

Intermountain Gas Company

Avoided Cost Model

Integrated Resource Plan 2021 – 2026



INTERMOUNTAIN GAS COMPANY

Avoided Cost by Year

| Line No. | Year | Nominal Cost Per Therm ^[1] | Real Percent Adjustment ^[2] | Real Cost Per Therm | Present Value ^[3] | Avoided Cost Per Therm ^[4] |
|----------|------|---------------------------------------|--|---------------------|------------------------------|---------------------------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 2020 | \$ 0.46 | | \$ 0.46 | \$ 0.44 | \$ 0.46 |
| 2 | 2021 | 0.51 | 9.55% | 0.50 | 0.90 | 0.48 |
| 3 | 2022 | 0.57 | 8.57% | 0.55 | 1.37 | 0.50 |
| 4 | 2023 | 0.53 | -7.67% | 0.50 | 1.79 | 0.50 |
| 5 | 2024 | 0.53 | -2.27% | 0.49 | 2.18 | 0.50 |
| 6 | 2025 | 0.56 | 3.26% | 0.51 | 2.57 | 0.50 |
| 7 | 2026 | 0.58 | 1.42% | 0.52 | 2.94 | 0.50 |
| 8 | 2027 | 0.60 | 1.65% | 0.52 | 3.31 | 0.51 |
| 9 | 2028 | 0.62 | 0.64% | 0.53 | 3.66 | 0.51 |
| 10 | 2029 | 0.64 | 1.66% | 0.54 | 4.00 | 0.51 |
| 11 | 2030 | 0.66 | 1.61% | 0.54 | 4.33 | 0.51 |
| 12 | 2031 | 0.68 | -0.14% | 0.54 | 4.64 | 0.51 |
| 13 | 2032 | 0.69 | 0.53% | 0.55 | 4.94 | 0.52 |
| 14 | 2033 | 0.72 | 2.40% | 0.56 | 5.24 | 0.52 |
| 15 | 2034 | 0.75 | 1.08% | 0.57 | 5.52 | 0.52 |
| 16 | 2035 | 0.77 | 1.27% | 0.57 | 5.80 | 0.52 |
| 17 | 2036 | 0.80 | 1.42% | 0.58 | 6.06 | 0.53 |
| 18 | 2037 | 0.81 | -0.34% | 0.58 | 6.32 | 0.53 |
| 19 | 2038 | 0.83 | 0.48% | 0.58 | 6.56 | 0.53 |
| 20 | 2039 | 0.86 | 1.59% | 0.59 | 6.80 | 0.53 |
| 21 | 2040 | 0.87 | -0.62% | 0.59 | 7.03 | 0.53 |
| 22 | 2041 | 0.90 | 0.51% | 0.59 | 7.24 | 0.53 |
| 23 | 2042 | 0.92 | 0.51% | 0.59 | 7.45 | 0.54 |
| 24 | 2043 | 0.94 | 0.51% | 0.60 | 7.65 | 0.54 |
| 25 | 2044 | 0.96 | 0.51% | 0.60 | 7.84 | 0.54 |
| 26 | 2045 | 0.99 | 0.52% | 0.60 | 8.02 | 0.54 |
| 27 | 2046 | 1.01 | 0.52% | 0.61 | 8.20 | 0.54 |
| 28 | 2047 | 1.04 | 0.52% | 0.61 | 8.37 | 0.54 |
| 29 | 2048 | 1.07 | 0.52% | 0.61 | 8.53 | 0.54 |
| 30 | 2049 | 1.09 | 0.52% | 0.62 | 8.69 | 0.54 |

NOTES

^[1] See Page 2, Column (e).

^[2] The year over year percentage change in Column (b), adjusted by the inflation assumption on Page 11, Line 4, Column (b).

^[3] The cumulative present value of Column (d) is calculated using the real discount rate on Page 11, Line 5, Column (b).

^[4] Levelized avoided cost of Column (e) computed with the real discount rate on Page 11, Line 5, Column (b).

