \$ 3,075,187	\$ \$ \$ \$ \$ \$ \$ \$ \$	900,399 4,525 904,924 396,532 496,886 893,418 11,506 n/a Limited income portfolio 648,435 648,435 900,399 39,452	\$ \$ \$ \$ \$ O \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74 verall portfolio 8,253,199 8,253,199 10,966,598
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72 Regular income portfolio \$ 7,604,763 \$ 10,066,199 \$ 782,188 \$ 3,075,187	\$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418 11,506 n/a Limited income portfolio 648,435 648,435 900,399 39,452	\$ \$ \$ \$ \$ O \$ \$ \$ \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74 verall portfolio 8,253,199 8,253,199 10,966,598 821,640
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost Gas program incentive utility cost	\$ 10,066,199 \$ 565,019 \$ 231,437 \$ 10,862,655 \$ 12,012,612 \$ 3,075,187 \$ 15,087,799 \$ (4,225,144) 0.72 Regular income portfolio \$ 7,604,763 \$ 7,604,763 \$ 10,066,199 \$ 782,188 \$ 3,075,187 \$ 13,923,574	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	900,399 4,525 - 904,924 396,532 496,886 893,418 11,506 n/a Limited income portfolio 648,435 648,435 900,399 39,452 496,886	\$ \$ \$ \$ \$ O \$ \$ \$ \$ \$ \$	10,966,598 569,545 231,437 11,767,579 12,409,144 3,572,073 15,981,217 (4,213,638) 0.74 verall portfolio 8,253,199 10,966,598 821,640 3,572,073

Summary of Idaho Natural Gas Demand-Side Management Cost-Effectiveness For PC-514 for the period January 1, 2008 through December 31, 2008

TOTAL RESOURCE COST TEST	<u> </u>	Regular income portfolio		Limited income portfolio	(Overall portfolio
Gas program gas avoided cost	t \$	5,414,590	\$	77,025	_{\$}	5,491,615
Gas program electric avoided cost	t \$	1,222,457	\$	-	\$	1,222,457
Gas program non-energy benefits	\$_\$	11,573	\$	•	\$	11,573
TOTAL TRC BENEFITS	\$	6,648,621	\$	77,025	\$	6,725,645
Gas program non-incentive utility cost	\$	377,926	\$	4,130	ll \$	382,056
Gas program customer cost		8,461,398	\$	169,942		8,631,340
TOTAL TRC COSTS	\$	8,839,324	\$	174,072	=	9,013,396
NET TRC BENEFITS	\$	(2,190,703)	\$	(97,048)	ll s	(2,287,751)
TRC BENEFIT / COST RATIO		0.75		0.44	Į.	0.75
UTILITY COST TEST		Regular income portfolio		Limited income portfolio	 C	Overall portfolio
Gas program gas avoided cost		5,414,590		77,025		
Gas program electric avoided cost	-	1,222,457	\$ \$	77,025	\$	5,491,615 1,222,457
TOTAL UCT BENEFITS	=	6,637,048	<u>\$</u>	77,025	\$	6,714,072
		3,557,615	*			0,714,072
Gas program non-incentive utility cost		377,926	\$	4,130	1	382,056
Gas program incentive utility cost	-	1,461,174	\$	52,017	\$	1,513,191
TOTAL UCT COSTS	\$	1,839,100	\$	56,147	\$	1,895,247
NET UCT BENEFITS	\$	4,797,948	\$	20,878	\$	4,818,825
UCT BENEFIT / COST RATIO		3.61		1.37		3.54
PARTICIPANT TEST	. }	Regular income portfolio		Limited income portfolio	C	verall portfolio
	_			· · · · · · · · · · · · · · · · · · ·		
PARTICIPANT TEST Gas program gas bill reduction Gas program electric bill reduction	\$	6,966,223	\$	Limited income portfolio	\$	7,075,461
Gas program gas bill reduction	\$ \$			· · · · · · · · · · · · · · · · · · ·		7,075,461 886,028
Gas program gas bill reduction Gas program electric bill reduction	\$ \$ \$	6,966,223 886,028	\$ \$	· · · · · · · · · · · · · · · · · · ·	\$ \$ \$	7,075,461
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS	\$ \$ \$	6,966,223 886,028 11,573 7,863,825	\$ \$ \$	109,237	\$ \$ \$	7,075,461 886,028 11,573 7,973,062
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits	\$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398	\$ \$ \$	109,237 - - 109,237 169,942	\$ \$ \$	7,075,461 886,028 11,573 7,973,062 8,631,340
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost	\$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825	\$ \$ \$	109,237	\$ \$ \$ \$	7,075,461 886,028 11,573 7,973,062
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost	\$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224	\$ \$ \$ \$ \$ \$ \$	109,237 - - 109,237 169,942 (52,017) 117,925	\$ \$ \$ \$ \$	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS	\$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224	\$ \$ \$ \$	109,237 - - 109,237 169,942 (52,017) 117,925 (8,688)	\$ \$ \$ \$ \$	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS	\$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12	\$ \$ \$ \$ \$ \$ \$ \$	109,237 - 109,237 169,942 (52,017) 117,925 (8,688) n/a	\$ \$ \$ \$ \$	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913 1.12
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFITS NON-PARTICIPANT TEST	\$ \$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12 Regular income portfolio	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	109,237 - - 109,237 169,942 (52,017) 117,925 (8,688) n/a	\$ \$ \$ \$ \$ \$ C	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost	\$ \$ \$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12 Regular income portfolio 5,414,590	\$ \$ \$ \$ \$ \$ \$ \$	109,237 - 109,237 169,942 (52,017) 117,925 (8,688) n/a	\$ \$ \$ \$ \$ \$ C	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913 1.12
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFITS NON-PARTICIPANT TEST	\$ \$ \$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12 Regular income portfolio 5,414,590	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	109,237 - - 109,237 169,942 (52,017) 117,925 (8,688) n/a	\$ \$ \$ \$ \$ \$ C	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913 1.12 verall portfolio
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost	\$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12 Regular income portfolio 5,414,590	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	109,237 - - 109,237 169,942 (52,017) 117,925 (8,688) n/a Limited income portfolio 77,025	\$ \$ \$ \$ \$ \$ C	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913 1.12 verall portfolio 5,491,615
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12 Regular income portfolio 5,414,590	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	109,237 - - 109,237 169,942 (52,017) 117,925 (8,688) n/a Limited income portfolio 77,025	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913 1.12 verall portfolio 5,491,615 5,491,615
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12 Regular income portfolio 5,414,590 5,414,590 6,966,223	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	109,237 	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913 1.12 verall portfolio 5,491,615 5,491,615 7,075,461
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12 Regular income portfolio 5,414,590 5,414,590 6,966,223 377,926	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	109,237	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913 1.12 verall portfolio 5,491,615 5,491,615 7,075,461 382,056
Gas program gas bill reduction Gas program electric bill reduction Non-energy benefits TOTAL PARTICIPANT BENEFITS Customer project cost Gas program incentive utility cost TOTAL PARTICIPANT COSTS NET PARTICIPANT BENEFITS PARTICIPANT BENEFITS PARTICIPANT BENEFIT / COST RATIO NON-PARTICIPANT TEST Gas program gas avoided cost TOTAL NON-PARTICIPANT BENEFITS Gas program lost gas revenue PV Gas program non-incentive utility cost Gas program incentive utility cost	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	6,966,223 886,028 11,573 7,863,825 8,461,398 (1,461,174) 7,000,224 863,601 1.12 Regular income portfolio 5,414,590 5,414,590 6,966,223 377,926 1,461,174	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	109,237 - 109,237 169,942 (52,017) 117,925 (8,688) n/a Limited income portfolio 77,025 77,025 109,237 4,130 52,017 165,384	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	7,075,461 886,028 11,573 7,973,062 8,631,340 (1,513,191) 7,118,149 854,913 1.12 verall portfolio 5,491,615 5,491,615 7,075,461 382,056 1,513,191

