

ENERGY-EFFICIENCY PROGRAMS

Utah Energy-Efficiency Results 2011

The Company's 2011 Commission approved energy-efficiency programs and measures were similar to 2010, but also included new measures, minor changes to qualifying equipment, and changes to rebate levels. The major event for the programs in 2011 was the discontinuation of the ThermWise Multifamily Rebate Program as a stand-alone program. Multifamily measures however continued to be rebated in 2011 as part of other related programs. Multifamily appliance measures were included in the ThermWise Appliance Rebates program, the multifamily weatherization measures were included in the ThermWise Weatherization Rebates program, and the multifamily new construction measures were included in the ThermWise Builder Rebates program. These changes were done in an effort to improve the administrative efficiency of the entire ThermWise portfolio of programs.

ThermWise® Appliance Rebates

The Company continued this program in 2011 with changes relating to appliance efficiency and the addition of new equipment to the overall offerings of rebates for customers. Those changes and additions were as follows: 1) eliminate the rebate for clothes washers with modified energy factor (MEF) of 1.80 to 1.99, and increase the MEF for ENERGY STAR clothes washers to 2.60 or greater; 2) offer a rebate for high-efficiency condensing gas storage water heaters with an energy factor (EF) of 0.90 or greater; 3) offer a rebate for high-efficiency hybrid gas water heaters with a thermal efficiency (TE) of 90 percent or greater; 4) offer a tiered rebate for tankless gas water heaters, Tier 1 with an EF of 0.82-0.89 and a Tier 2 with an EF of 0.90 or greater; 5) offer a tiered rebate structure for high-efficiency furnaces, (Tier 1 with an annual fuel utilization efficiency (AFUE) of 90-91.9 percent, a Tier 2 with an AFUE of 92-94.9 percent, and a Tier 3 with an AFUE of 95 percent or greater); 6) increasing the efficiency rating of residential gas boilers to 95 percent AFUE or greater; 7) update the specifications for solar requirements on equipment from OG-100 to OG-300; 8) eliminate the rebate for clothes dryers; and 9) and offer a rebate for energy-efficient fireplaces, that are direct-vented, have energy-efficiency of 70 percent or greater, are thermostatically controlled, have intermittent ignition and have a blower included with the product.

ThermWise® Builder Rebates

The Company continued this program in 2011 with several changes. The Company consolidated the multifamily new construction measures into the builder rebates program for the purpose of reducing overall program costs. The builder program included all newly constructed residences receiving service on the GS rate schedule. A qualifying single-family residence was defined as a new structure of up to four residential dwelling units. A qualifying multifamily residence was defined as a new structure having five or more residential dwelling units. Incentives in 2011 were paid, tracked, modeled for cost effectiveness, and reported as single or multifamily.

During 2011 the EPA transitioned to a more stringent version of ENERGY STAR certification. Depending on the stage of construction during 2011, builders were required to comply with different versions of the ENERGY STAR certification process, transitioning from version 2.0 (current ENERGY STAR verification standard) to version 3.0 (the final upgraded standard). To recognize the impact of the transition taking place in the ENERGY STAR program, Questar Gas offered a tiered approach to ENERGY STAR home certification for builders. Each tier also required increased efficiency in space and water heating requirements. This tiered approach allowed continued builder participation while at the same time allowing for education on the more stringent standards to take place with the end goal of continued energy-efficient improvements in the new residential building stock.

ThermWise® Business Rebates

The Company continued this program in 2011 with the following improvements: 1) offering rebates for GS residential single-family and multifamily units with qualifying boilers over 300,000 Btu's; 2) slightly increasing rebate amounts for retrofit weatherization measures, specifically, attic and wall insulation; 3) adding a rebate for high-efficiency condensing gas storage water heater and a rebate for hybrid gas storage water heaters; 4) removing gas clothes dryers and programmable thermostats from the program; and 5) eliminating the rebates for clothes washers with an MEF below 2.6.

ThermWise® Weatherization Rebates

In 2011, the Company continued this program with several improvements. The most substantial change was the requirement that attic insulation, floor insulation, wall insulation, duct insulation and duct sealing must be performed by an authorized contractor (Authorized Contractor). This program change helped protect utility customers from fraud and ensured that program dollars were spent prudently for measures that achieve savings.