INTERMOUNTAIN GAS COMPANY

Nominal Avoided Cost by Year

| Line No. | Year | Commodity Cost ^{[1][2]} | Variable Distribution Cost ^[3] | Transportation Cost ^[4] | Total Cost ^[5] |
|----------|------|----------------------------------|---|------------------------------------|---------------------------|
| | (a) | (b) | (c) | (d) | (e) |
| 1 | 2020 | \$ 0.25 | \$ - | \$ 0.21 | \$ 0.46 |
| 2 | 2021 | 0.30 | - | 0.21 | 0.51 |
| 3 | 2022 | 0.35 | - | 0.22 | 0.57 |
| 4 | 2023 | 0.31 | - | 0.22 | 0.53 |
| 5 | 2024 | 0.31 | - | 0.23 | 0.53 |
| 6 | 2025 | 0.33 | - | 0.23 | 0.56 |
| 7 | 2026 | 0.35 | - | 0.24 | 0.58 |
| 8 | 2027 | 0.36 | - | 0.24 | 0.60 |
| 9 | 2028 | 0.37 | - | 0.24 | 0.62 |
| 10 | 2029 | 0.39 | - | 0.25 | 0.64 |
| 11 | 2030 | 0.41 | - | 0.25 | 0.66 |
| 12 | 2031 | 0.42 | - | 0.26 | 0.68 |
| 13 | 2032 | 0.43 | - | 0.26 | 0.69 |
| 14 | 2033 | 0.45 | - | 0.27 | 0.72 |
| 15 | 2034 | 0.47 | - | 0.28 | 0.75 |
| 16 | 2035 | 0.49 | - | 0.28 | 0.77 |
| 17 | 2036 | 0.51 | - | 0.29 | 0.80 |
| 18 | 2037 | 0.52 | - | 0.29 | 0.81 |
| 19 | 2038 | 0.53 | - | 0.30 | 0.83 |
| 20 | 2039 | 0.56 | - | 0.30 | 0.86 |
| 21 | 2040 | 0.56 | - | 0.31 | 0.87 |
| 22 | 2041 | 0.58 | - | 0.32 | 0.90 |
| 23 | 2042 | 0.59 | - | 0.32 | 0.92 |
| 24 | 2043 | 0.61 | - | 0.33 | 0.94 |
| 25 | 2044 | 0.63 | - | 0.34 | 0.96 |
| 26 | 2045 | 0.65 | - | 0.34 | 0.99 |
| 27 | 2046 | 0.66 | - | 0.35 | 1.01 |
| 28 | 2047 | 0.68 | - | 0.36 | 1.04 |
| 29 | 2048 | 0.70 | - | 0.36 | 1.07 |
| 30 | 2049 | 0.72 | - | 0.37 | 1.09 |

NOTES

^[1] See Pages 3-9, Column (f). Nominalized then divided by 10 to convert units from dekatherms to therms.

^[2] Annual growth after 2040 is tied to yearly percentage change of the prior period.

^[3] Placeholder value of zero until a Variable Distribution Cost methodology is developed.

^[4] See Page 10, Line 8, Column (d). Annual growth is tied to inflation assumption from Page 11, Line 4, Column (b).

^[5] Sum of Columns (b)-(d).