	Exhibit No.
	Page 4 of 6
Exhibit No.	(BWF-2)

Summary of Demand-Side Management Energy Savings and Levelized Costs For PC-514 for the period January 1, 2008 through December 31, 2008

	Regular inco	me portfolio	Limited inco	me portfolio
	kWh savings	Therm savings	kWh savings	Therm savings
Gas DSM programs	1,376,547	1,650,902	4,147	91,991
ı	Total p	ortfolio		
	kWh savings	Therm savings		
Gas DSM programs	1,380,694	1,821,298 ¹		

¹⁾ The Independent Verification Summary Report on a consolidated basis isn't intended to match the summation of the Washington and Idaho summaries. Since the decoupling pilot was based on consolidated savings, all Company reporting was prepared at a system level. Titus in their verification process chose to break everything out by individual states.

Note: Electric savings derived from gas DSM programs include the impact of electric to natural gas conversions as well as interactive savings resulting from natural gas DSM projects. Therm savings derived from electric DSM projects recognize interactive impacts of electric DSM measures.

DSM Program Portfolio Levelized Cost Calculations

Natural Gas DSM Program Portfolio

Total Resource Cost (TRC)	\$	22,244,180
Weighted average measure life		19.5
Discount rate		7.08%
Therms energy savings		1,821,298
TRC levelized cost	\$	1.174
-		
Utility Cost Test (UCT) cost	\$	6,288,960
Weighted average measure life		19.5
Discount rate		7.08%
Therms energy savings		1,821,298
UCT levelized cost	\$	0.332
Comparative natural gas levelized		-
annual avoided cost		000.00
annual avolueu cost		\$0.686
Comparative natural gas levelized		
winter avoided cost	-	\$0.753
_		