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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of INTERMOUNTAIN GAS COMPANY for a Determination of 2024 Energy Efficiency Expenses as Prudently Incurred	Case No. INT-G-25-05 APPLICATION

Intermountain Gas Company ("Intermountain" or "Company"), a subsidiary of MDU Resources Group, Inc. with general offices located at 555 South Cole Road, Boise, Idaho, pursuant to the Rules of Procedure of the Idaho Public Utilities Commission ("Commission"), 1) submits its *2024 Energy Efficiency Annual Report* and 2) makes application to the Commission for an order designating $4,466,551 of 2024 Energy Efficiency expenditures as prudently incurred.

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I. INTRODUCTION

Intermountain is a gas utility, subject to the jurisdiction of the Commission, engaged in the sale of and distribution of natural gas within the State of Idaho under authority of Commission Certificate No. 219, issued December 2, 1955, as amended and supplemented by Order No. 6564, dated October 3, 1962.

Intermountain provides natural gas service to the following Idaho communities and counties and adjoining areas:

Ada County - Boise, Eagle, Garden City, Kuna, Meridian, and Star;
Bannock County - Arimo, Chubbuck, Inkom, Lava Hot Springs, McCammon, and Pocatello;
Bear Lake County - Georgetown and Montpelier;
Bingham County - Aberdeen, Basalt, Blackfoot, Firth, Fort Hall, Moreland/Riverside, and Shelley;
Blaine County - Bellevue, Hailey, Ketchum, and Sun Valley;
Bonneville County - Ammon, Idaho Falls, Iona, and Ucon;
Canyon County - Caldwell, Greenleaf, Middleton, Nampa, Parma, and Wilder;
Caribou County - Bancroft, Grace, and Soda Springs;
Cassia County - Burley, Declo, Malta, and Raft River;
Elmore County - Glenns Ferry, Hammett, and Mountain Home;
Fremont County - Parker and St. Anthony;
Gem County - Emmett;
Gooding County - Gooding and Wendell;
Jefferson County - Lewisville, Menan, Rigby, and Ririe;
Jerome County - Jerome;
Lincoln County - Shoshone;
Madison County - Rexburg and Sugar City;
Minidoka County - Heyburn, Paul, and Rupert; Owyhee County - Bruneau and Homedale;
Payette County - Fruitland, New Plymouth, and Payette;
Power County - American Falls;
Twin Falls County - Buhl, Filer, Hansen, Kimberly, Murtaugh, and Twin Falls;
Washington County - Weiser.

Intermountain's properties in these locations consist of transmission pipelines, liquefied natural gas storage facilities, compressor stations, distribution mains, services, meters and regulators, and general plant and equipment.

II. BACKGROUND

In the Company's General Rate Case No. INT-G-16-02, Intermountain petitioned the Commission for authority to begin a residential Energy Efficiency Program. The Commission granted the Company's request in Order No. 33757.

Subsequently, in Case No. INT-G-17-03, the Company requested authority to implement Rate Schedule EE – Residential Energy Efficiency Rebate Program, which outlined the program offerings, and Rate Schedule EEC-RS – Energy Efficiency Charge, which established a charge to fund the program. In Order No. 33888, the Commission approved both rate schedules effective October 1, 2017.

In Case No. INT-G-19-04, Intermountain requested that the Commission approve the Company's 2017-2018 EE Program expenses as prudently incurred. In Order No. 34536, the Commission approved the prudency of the expenses with several conditions attached. Those conditions were to commission a third-party Evaluation, Measurement and Verification ("EM&V") study, review and update the avoided cost calculation with the Energy Efficiency Stakeholder Committee ("EESC"), immediately and continuously monitor, evaluate, and update its Energy Efficiency Program incentives with the best available data, and discontinue the 80% AFUE condensing fireplace incentive.

To allow all interested customers to participate in the Residential Energy Efficiency Rebate Program, and to continue to grow the Program, Intermountain requested authority to revise Rate Schedule EEC-RS ("EEC-RS") from $0.00367 to $0.02093 per therm in Case No. INT-G-19-05. The Commission approved the requested revision in Order No. 34454, effective October 1, 2019.