INTERMOUNTAIN GAS COMPANY

Commodity Cost

| Line No. | Heating Year | Month | Weighted Basin Price Forecast ^[1] | HDD Weight ^[2] | HDD Factor ^[3] | Commodity Cost |
|----------|--------------|-------|--|---------------------------|---------------------------|----------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 2020 | 10 | \$ 2.14 | 3% | \$ 0.07 | |
| 2 | 2020 | 11 | 2.32 | 8% | 0.19 | |
| 3 | 2020 | 12 | 4.29 | 16% | 0.68 | |
| 4 | 2020 | 1 | 3.47 | 20% | 0.69 | |
| 5 | 2020 | 2 | 1.97 | 16% | 0.31 | |
| 6 | 2020 | 3 | 1.54 | 15% | 0.22 | |
| 7 | 2020 | 4 | 1.31 | 10% | 0.14 | |
| 8 | 2020 | 5 | 1.59 | 7% | 0.11 | |
| 9 | 2020 | 6 | 1.54 | 3% | 0.05 | |
| 10 | 2020 | 7 | 1.51 | 1% | 0.02 | |
| 11 | 2020 | 8 | 1.72 | 0% | 0.00 | |
| 12 | 2020 | 9 | 2.39 | 1% | 0.01 | \$ 2.50 |
| 13 | 2021 | 10 | 2.46 | 3% | 0.08 | |
| 14 | 2021 | 11 | 3.03 | 8% | 0.25 | |
| 15 | 2021 | 12 | 3.17 | 16% | 0.50 | |
| 16 | 2021 | 1 | 3.31 | 20% | 0.66 | |
| 17 | 2021 | 2 | 2.76 | 16% | 0.44 | |
| 18 | 2021 | 3 | 2.96 | 15% | 0.43 | |
| 19 | 2021 | 4 | 2.44 | 10% | 0.25 | |
| 20 | 2021 | 5 | 2.58 | 7% | 0.17 | |
| 21 | 2021 | 6 | 2.75 | 3% | 0.09 | |
| 22 | 2021 | 7 | 3.04 | 1% | 0.03 | |
| 23 | 2021 | 8 | 3.24 | 0% | 0.00 | |
| 24 | 2021 | 9 | 3.08 | 1% | 0.02 | \$ 2.94 |
| 25 | 2022 | 10 | 3.07 | 3% | 0.10 | |
| 26 | 2022 | 11 | 3.35 | 8% | 0.27 | |
| 27 | 2022 | 12 | 4.01 | 16% | 0.64 | |
| 28 | 2022 | 1 | 4.04 | 20% | 0.80 | |
| 29 | 2022 | 2 | 3.85 | 16% | 0.61 | |
| 30 | 2022 | 3 | 3.07 | 15% | 0.45 | |
| 31 | 2022 | 4 | 2.26 | 10% | 0.23 | |
| 32 | 2022 | 5 | 2.00 | 7% | 0.13 | |
| 33 | 2022 | 6 | 2.25 | 3% | 0.08 | |
| 34 | 2022 | 7 | 2.52 | 1% | 0.03 | |
| 35 | 2022 | 8 | 2.59 | 0% | 0.00 | |
| 36 | 2022 | 9 | 2.60 | 1% | 0.02 | \$ 3.37 |

NOTES

^[1] Weighted average price forecast for AECO, Sumas, and Rockies supply basins.

^[2] Monthly HDD65 weighting. Based on a normal weather year.

^[3] Column (c) times Column (d).

INTERMOUNTAIN GAS COMPANY

Commodity Cost

| Line No. | Heating Year | Month | Weighted Basin Price Forecast ^[1] | HDD Weight ^[2] | HDD Factor ^[3] | Commodity Cost |
|----------|--------------|-------|--|---------------------------|---------------------------|----------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 2023 | 10 | \$ 2.57 | 3% | \$ 0.09 | |
| 2 | 2023 | 11 | 2.91 | 8% | 0.24 | |
| 3 | 2023 | 12 | 3.38 | 16% | 0.54 | |
| 4 | 2023 | 1 | 3.43 | 20% | 0.68 | |
| 5 | 2023 | 2 | 3.28 | 16% | 0.52 | |
| 6 | 2023 | 3 | 2.80 | 15% | 0.41 | |
| 7 | 2023 | 4 | 2.19 | 10% | 0.23 | |
| 8 | 2023 | 5 | 1.95 | 7% | 0.13 | |
| 9 | 2023 | 6 | 2.20 | 3% | 0.07 | |
| 10 | 2023 | 7 | 2.37 | 1% | 0.02 | |
| 11 | 2023 | 8 | 2.43 | 0% | 0.00 | |
| 12 | 2023 | 9 | 2.54 | 1% | 0.02 | \$ 2.95 |
| 13 | 2024 | 10 | 2.49 | 3% | 0.08 | |
| 14 | 2024 | 11 | 2.92 | 8% | 0.24 | |
| 15 | 2024 | 12 | 3.16 | 16% | 0.50 | |
| 16 | 2024 | 1 | 3.18 | 20% | 0.63 | |
| 17 | 2024 | 2 | 3.05 | 16% | 0.49 | |
| 18 | 2024 | 3 | 2.70 | 15% | 0.39 | |
| 19 | 2024 | 4 | 2.29 | 10% | 0.24 | |
| 20 | 2024 | 5 | 2.05 | 7% | 0.14 | |
| 21 | 2024 | 6 | 2.33 | 3% | 0.08 | |
| 22 | 2024 | 7 | 2.35 | 1% | 0.02 | |
| 23 | 2024 | 8 | 2.43 | 0% | 0.00 | |
| 24 | 2024 | 9 | 2.62 | 1% | 0.02 | \$ 2.83 |
| 25 | 2025 | 10 | 2.63 | 3% | 0.09 | |
| 26 | 2025 | 11 | 2.93 | 8% | 0.24 | |
| 27 | 2025 | 12 | 3.21 | 16% | 0.51 | |
| 28 | 2025 | 1 | 3.34 | 20% | 0.66 | |
| 29 | 2025 | 2 | 3.24 | 16% | 0.52 | |
| 30 | 2025 | 3 | 3.01 | 15% | 0.44 | |
| 31 | 2025 | 4 | 2.43 | 10% | 0.25 | |
| 32 | 2025 | 5 | 2.32 | 7% | 0.15 | |
| 33 | 2025 | 6 | 2.50 | 3% | 0.09 | |
| 34 | 2025 | 7 | 2.54 | 1% | 0.03 | |
| 35 | 2025 | 8 | 2.62 | 0% | 0.00 | |
| 36 | 2025 | 9 | 2.72 | 1% | 0.02 | \$ 2.99 |

