

1.5 Refer to page 5 of MDU’s letter. MDU determined the projected 2026 portfolio to be cost-effective using projected gas costs for the year 2026 and provides anticipated participation levels based on the approved three-year portfolio.

- a. Provide the benefit/cost models for the projected 2026 portfolio.
- b. Provide all inputs, assumptions, and price forecasts used in the benefit/cost models.
- c. Does MDU anticipate the 2026 portfolio will be cost-effective if participation levels remain at approximately 50% of currently approved? Explain.

**Response:**

a-b. Please see attached Excel file titled Response No. 1-5 Attachment A.

c. Yes, please see the table below which represents 50% of the currently approved 2026 budget for participation, dk saved and incentive expense.

Program	Customer Class	RIM	Utility	Societal	Participant	Total Resource Cost
Total Portfolio		1.35	2.89	3.03	3.43	1.57
Furnace (95+%) - New	Residential	1.10	2.00	3.80	4.26	1.86
Furnace (95+%) - Replacement	Residential	1.43	3.43	3.90	4.52	2.00
Programmable Thermostats - Tier 1	Residential	1.66	4.92	4.75	5.40	2.81
Programmable Thermostats - Tier 2	Residential	1.39	3.09	2.46	3.04	1.47
Furnace (95+%) - New	Commercial	1.19	1.55	2.98	3.16	1.44
Furnace (95+%) - Replacement	Commercial	2.01	3.20	3.14	2.43	1.53
Custom Efficiency	Commercial	0.00	0.00	0.00	0.15	0.00