In addition to the above change, the Company administered all residential weatherization incentives under a single program in 2011. The weatherization program included all residences receiving service on the GS rate schedule. A qualifying single-family residence was defined as a new structure of up to four residential dwelling units. A qualifying multifamily residence was defined as a new structure having five or more residential dwelling units. Incentives in 2011 were paid, tracked, modeled for cost effectiveness, and reported as single or multifamily. For qualifying multifamily residences, a pre-qualification inspection continued to be required.

Also in 2011, the Company adjusted the one-time insulation per premise restriction to allow previous participants in tier 1 attic insulation to receive a tier 2 attic insulation rebate. In order to qualify for this expanded eligibility, customers were required to have a recommendation for additional attic insulation from either an in-home ThermWise Home Energy audit or a Home Performance with ENERGY STAR audit. Customers performing self-installed weatherization in 2011 were also eligible for rebates.

Additional program changes included increasing the energy efficiency of qualifying replacement windows to the 2011 ENERGY STAR standard of a .30 U factor. Rebates were offered for programmable thermostats that met minimum requirements. Finally, the Company combined the duct-sealing and duct insulation measures in 2011. Participants in the combined measure were required to seal and insulate all ductwork in unconditioned spaces. The rebate structure for this measure was a fixed payment of \$100 per qualifying job plus \$5.25 per linear foot of ductwork sealed and insulated. The total rebate available for this measure was capped at \$450 per job for single family dwellings and \$250 per job for qualifying multifamily dwellings.

ThermWise® Home Energy Audit

The Company continued this program in 2011 with no significant changes.

Low-Income Weatherization Assistance

In 2011 the Company continued funding of the LIWAP to a level of \$500,000 per year from the energy-efficiency budget (\$750,000 total Company funding). The Company disbursed \$250,000 in January and July of 2011.

ThermWise® Business Custom Rebates

The Company continued this program in 2011 with no changes.

A summary of the projected and actual benefit-cost ratios for each of the 2011 ThermWise programs is shown below.

Table 1 – 2011 Projected & Actual B/C ratios by program and California Standard Practice Test

Program	Total Resource Cost Test		Participant Test		Utility Cost Test		Ratepayer Impact Measure Test	
	2011 Projected B/C	2011 Actual B/C	2011 Projected B/C	2011 Actual B/C	2011 Projected B/C	2011 Actual B/C	2011 Projected B/C	2011 Actual B/C
ThermWise Appliance Program	1.89	1.40	4.00	2.74	2.19	1.86	1.28	1.16
ThermWise Builder Program	1.04	0.65	3.07	1.51	1.07	1.11	0.80	0.82
ThermWise Business Custom Program	1.10	2.10	5.29	9.77	1.25	2.20	0.96	1.43
ThermWise Business Program	1.64	2.27	3.09	3.72	2.67	3.85	1.67	2.07
ThermWise Weatherization Program	1.21	1.12	2.26	1.98	1.93	1.92	1.21	1.21
ThermWise Home Energy Audit	0.54	0.33	31.2	37.8	0.54	0.33	0.45	0.29
Low Income Weatherization	1.08	1.08	0.00	0.00	1.08	1.08	0.80	0.80
Market Transformation	0.00	0.00	N/A	N/A	0.00	0.00	0.00	0.00
TOTALS	1.30	1.13	2.73	2.27	1.79	1.72	1.16	1.13

While actual benefit/cost results for 2011 were lower than the corresponding budget projections (due to lower than budgeted gas prices), the ThermWise programs as a whole passed all four of the California Standard Practice tests.

Customer participation in the ThermWise programs remained high in 2011 (83,283 actual rebates paid) but finished the year below the Company's 2011 estimate (118,740). Actual participation surpassed estimated participation in the Builder (193 percent) and Business Custom (113 percent) programs. The Weatherization and Appliance programs had the highest total number of participants (51,205 and 22,522 respectively). The prescriptive Business program was short of the 2011 participation goal (85 percent) yet still achieved 107 percent of the 2011 program savings goal.

During 2011, the DSM Advisory Group continued to meet to discuss the Company's energy-efficiency initiative. Four meetings were held on the following dates: March 9, May 24, August 23, and September 27.

Wyoming Energy-Efficiency Results 2011

The Wyoming energy-efficiency programs (Appliance, Builder, Business, Home Energy Audit, and Weatherization) have seen good participation and interest from customers since they were launched on July 1, 2010. In the second full program year (July 2010 through June 2011) the Wyoming ThermWise programs had 1,042 participants or 3.8 percent of the Company's December 31, 2011 Wyoming residential GS customer base. In contrast, the first program year (July 2009 through June 2010) of the Wyoming programs resulted in 549 participants or 52.6 percent of the second year program results.