NOTES

^[1] Weighted average price forecast for AECO, Sumas, and Rockies supply basins.

^[2] Monthly HDD65 weighting. Based on a normal weather year.

^[3] Column (c) times Column (d).

INTERMOUNTAIN GAS COMPANY

Commodity Cost

| Line No. | Heating Year | Month | Weighted Basin Price Forecast ^[1] | HDD Weight ^[2] | HDD Factor ^[3] | Commodity Cost |
|----------|--------------|-------|--|---------------------------|---------------------------|----------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 2026 | 10 | \$ 2.75 | 3% | \$ 0.09 | |
| 2 | 2026 | 11 | 3.05 | 8% | 0.25 | |
| 3 | 2026 | 12 | 3.29 | 16% | 0.52 | |
| 4 | 2026 | 1 | 3.37 | 20% | 0.67 | |
| 5 | 2026 | 2 | 3.24 | 16% | 0.52 | |
| 6 | 2026 | 3 | 2.96 | 15% | 0.43 | |
| 7 | 2026 | 4 | 2.64 | 10% | 0.27 | |
| 8 | 2026 | 5 | 2.52 | 7% | 0.17 | |
| 9 | 2026 | 6 | 2.70 | 3% | 0.09 | |
| 10 | 2026 | 7 | 2.74 | 1% | 0.03 | |
| 11 | 2026 | 8 | 2.80 | 0% | 0.00 | |
| 12 | 2026 | 9 | 2.90 | 1% | 0.02 | \$ 3.07 |
| 13 | 2027 | 10 | 2.93 | 3% | 0.10 | |
| 14 | 2027 | 11 | 3.21 | 8% | 0.26 | |
| 15 | 2027 | 12 | 3.40 | 16% | 0.54 | |
| 16 | 2027 | 1 | 3.43 | 20% | 0.68 | |
| 17 | 2027 | 2 | 3.28 | 16% | 0.52 | |
| 18 | 2027 | 3 | 3.07 | 15% | 0.45 | |
| 19 | 2027 | 4 | 2.71 | 10% | 0.28 | |
| 20 | 2027 | 5 | 2.59 | 7% | 0.17 | |
| 21 | 2027 | 6 | 2.78 | 3% | 0.09 | |
| 22 | 2027 | 7 | 2.79 | 1% | 0.03 | |
| 23 | 2027 | 8 | 2.87 | 0% | 0.00 | |
| 24 | 2027 | 9 | 2.99 | 1% | 0.02 | \$ 3.15 |
| 25 | 2028 | 10 | 3.02 | 3% | 0.10 | |
| 26 | 2028 | 11 | 3.29 | 8% | 0.27 | |
| 27 | 2028 | 12 | 3.48 | 16% | 0.55 | |
| 28 | 2028 | 1 | 3.47 | 20% | 0.69 | |
| 29 | 2028 | 2 | 3.29 | 16% | 0.52 | |
| 30 | 2028 | 3 | 3.09 | 15% | 0.45 | |
| 31 | 2028 | 4 | 2.71 | 10% | 0.28 | |
| 32 | 2028 | 5 | 2.57 | 7% | 0.17 | |
| 33 | 2028 | 6 | 2.78 | 3% | 0.09 | |
| 34 | 2028 | 7 | 2.81 | 1% | 0.03 | |
| 35 | 2028 | 8 | 2.89 | 0% | 0.00 | |
| 36 | 2028 | 9 | 3.00 | 1% | 0.02 | \$ 3.18 |

NOTES

^[1] Weighted average price forecast for AECO, Sumas, and Rockies supply basins.