Order No. 34941 in Case No. INT-G-20-04 authorized the Company to implement a Commercial Energy Efficiency program in Rate Schedule EE-GS and established a funding mechanism for program costs in Rate Schedule EEC-GS ("EEC-GS"). The Commission directed

the Company to develop an EM&V plan, file an Annual Commercial Energy Efficiency Program Report, include representatives from the GS-1 rate class in its EESC, and immediately and continuously monitor, evaluate, and update its Commercial Energy Efficiency Program incentives with the best available data. The Company launched its Commercial Energy Efficiency Program on April 1, 2021, consisting of incentives for commercial space heating and commercial kitchen equipment.

In Case No. INT-G-20-06, Intermountain requested that the Commission approve the Company's 2019 EE Program expenses as prudently incurred. In Order No. 34980, the Commission approved the prudency of the expenses. The Company also requested significant changes to the program based on its first ever EM&V study that was filed as part of the case. The Commission approved the proposed modifications effective April 1, 2021. The Commission also ordered the Company to continue to review its avoided costs and update its avoided cost calculations based on the review, and to immediately and continuously monitor, evaluate, and update its EE Program incentives with the best available data.

In Case No. INT-G-21-03, Intermountain requested that the Commission approve the Company's 2020 EE Program expenses as prudently incurred. In Order No. 35313, the Commission approved the prudency of the expenses. The Commission ordered the Company to continuously monitor, evaluate and update its Energy Efficiency Program incentives with the best available data using the most accurate evaluation method to do so. The Commission acknowledged the overfunded rider balance of $1,318,197 and permitted the Company to carry forward the balance to meet anticipated increased Program participation, with the understanding the Company would seek adjustment if increased participation does not materialize.

During program year 2021, the Company retired, modified, or added residential program incentives as approved in Order No. 34980.

In Case No. INT-G-22-03, Order No. 35663, issued on January 13, 2023, the Commission approved the prudency of the 2021 Energy Efficiency Program expenses. The Commission identified improvements to be made for future DSM prudency filings, specifically directing the Company to directly assign Energy Efficiency Program costs to either the appropriate residential or commercial program, when possible, and to provide explanations when costs are not assignable.

The Commission directed the Company to use a billing analysis to evaluate program performance for the Furnace and Whole Home measures, while giving the option for the Company to submit argument and evidence to justify other empirical analysis as part of its annual DSM prudency filing. The Commission directed the Company to submit an RFP for a third-party contract to conduct an impact evaluation with billing analysis for Whole Home and Furnace measures using April 1, 2021 through 2022 for the Whole Home and 2021 through 2022 for the Furnace program year data, to be included with its 2023 prudency filing.

The Commission also approved the Company's proposal of the following treatment of avoided costs: to update the transportation component of avoided costs as an exhibit to IRP filing, to no longer file avoided cost calculations as exhibits to the annual DSM prudency filing, to update all avoided costs as exhibits to IRP filing, and to base cost-effectiveness testing off the avoided costs in place at the time of program planning.

In Case No. INT-G-23-06, Order No. 36245, issued on June 27, 2024, the Commission approved the prudency of the 2022 Energy Efficiency Program expenses. The Commission required that the Company's next prudency filing include an EM&V with a billing analysis covering Whole Home Tier I and Whole Home Tier II, Furnace and Smart Thermostat measures as well as

providing sufficient information to justify the EUL of its Smart Thermostat measure. The Commission directed the Company to explore ways to reduce labor expenses related to offering the EE Programs and to develop and follow a schedule for regular internal audits.

Case No. INT-G-24-05, filed December 20, 2024 and supplemented on June 6, 2025, is still under deliberation at the time of this filing. Therefore, due to the timing of these cases, the Company will not have had an opportunity to address any action items resulting from an Order in that case.

III. 2024 PRUDENCY FILING

The Company's *2024 Energy Efficiency Annual Report* ("Annual Report") is included as Attachment 1 to this Application and incorporated by reference. The Annual Report of the Company's seventh program year provides a review of the Company's Energy Efficiency Portfolio, which consists of the Residential Program and the Commercial Program. The report outlines revenues, expenditures, cost-effectiveness, and performance by measure for each Program. A review of outreach and educational activities, and discussion of future plans complete the Annual Report.