Utah Energy-Efficiency Plan 2012

Based on work with the DSM Advisory Group, Utah-based trade allies, program administrators and other energy-efficiency stakeholders, the Company proposed and the Utah Public Service Commission approved the continuation of the seven energy-efficiency programs from 2011 as well as the ThermWise Market Transformation initiative. The ThermWise energy-efficiency programs continuing in 2012 are: 1) the ThermWise Appliance Rebates Program; 2) the ThermWise Builder Rebates Program; 3) the ThermWise Business Rebates Program; 4) the ThermWise Weatherization Rebates Program; 5) the ThermWise Home Energy Audit Program; 6) funding of \$500,000 for the Low-Income Weatherization Assistance Program administered by the Utah Department of Community and Culture (DCC); and 7) the ThermWise Business Custom Rebates Program.

The major change for the ThermWise programs in 2012 will be the transition of rebate processing from Nexant and PECI to a new rebate processing contractor. On June 16, 2011 the Company published a request for proposal (RFP) to over forty rebate processing contractors as well as posted the RFP on an industry website (ACEEE). The RFP sought proposals from

contractors interested in performing work related to rebate processing for both the Utah and Wyoming ThermWise rebate programs. The terms of the RFP required a Proposal Response Letter (PRL), stating the intent of interested contractors to submit a proposal by the due date, to be delivered to the Company on or before June 28, 2011. Of the contractors initially contacted, eight (8) returned the PRL. The eight PRL respondents were given until July 15, 2011 to send clarifying questions to the Company. The Company collected questions from all contractors up until that date and responded to all by group e-mail. Completed proposals were required to be delivered to the Company on or before July 28, 2011. Of the eight PRL respondents, seven delivered final proposals to the Company.

The Company began evaluation of the proposals in early August. During the RFP and evaluation process, the Company sought advice and support from the DSM Advisory Group. Ultimately, the Company found the proposal from Helgeson Enterprises Inc., a Minnesota based company, to be most responsive to the Company's rebate processing needs. The Company notified Helgeson on September 13, 2011 and finalized the terms of an agreement with them in late 2011. The Company is currently working on the design and implementation for the transition to Helgeson. The Company expects the new rebate processing system to "go live" in a phased process with the Business, Business Custom, and Weatherization programs transitioning (from Nexant) on May 1, 2012 and the Appliance and Builder programs transitioning (from PEI) on June 1, 2012.

The Company believes that customers will experience many rebate processing enhancements from Helgeson's system. As an example, the Company anticipates that in addition to the currently offered paper rebate application, customers will be able to submit rebate applications electronically via the internet. Additionally, both paper and electronic rebate applicants will receive two (2) e-mails and/or postcards, from a ThermWise address, updating them on rebate status. A web portal will also be available to customers for rebate status updates. The Company expects that the inclusion of these types of industry leading technologies will benefit customers through improved reporting capabilities, increased customer service, and reduced costs.

Additionally, the 2012 programs will include the new rebate measures and an update and/or revision of certain program measures in an effort to improve customer uptake, program cost effectiveness, and to align the programs with current market conditions.

ThermWise® Appliance Rebates

The Company will continue this program in 2012 with a few changes relating to appliance efficiency and the addition of new equipment to the overall offerings of rebates for customers. Those changes and additions are as follows: 1) a tiered rebate for energy-efficient boilers having an efficiency rating of 85 percent or higher; and 2) an increased rebate for 95 percent AFUE furnaces, which include an electrically commutated motor (ECM). This program will continue to be offered to customers in the Company's Utah service territory. PEI will continue to assist with design, outreach, marketing and technical assistance for this program.

Helgeson Enterprises is expected to take over rebate processing for this program on June 1, 2012.

ThermWise® Builder Rebates

The Company will continue this program in 2012 with several changes. The Company will offer five whole house builder options. The overriding goal of these builder options is to encourage above-code new construction. Some of the options are designed to encourage builders to begin moving towards practices that will be required if the state of Utah adopts the IECC 2009 Energy Code. Certain other options are directly tied to Energy Star requirements. A top tier option will be available to reward builders that exceed Energy Star requirements. In addition, rebates will continue to be offered for the installation of stand-alone measures.