^[2] Monthly HDD65 weighting. Based on a normal weather year.

^[3] Column (c) times Column (d).

INTERMOUNTAIN GAS COMPANY

Commodity Cost

| Line No. | Heating Year | Month | Weighted Basin Price Forecast ^[1] | HDD Weight ^[2] | HDD Factor ^[3] | Commodity Cost |
|----------|--------------|-------|--|---------------------------|---------------------------|----------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 2029 | 10 | \$ 3.03 | 3% | \$ 0.10 | |
| 2 | 2029 | 11 | 3.31 | 8% | 0.27 | |
| 3 | 2029 | 12 | 3.50 | 16% | 0.56 | |
| 4 | 2029 | 1 | 3.62 | 20% | 0.72 | |
| 5 | 2029 | 2 | 3.42 | 16% | 0.54 | |
| 6 | 2029 | 3 | 3.18 | 15% | 0.46 | |
| 7 | 2029 | 4 | 2.79 | 10% | 0.29 | |
| 8 | 2029 | 5 | 2.69 | 7% | 0.18 | |
| 9 | 2029 | 6 | 2.86 | 3% | 0.10 | |
| 10 | 2029 | 7 | 2.88 | 1% | 0.03 | |
| 11 | 2029 | 8 | 2.98 | 0% | 0.00 | |
| 12 | 2029 | 9 | 3.07 | 1% | 0.02 | \$ 3.27 |
| 13 | 2030 | 10 | 3.11 | 3% | 0.10 | |
| 14 | 2030 | 11 | 3.40 | 8% | 0.28 | |
| 15 | 2030 | 12 | 3.58 | 16% | 0.57 | |
| 16 | 2030 | 1 | 3.68 | 20% | 0.73 | |
| 17 | 2030 | 2 | 3.52 | 16% | 0.56 | |
| 18 | 2030 | 3 | 3.26 | 15% | 0.48 | |
| 19 | 2030 | 4 | 2.88 | 10% | 0.30 | |
| 20 | 2030 | 5 | 2.79 | 7% | 0.18 | |
| 21 | 2030 | 6 | 2.95 | 3% | 0.10 | |
| 22 | 2030 | 7 | 3.01 | 1% | 0.03 | |
| 23 | 2030 | 8 | 3.10 | 0% | 0.00 | |
| 24 | 2030 | 9 | 3.18 | 1% | 0.02 | \$ 3.36 |
| 25 | 2031 | 10 | 3.21 | 3% | 0.11 | |
| 26 | 2031 | 11 | 3.48 | 8% | 0.29 | |
| 27 | 2031 | 12 | 3.66 | 16% | 0.58 | |
| 28 | 2031 | 1 | 3.64 | 20% | 0.73 | |
| 29 | 2031 | 2 | 3.48 | 16% | 0.55 | |
| 30 | 2031 | 3 | 3.22 | 15% | 0.47 | |
| 31 | 2031 | 4 | 2.84 | 10% | 0.29 | |
| 32 | 2031 | 5 | 2.73 | 7% | 0.18 | |
| 33 | 2031 | 6 | 2.90 | 3% | 0.10 | |
| 34 | 2031 | 7 | 2.95 | 1% | 0.03 | |
| 35 | 2031 | 8 | 3.05 | 0% | 0.00 | |
| 36 | 2031 | 9 | 3.13 | 1% | 0.02 | \$ 3.35 |

NOTES

^[1] Weighted average price forecast for AECO, Sumas, and Rockies supply basins.

^[2] Monthly HDD65 weighting. Based on a normal weather year.

^[3] Column (c) times Column (d).