IV. REVENUES

The EE Program expenditures are funded through collections from customers via Energy Efficiency Charges. During the 2024 program year, the EEC-RS of $0.01564 per therm was reduced to $0.01149 effective October 1, 2024. Total Residential Program revenues for calendar year 2024 were $3,989,432. Attachment 1 at 5.

During program year 2024, the EEC-GS of $0.00320 funded the Commercial Program from January 1, 2024 through September 30, 2024. Due to an over-collected balance, Company decreased the collection rate to zero. The revenue for January through October 2024 was $294,202. Attachment 1 at 23.

V. EXPENDITURES

Expenditures for the Residential and Commercial Programs combined for January 1, 2024 through December 31, 2024 were $4,466,551. Of this amount, $3,449,724, or approximately 77%, is for energy efficiency rebates paid directly to residential and commercial customers. Residential rebates accounted for $3,394,896 and Commercial rebates accounted for $54,828 of the total. Attachment 1 at 5 and 23.

In addition to the amount spent on energy efficiency rebates, the Company incurred $1,016,828 of administrative expenses for labor program delivery and special studies. As a Portfolio, this was approximately 3 percent less than 2023 expenditures. The Company spent $143,410 on an Evaluation, Measurement and Verification study ("EMV") in 2024. Labor expenses as a percent of rebate dollars paid decreased by almost 2 percent from 2023.

Using the same procedure established and applied to 2023 expenses, the Company based the 2024 expense allocation on the distribution of service starts between the residential and commercial sectors recorded in the Company's Construction Tracking system. In 2023, there were 7,730 residential service starts and 688 commercial sales starts or a 92% and 8% split between residential and commercial activity. Labor costs were assigned based on this analysis (92% to the residential program and 8% to the Commercial program) through an automatic standard labor distribution through the Company's payroll system. Utilizing employees that work on both the residential and commercial programs is the most cost-effective approach until the Portfolio grows to a size that can accommodate separate staff for each Program.

Any expense that could not be directly assigned was also allocated 92% to the residential program and 8% to the Commercial Program.

In 2024, the Company stopped used a third-party software for its online application process and replaced it with an internal product ("ERA") that allows customers to access the rebate application from their online customer account. This provides a more secure data transfer of customer information by eliminating a third-party software provider. Additionally, this process will reduce the need for data entry from the rebate processing team and eliminate the extra steps of customer validation since customers are required to login to their online account and all required data and support documents are submitted by the customer. As ERA is further integrated with internal systems in 2025, customers as well as the Company's customer service agents will be able to see the status of the customer's rebate in their online account, which will provide a better customer experience and should reduce time spent on customer calls.

VI. DEFERRAL BALANCE

The Residential Program began the year with an over-collected deferral balance of $1,352,769 and ended 2024 with an over-collected balance of $1,027,286. The Company filed an application in Case No. INT-G-24-03 to reduce the Residential Energy Efficiency Charge ("EEC-RS") to more accurately match on-going revenues with expenses and reduce the over-collected balance. The Commission approved the Company's request in Order No. 36337 to reduce the EEC-RS from $0.01564 per therm to $0.01149 per therm. Attachment 1 at 5.

The Commercial Program began the year with an over-collected balance of $891,719, and ended 2024 with an over-collected balance of $1,034,285. Similar to the Residential Program, the Company also requested in Case No. INT-G-24-03 to reduce the Commercial Energy Efficiency Charge ("EEC-GS") from$0.00320 per therm to $0.00000 per therm. Attachment 1 at 23. This will stop the balance from growing as the Company works to revise and update the program.

VII. AVOIDED COSTS

In accordance with Order No. 35663, the Company no longer files avoided cost calculations as exhibits to the annual DSM prudency filing. All avoided costs are updated as exhibits to IRP filings.