During 2011 the Company participated in numerous meetings with Rocky Mountain Power (RMP), Nexant (RMP's implementation contractor for new construction programs), and PECI (Questar Gas' implementation contractor for new construction) to explore approaches to bring synergy to the new construction market. The Company's 2012 Builder program is a set of offerings that are intended to align with RMP's anticipated 2012 new construction program.

The builder program included all newly constructed residences receiving service on the GS rate schedule. A qualifying single-family residence will continue to be defined as a new structure of up to four residential dwelling units. A qualifying multifamily residence will continue to be defined as a new structure having five or more residential dwelling units. Incentives in 2012 will continue to be paid, tracked, modeled for cost effectiveness, and reported as single or multifamily. This program will continue to be offered to customers in the Company's Utah service territory. PECI will continue to assist with design, outreach, marketing and technical assistance for this program. Helgeson Enterprises is expected to take over rebate processing for this program on June 1, 2012.

ThermWise® Business Rebates

The Company will continue this program in 2012 with the following improvements: 1) increase the rebate from \$0.12/sq. ft. to \$0.16/sq. ft. for retrofit roof insulation; 2) increase the rebate from \$0.08/sq. ft. to \$0.12/sq. ft. for retrofit wall insulation; and 3) eliminate the maximum size limit on high-efficiency gas furnaces. These improvements will more closely align the program with market conditions as well as help to ensure that program savings are achieved as desired. This program will continue to be available to GS commercial customers in the Company's Utah service territory. Nexant will continue to assist with design, outreach, marketing and technical assistance for this program. Helgeson Enterprises is expected to take over rebate processing for this program on May 1, 2012.

ThermWise® Weatherization Rebates

The Company will continue this program in 2012 with the following improvements: 1) offer a rebate for air sealing; 2) add air sealing contractors to the Authorized Contractor program;

3) increase the rebate from \$0.20/sq. ft. to \$0.25/sq. ft. for Tier 1 attic insulation; and 5) offer a rebate for high-efficiency R-5 windows.

The Company will continue to administer all residential weatherization incentives under a single program. In 2012 the weatherization program will include all residences receiving service on the GS rate schedule. A qualifying single-family residence is defined as a new structure of up to four residential dwelling units. A qualifying multifamily residence is defined as an existing structure having five or more residential dwelling units. Incentives in 2012 will be paid, tracked, modeled for cost effectiveness, and reported as single or multifamily. For qualifying multifamily residences, a pre-qualification inspection will continue to be required.

This program will continue to be available to existing residential customers in the Company's Utah service territory. Nexant will continue to assist with design, marketing, and technical assistance for this program. Helgeson Enterprises is expected to take over rebate processing for this program on May 1, 2012.

ThermWise[®] Home Energy Audit

The Company will continue this program in 2012 with one significant change. The Company will add a blower door test to the standard energy audit. The results from the blower door test will determine eligibility for the air sealing measure which will be available through the Weatherization program.

The ThermWise Home Energy Audit Program is offered and administered by Questar Gas with periodic consulting and assistance from Nexant. This program includes two primary components: in-home energy audits performed by trained and experienced Questar Gas Auditors and "do-it-yourself" mail-in audits with on-line data input availability. This program will continue to be available to customers in the Company's Utah service territory and administered by Questar Gas.

Low-Income Weatherization Assistance

The Company will continue funding the LIWAP in 2012 at \$500,000 per year from the energy-efficiency budget (\$750,000 total Company funding). The Company will disburse \$250,000 every six months, with the disbursements occurring in January and July.

Additionally, beginning in 2012 the Company will institute a direct rebate payment process for approved non-profit or governmental agencies. In order to qualify for the direct payment process, the approved entities will be required to satisfy certain requirements. Equipment rebated through the direct payment process will be tracked, modeled for cost effectiveness, and reported through the Company's Low-Income program.

ThermWise® Business Custom Rebates

The Company is continuing this program with one significant change. Beginning in 2012 the Company will add a category of measures eligible for a simplified approval process. These measures have been proven over time to deliver reliable energy savings, but have too many variables to be included in the Business prescriptive program. The simplified approval process will require the submission of project specific data as required to determine the probable level of gas savings. The simplified approval process will reduce administrative costs, and is expected to increase uptake of these measures. Nexant will continue to assist with design, outreach, marketing and technical assistance for this program. Helgeson Enterprises is expected to take over rebate processing for this program on May 1, 2012.