INTERMOUNTAIN GAS COMPANY

Commodity Cost

| Line No. | Heating Year | Month | Weighted Basin Price Forecast ^[1] | HDD Weight ^[2] | HDD Factor ^[3] | Commodity Cost |
|----------|--------------|-------|--|---------------------------|---------------------------|----------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 2032 | 10 | \$ 3.16 | 3% | \$ 0.11 | |
| 2 | 2032 | 11 | 3.38 | 8% | 0.28 | |
| 3 | 2032 | 12 | 3.57 | 16% | 0.57 | |
| 4 | 2032 | 1 | 3.73 | 20% | 0.74 | |
| 5 | 2032 | 2 | 3.50 | 16% | 0.56 | |
| 6 | 2032 | 3 | 3.31 | 15% | 0.48 | |
| 7 | 2032 | 4 | 2.92 | 10% | 0.30 | |
| 8 | 2032 | 5 | 2.83 | 7% | 0.19 | |
| 9 | 2032 | 6 | 3.00 | 3% | 0.10 | |
| 10 | 2032 | 7 | 3.03 | 1% | 0.03 | |
| 11 | 2032 | 8 | 3.12 | 0% | 0.00 | |
| 12 | 2032 | 9 | 3.22 | 1% | 0.02 | \$ 3.38 |
| 13 | 2033 | 10 | 3.26 | 3% | 0.11 | |
| 14 | 2033 | 11 | 3.50 | 8% | 0.29 | |
| 15 | 2033 | 12 | 3.69 | 16% | 0.59 | |
| 16 | 2033 | 1 | 3.86 | 20% | 0.77 | |
| 17 | 2033 | 2 | 3.67 | 16% | 0.58 | |
| 18 | 2033 | 3 | 3.43 | 15% | 0.50 | |
| 19 | 2033 | 4 | 3.05 | 10% | 0.32 | |
| 20 | 2033 | 5 | 2.96 | 7% | 0.20 | |
| 21 | 2033 | 6 | 3.14 | 3% | 0.11 | |
| 22 | 2033 | 7 | 3.15 | 1% | 0.03 | |
| 23 | 2033 | 8 | 3.26 | 0% | 0.00 | |
| 24 | 2033 | 9 | 3.35 | 1% | 0.02 | \$ 3.51 |
| 25 | 2034 | 10 | 3.41 | 3% | 0.11 | |
| 26 | 2034 | 11 | 3.66 | 8% | 0.30 | |
| 27 | 2034 | 12 | 3.85 | 16% | 0.61 | |
| 28 | 2034 | 1 | 3.88 | 20% | 0.77 | |
| 29 | 2034 | 2 | 3.68 | 16% | 0.59 | |
| 30 | 2034 | 3 | 3.46 | 15% | 0.50 | |
| 31 | 2034 | 4 | 3.08 | 10% | 0.32 | |
| 32 | 2034 | 5 | 2.99 | 7% | 0.20 | |
| 33 | 2034 | 6 | 3.16 | 3% | 0.11 | |
| 34 | 2034 | 7 | 3.18 | 1% | 0.03 | |
| 35 | 2034 | 8 | 3.29 | 0% | 0.00 | |
| 36 | 2034 | 9 | 3.38 | 1% | 0.02 | \$ 3.57 |

NOTES

^[1] Weighted average price forecast for AECO, Sumas, and Rockies supply basins.

^[2] Monthly HDD65 weighting. Based on a normal weather year.

^[3] Column (c) times Column (d).