VIII. COST EFFECTIVENESS

Intermountain reports the cost-effectiveness of its Portfolio based on two industry standard metrics: the Utility Cost Test ("UCT") and the Total Resource Cost ("TRC"). The UCT measures cost-effectiveness from the utility company's perspective and takes into consideration avoided supply costs, program administration costs, and incentives paid by the utility. The TRC measures cost-effectiveness from the customer's perspective and focuses on avoided supply costs, program administration costs and net participant costs. Although both are common industry metrics for measuring cost-effectiveness, the Company relies more on the UCT because it measures the cost-effectiveness of items directly under the Company's control. Exhibit No. 1, attached and incorporated by reference, outlines the cost-effectiveness for the Programs and for each individual rebate offered.

As previously noted, Case No. INT-G-24-05 (the 2023 prudency case), is still open at the time of filing this application. For 2024 residential cost-testing, the Company used the same process utilized for the 2023 prudency evaluation cost testing, which was recommended and conducted by a third-party consultant in an EM&V analysis as required by Order No. 36245. This process was based on evaluated savings results from the deemed savings and modeling evaluation methods.[1] For the measures for which billing analysis was conducted—the 95% AFUE furnace,

[1] Intermountain continues to believe that the cost-testing approach recommended in the EM&V is appropriate. In accordance with Order NO. 35663, Intermountain set forth the facts and argument to support this approach in Case No. INT-G-24-05. *See* Case No. INT-G-24-05, Application at 8–9; Company Reply Comments at 6–9. Instead of repeating those facts and argument here, Intermountain incorporates them by reference.

Whole Home I and II, and the smart thermostat—the Company also conducted cost testing based on billing analysis. Exhibit 1, page 22.

IX. STAKEHOLDER MEETINGS

The Energy Efficiency Stakeholder Committee ("EESC") has been a valuable resource for the Company as it builds the Energy Efficiency Program. Following a proposal from the November 2023 meeting, the EESC decided to meet more frequently to provide regular updates on topics like the rider balance, rebate performance, promotions and outreach, and special studies. As outlined in the Annual Report, Intermountain hosted four EESC meetings to address both the Residential and Commercial Program. The meetings included good representation from a variety of groups including representatives from the Commission Staff, the Governor's Office of Energy and Mineral Resources, a not-for-profit residential home builder, home energy raters, and city and county representatives involved in energy efficiency and sustainability with familiarity of both the residential and commercial sectors. Minutes from the four meetings are included in Attachment 1, Supplement 3 and incorporated by reference.

X. COMMERCIAL PROGRAM PLANS

In 2024 energy efficiency funds were allocated to funding a portion of the Energy Services Representative ("ESR") position and is reflected as such in the program cost-effectiveness testing conducted in this case. In 2025, in order to grow the Commercial Program, the Company redirected the allocation of one FTE worth of labor funding from the Energy Services Representative allocation to instead fund a full time Energy Efficiency Analyst. The new analyst is dedicated to commercial customer outreach and energy efficiency awareness for commercial customers. The ESRs will only have responsibility for Residential Program promotion going forward.

To implement additional savings opportunities identified in the 2023 CPA, the Company commissioned the Evaluators to develop a Commercial Technical Reference Manual ("TRM"), included as Attachment 1, Supplement 2 and incorporated by reference, to provide an agreed upon foundation for program planning which is an approach similar to the proposal submitted for the Residential Program. In addition to the development of a Commercial TRM, the Evaluators also conducted a process evaluation which is included as Attachment 1, Supplement 1 and incorporated by reference. The process evaluation included recommendations to improve program awareness, program cost effectiveness, and identified barriers to participation as outlined on page 25.

XI. INTERNAL AUDITS

In Order No. 36245, the Commission ordered the Company to "develop and follow a schedule for regular internal audits." After receiving the Order in June 2024, Intermountain shared the requirement with the MDU Resources' Internal Audit Director and an internal audit was completed on August 25, 2025 with no findings noted, and no follow up required. Internal Auditing will audit the Energy Efficiency Program on a three-year rotation going forward. The next audit will be conducted in 2028.

XII. MODIFIED PROCEDURE

Intermountain requests that this matter be handled under modified procedure pursuant to Rules 201-204 of the Commission's Rules of Procedure. Intermountain stands ready for immediate consideration of this matter.