A summary of the cost-effectiveness used in the energy-efficiency model for each ThermWise program based upon the 2012 Utah budget filing is shown below.

Table 2 – 2012 projected NPV & B/C ratios by program and California Standard Practice Test

2012 Projections	Total Resource Cost		Participant Test		Utility Cost Test		Ratepayer Impact Measure Test	
	NPV*	B/C	NPV*	B/C	NPV*	B/C	NPV*	B/C
ThermWise Appliance Program	\$0.74	1.07	\$13.10	2.09	\$5.41	1.91	\$1.13	1.11
ThermWise Builder Program	\$0.43	1.08	\$6.12	2.10	\$2.94	2.03	\$0.88	1.18
ThermWise Business Custom Program	\$0.69	1.76	\$2.29	8.02	\$0.75	1.89	\$0.15	1.10
ThermWise Business Program	-\$0.15	0.96	\$4.15	2.02	\$1.42	1.61	\$0.04	1.01
ThermWise Weatherization Program	\$4.15	1.30	\$25.55	2.66	\$5.79	1.48	-\$0.66	0.96
ThermWise Home Energy Audit	-\$0.46	0.45	\$0.70	26.35	-\$0.47	0.45	-\$0.61	0.38
Low Income Weatherization	\$0.51	1.33	\$2.80	3.22	\$0.86	1.70	\$0.08	1.04
Market Transformation	-\$2.12	0.00	\$0.00	N/A	-\$2.12	0.00	-\$2.12	0.00
TOTALS	\$3.79	1.10	\$54.71	2.42	\$14.60	1.52	-\$1.11	0.97

*Shown in millions

Table 3 shows cost-effectiveness results using the projections included in the 2012 Utah budget filing updated to include the gas cost forward curve used in the SENDOUT model.

Table 3 - 2012 projected NPV & B/C ratios by program and California Standard Practice Test using IRP gas cost forward curve

2012 IRP Forward Curve	Total Resource Cost		Participant Test		Utility Cost Test		Ratepayer Impact Measure Test	
	NPV*	B/C	NPV*	B/C	NPV*	B/C	NPV*	B/C
ThermWise Appliance Program	-\$1.10	0.90	\$13.10	2.09	\$3.57	1.60	-\$0.71	0.93
ThermWise Builder Program	-\$0.23	0.96	\$6.12	2.10	\$2.29	1.80	\$0.22	1.04
ThermWise Business Custom Program	\$0.43	1.47	\$2.29	8.02	\$0.48	1.57	-\$0.12	0.92
ThermWise Business Program	-\$0.67	0.83	\$4.15	2.02	\$0.91	1.39	-\$0.47	0.87
ThermWise Weatherization Program	\$2.01	1.15	\$25.55	2.66	\$3.66	1.30	-\$2.80	0.85
ThermWise Home Energy Audit	-\$0.55	0.35	\$0.70	26.35	-\$0.55	0.35	-\$0.70	0.30
Low Income Weatherization	\$0.20	1.13	\$2.80	3.22	\$0.54	1.44	-\$0.23	0.88
Market Transformation	-\$2.12	0.00	\$0.00	N/A	-\$2.12	0.00	-\$2.12	0.00
TOTALS	-\$2.02	0.95	\$54.71	2.42	\$8.79	1.31	-\$6.92	0.84

*Shown in millions

Wyoming Energy-Efficiency 2012

The Company expects third year participation in the portfolio of Wyoming ThermWise rebate programs to decrease slightly from second year levels. This decrease is most likely due to historically low gas prices and a warmer-than-normal winter in 2011-2012. However, the Company expects participation in the Home Energy Audit program to increase significantly over previous program years. This increase in audits is due to a new strategy implemented by the Company in late 2011. This strategy has involved an increased reliance on Wyoming based employees to promote and perform the audits as well as targeted marketing of the audit to customers with historically high usage or who had previously participated in one of the rebate programs.

Also, the Company expects to file the 3rd year report detailing market transformation efforts, advertising, participation, natural gas savings, budgets, and actual spending on or before August 15, 2012, as ordered by the Wyoming Public Service Commission (ORDER Docket No. 30010-94-GR-08). Included with the 3rd report will be testimony, filed in the form of a rate case, which will detail past program performance as well as recommendations for future energy efficiency programs in Wyoming. At this time, the Company expects to recommend in the upcoming filing, continuation of the ThermWise programs beyond the initial Commission approved three-year pilot period.