INTERMOUNTAIN GAS COMPANY

Commodity Cost

| Line No. | Heating Year | Month | Weighted Basin Price Forecast ^[1] | HDD Weight ^[2] | HDD Factor ^[3] | Commodity Cost |
|----------|--------------|-------|--|---------------------------|---------------------------|----------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 2035 | 10 | \$ 3.43 | 3% | \$ 0.11 | |
| 2 | 2035 | 11 | 3.69 | 8% | 0.30 | |
| 3 | 2035 | 12 | 3.89 | 16% | 0.62 | |
| 4 | 2035 | 1 | 3.96 | 20% | 0.79 | |
| 5 | 2035 | 2 | 3.77 | 16% | 0.60 | |
| 6 | 2035 | 3 | 3.56 | 15% | 0.52 | |
| 7 | 2035 | 4 | 3.17 | 10% | 0.33 | |
| 8 | 2035 | 5 | 3.04 | 7% | 0.20 | |
| 9 | 2035 | 6 | 3.24 | 3% | 0.11 | |
| 10 | 2035 | 7 | 3.24 | 1% | 0.03 | |
| 11 | 2035 | 8 | 3.34 | 0% | 0.00 | |
| 12 | 2035 | 9 | 3.49 | 1% | 0.02 | \$ 3.64 |
| 13 | 2036 | 10 | 3.51 | 3% | 0.12 | |
| 14 | 2036 | 11 | 3.76 | 8% | 0.31 | |
| 15 | 2036 | 12 | 3.97 | 16% | 0.63 | |
| 16 | 2036 | 1 | 4.12 | 20% | 0.82 | |
| 17 | 2036 | 2 | 3.82 | 16% | 0.61 | |
| 18 | 2036 | 3 | 3.61 | 15% | 0.53 | |
| 19 | 2036 | 4 | 3.22 | 10% | 0.33 | |
| 20 | 2036 | 5 | 3.12 | 7% | 0.21 | |
| 21 | 2036 | 6 | 3.29 | 3% | 0.11 | |
| 22 | 2036 | 7 | 3.29 | 1% | 0.03 | |
| 23 | 2036 | 8 | 3.39 | 0% | 0.00 | |
| 24 | 2036 | 9 | 3.54 | 1% | 0.02 | \$ 3.72 |
| 25 | 2037 | 10 | 3.56 | 3% | 0.12 | |
| 26 | 2037 | 11 | 3.85 | 8% | 0.32 | |
| 27 | 2037 | 12 | 4.05 | 16% | 0.64 | |
| 28 | 2037 | 1 | 4.11 | 20% | 0.82 | |
| 29 | 2037 | 2 | 3.77 | 16% | 0.60 | |
| 30 | 2037 | 3 | 3.52 | 15% | 0.51 | |
| 31 | 2037 | 4 | 3.13 | 10% | 0.33 | |
| 32 | 2037 | 5 | 3.04 | 7% | 0.20 | |
| 33 | 2037 | 6 | 3.23 | 3% | 0.11 | |
| 34 | 2037 | 7 | 3.22 | 1% | 0.03 | |
| 35 | 2037 | 8 | 3.30 | 0% | 0.00 | |
| 36 | 2037 | 9 | 3.46 | 1% | 0.02 | \$ 3.70 |

NOTES

^[1] Weighted average price forecast for AECO, Sumas, and Rockies supply basins.

^[2] Monthly HDD65 weighting. Based on a normal weather year.

^[3] Column (c) times Column (d).

INTERMOUNTAIN GAS COMPANY

Commodity Cost

| Line No. | Heating Year | Month | Weighted Basin Price Forecast ^[1] | HDD Weight ^[2] | HDD Factor ^[3] | Commodity Cost |
|----------|--------------|-------|--|---------------------------|---------------------------|----------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | 2038 | 10 | \$ 3.48 | 3% | \$ 0.12 | |
| 2 | 2038 | 11 | 3.83 | 8% | 0.31 | |
| 3 | 2038 | 12 | 4.03 | 16% | 0.64 | |
| 4 | 2038 | 1 | 4.08 | 20% | 0.81 | |
| 5 | 2038 | 2 | 3.84 | 16% | 0.61 | |
| 6 | 2038 | 3 | 3.61 | 15% | 0.53 | |
| 7 | 2038 | 4 | 3.23 | 10% | 0.34 | |
| 8 | 2038 | 5 | 3.09 | 7% | 0.20 | |
| 9 | 2038 | 6 | 3.32 | 3% | 0.11 | |
| 10 | 2038 | 7 | 3.31 | 1% | 0.03 | |
| 11 | 2038 | 8 | 3.40 | 0% | 0.00 | |
| 12 | 2038 | 9 | 3.56 | 1% | 0.02 | \$ 3.73 |
| 13 | 2039 | 10 | 3.57 | 3% | 0.12 | |
| 14 | 2039 | 11 | 3.97 | 8% | 0.33 | |
| 15 | 2039 | 12 | 4.13 | 16% | 0.66 | |
| 16 | 2039 | 1 | 4.23 | 20% | 0.84 | |
| 17 | 2039 | 2 | 3.91 | 16% | 0.62 | |
| 18 | 2039 | 3 | 3.65 | 15% | 0.53 | |
| 19 | 2039 | 4 | 3.27 | 10% | 0.34 | |
| 20 | 2039 | 5 | 3.17 | 7% | 0.21 | |
| 21 | 2039 | 6 | 3.39 | 3% | 0.12 | |
| 22 | 2039 | 7 | 3.39 | 1% | 0.03 | |
| 23 | 2039 | 8 | 3.46 | 0% | 0.00 | |
| 24 | 2039 | 9 | 3.60 | 1% | 0.02 | \$ 3.82 |
| 25 | 2040 | 10 | 3.63 | 3% | 0.12 | |
| 26 | 2040 | 11 | 4.00 | 8% | 0.33 | |
| 27 | 2040 | 12 | 4.18 | 16% | 0.66 | |
| 28 | 2040 | 1 | 4.09 | 20% | 0.82 | |
| 29 | 2040 | 2 | 3.82 | 16% | 0.61 | |
| 30 | 2040 | 3 | 3.61 | 15% | 0.53 | |
| 31 | 2040 | 4 | 3.26 | 10% | 0.34 | |
| 32 | 2040 | 5 | 3.21 | 7% | 0.21 | |
| 33 | 2040 | 6 | 3.37 | 3% | 0.11 | |
| 34 | 2040 | 7 | 3.39 | 1% | 0.03 | |
| 35 | 2040 | 8 | 3.45 | 0% | 0.00 | |
| 36 | 2040 | 9 | 3.57 | 1% | 0.02 | \$ 3.79 |

NOTES

^[1] Weighted average price forecast for AECO, Sumas, and Rockies supply basins.

^[2] Monthly HDD65 weighting. Based on a normal weather year.

^[3] Column (c) times Column (d).

INTERMOUNTAIN GAS COMPANY
Avoided Gas Transportation Cost

| Line No. | Description (a) | RS (b) | GS-1 (c) | Combined RS and GS-1 (d) |
|----------|---|---------------|---------------|--------------------------------|
| 1 | Gas Transportation Costs ^[1] | \$ 45,923,915 | \$ 21,903,023 | \$ 67,826,938 |
| 2 | Estimated Sales Volumes (10/1/20 - 9/30/21) ^[2] | 261,036,059 | 132,540,280 | 393,576,339 |
| 3 | RS and GS-1 Combined Gas Transportation Cost per Therm | | | <u>\$ 0.17233</u> |
| 4 | Incremental Gas Transportation Costs ^[3] | \$ (722,301) | \$ (344,494) | \$ (1,066,795) |
| 5 | Normalized Sales Volumes (1/1/19 - 12/31/19) ^[4] | 256,038,479 | 128,439,528 | 384,478,007 |
| 6 | RS and GS-1 Combined Gas Transportation Cost per Therm | | | <u>\$ (0.00277)</u> |
| 7 | Gas Transportation Cost ^[5] | | | <u>\$ 0.03937</u> |
| 8 | Total RS and GS-1 Combined Gas Transportation Cost per Therm | | | <u><u>\$ 0.20893</u></u> |

NOTES

^[1] See Case No. INT-G-20-05, Exhibit No. 6, Line 21, Columns (e) and (f).

^[2] See Case No. INT-G-20-05, Exhibit No. 6, Line 22, Columns (e) and (f).

^[3] See Case No. INT-G-20-05, Exhibit No. 5, the sum of Lines 1-20, Columns (i) and (j).

^[4] See Case No. INT-G-20-05, Exhibit No. 5, Line 24, Columns (i) and (j).

^[5] See Case No. INT-G-20-05, Workpaper No. 8, Page 1.

INTERMOUNTAIN GAS COMPANY

Discount Rate

| Line No. | Description (a) | Value (b) | Ratio (c) | Weighting (d) | W/Tax benefit (e) |
|----------|----------------------------------|--------------|--------------|------------------|----------------------|
| 1 | Debt ^[1] | 4.94% | 50% | 2.50% | 1.98% ^[2] |
| 2 | Equity ^[1] | 9.50% | 50% | 4.80% | 4.80% |
| 3 | Weighted Average Cost of Capital | | | | 6.78% |
| 4 | Inflation Assumption | 2.0% | | | |
| 5 | Real Discount Rate | 4.68% | | | |

NOTES

^[1] Costs and weightings from Case No. INT-G-16-02, Order No. 33757.

^[2] Tax benefit adjusts for 21% federal tax.