SENDOUT Model Results for 2012

Projections from the approved 2012 energy-efficiency budget were entered into the SENDOUT model in response to the Utah Commission's request. Data entries for the 2012

energy-efficiency programs included participants and deemed lifetime Dth savings per program measure. Incentive (variable) and administration (fixed) costs for each program measure were also incorporated into the SENDOUT model.

The SENDOUT model used the projected 2012 participation and administration costs as the baseline for its analysis of each program. For each program, the model then examined what would happen if participation was reduced to as low as 25 percent or increased to as high as 150 percent of the 2012 projection. The model also examined different scenarios involving the escalation of annual administration costs per program. In these scenarios, administration costs per program were increased to 150 percent and 200 percent of the 2012 projection. SENDOUT then made the judgment as to whether a program should be “accepted” (100 percent on the included graph) or “rejected” (0 percent on the included graph) based on a given level of participation and administration costs. Please see Exhibit 8.1 for the SENDOUT results in a table format.

The 2012 ThermWise Builder and Business programs were accepted by the model at 50 percent of 2012 projected participation if administration costs were increased to 200 percent of the 2012 budget projection. The Appliance and Weatherization programs were accepted at 100 percent of participation and 200 percent of projected administration costs. The Business Custom program was accepted at 100 percent of participation if administration costs were increased to 150 percent of the 2012 budget projection. The Home Energy Audit program was not accepted by the model at any combination of participation and administration costs. This is not a concern to the Company at this time because the Home Energy Audit program acts as a feeder program to the rebate programs and also has other benefits which to date have not been quantified. The Company is examining options to make the Home Energy Audit program more cost-effective in the 2013 program year.

Another way to view the results of the SENDOUT model is to analyze the level that administration costs could increase to if participation was held at 100 percent of the 2012 projection. In this scenario, SENDOUT would suggest that the administration costs for the Builder and Business programs could increase by four times the 2012 budget projection and still be accepted. The Appliance and Weatherization programs could double projected administration costs and the Business Custom program could increase administrative costs by 50 percent and still be accepted by SENDOUT.

In summary, the SENDOUT model results indicate that as a gas supply resource at the approved budget and participation levels, the 2012 energy-efficiency programs are accepted as qualifying and cost-effective resources when compared to other available resources. Furthermore, this holds true when participation rates are held constant and program administrative costs are increased by as much as eight times 2012 budget levels.

In comparison to the SENDOUT model which is a comprehensive resource planning and evaluation tool, the Questar Gas Energy-Efficiency model which was developed in-house by the Company with the assistance of the Questar Gas Energy-Efficiency Advisory Group and reviewed by the Commission, is used for the sole purpose of modeling Questar Gas’ Energy-

Efficiency programs. To this end, the Company relies on the Questar Gas Energy-Efficiency model for energy-efficiency program planning purposes and more importantly energy-efficiency program cost effectiveness (based on the California Standard Practices Model).

Using the Questar Gas Energy-Efficiency model, the Company analyzed the approved 2012 energy-efficiency programs at a “break-even” benefit / cost ratio (B/C = 1.00) by holding participation (and incentive payments) constant and increasing all other costs in a linear manner. This analysis resulted in a projected potential total energy-efficiency spending limit of \$37.1 (UCT) million per year versus the current approved \$28.3 million per year for the 2012 projected natural gas savings of 705,703 Dth. This analysis indicates that the maximum potential spending on energy-efficiency is directly related to the cost-effectiveness of realizing each Dth saved. Therefore, as long as the Company’s energy-efficiency programs are determined cost-effective in the Questar Gas Energy-Efficiency model, accepted by the SENDOUT model when compared to other available resources and do not negatively impact company operations, energy-efficiency programs are an appropriate resource.

Avoided Costs Resulting From Energy-Efficiency

The ThermWise Cost Effectiveness Model calculates the avoided cost of gas purchases as the sole benefit of the energy-efficiency programs. In 2011, the avoided gas cost attributable to energy-efficiency was calculated as \$47.7 million. For 2012, the avoided gas cost attributable to energy-efficiency is estimated to be \$37.1 million. The avoided purchased gas is valued at the same price level as used in the IRP modeling.