XIII. REQUEST FOR RELIEF

Intermountain respectfully petitions the Idaho Public Utilities Commission as follow:

a. That the Commission issue an order designating $4,466,551 of 2024 Energy Efficiency expenditures as prudently incurred,

b. That this Application be heard and acted upon without hearing under modified procedure, and

c. For such other relief as this Commission may determine just and proper.

Dated: September 2, 2025.

INTERMOUNTAIN GAS COMPANY

By: _____

Lori A. Blattner
Director – Regulatory Affairs
Intermountain Gas Company

GIVENS PURSLEY LLP

By: _____

Preston N. Carter
Attorney for Intermountain Gas Company
Givens Pursley LLP

CERTIFICATE OF SERVICE

I hereby certify that on September 2, 2025, I caused to be served a true and correct copy of the foregoing document to the person(s) listed below by the method indicated:

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Preston N. Carter

INTERMOUNTAIN GAS COMPANY

CASE NO. INT-G-25-05

EXHIBIT NO. 1
2024 COST EFFECTIVENESS
(23 PAGES)

Introduction

Intermountain's Energy Efficiency Program (EE Program) offers individual customers a way to lower their usage and monthly energy bills. It additionally benefits all customers by ensuring resources are used efficiently which delays the need for expensive system upgrades and additional supply contracts, thereby keeping costs low for everyone. Cost-effectiveness testing is vital to ensuring the Company's EE Program is in fact a least-cost resource, and is integral to the design, implementation, and success of the EE Program.

Cost-Effectiveness and Methodology

Intermountain's objective is for all rebates to have benefit/cost ratios of one or greater for the Utility Cost Test (UCT). The UCT measures cost-effectiveness from the utility company's perspective and takes into consideration avoided supply costs, program administration costs and incentives paid by the utility.

Rebates undergo cost tests at several stages: preliminary design, implementation, and an annual review. For a different perspective, cost-effectiveness of rebates is also evaluated based on the customer's perspective using avoided supply costs, program administration costs and net participant costs, or the Total Resource Cost Test (TRC). However, the TRC is not the primary cost test used for decisions regarding the inclusion or exclusion of rebate offerings. In calculating the UCT and TRC, Intermountain relies on the calculations outlined in the *California Standard Practice Manual* and the National Action Plan for Energy Efficiency's (NAPEE) *Understanding Cost Effectiveness of Energy Efficiency Programs: Best Practices, Technical Methods, and Emerging Issues for Policy-Makers*.

Cost-effectiveness of EE Program rebates are reviewed annually. The results are reported in the annual report and reviewed with the Energy Efficiency Stakeholder Committee (EESC). Rebate performance, cost-effectiveness, market insights, and lessons learned are taken into consideration when deciding whether to continue, revise or retire a rebate.

Assumptions

In calculating cost-effectiveness for each rebate and for the Program as a whole, the Company relied upon several assumptions as well as studies provided by independent third-party

sources. The section below discusses the key inputs used in calculating cost-effectiveness and the assumptions and sources used.

Energy Savings

Energy savings for each rebate are calculated by multiplying each rebate's gross annual therm savings by the total number of rebates issued. The Residential therm savings used are evaluated savings based on the deemed savings evaluation methodology from the 2024 EM&V study. The Commercial therm saving used are from the Dunksy DEEP model as filed in Case No. INT-G-20-04, Order No. 34941. The energy savings are then valuated based on the Company's Avoided Cost. The Avoided Cost is used both to economically evaluate the present value of the therms saved over the life span of the measure and to track the performance of the EE Program. A more in-depth discussion of the Avoided Cost calculation and its components can be found in Case No. INT-G-22-03, Exhibit No. 1 which was originally filed as Exhibit No. 5 in Intermountain's Integrated Resource Plan (Case No. INT-G-21-06).

Rebate Costs

Total rebate costs are calculated by multiplying the value of each rebate by the number of rebates issued for the year.

Equipment & Installation Cost

The incremental equipment and installation costs are inputs to the TRC cost test and were provided by the CPA. These costs represent the incremental purchase and installation costs the participant will pay between a base case measure and a higher efficient alternative. These costs are not offset by the amount of the rebate received by the participant.

Program Delivery & Administration

Program delivery and administration costs are direct assigned to their respective program, either residential or commercial, when they can be specifically identified. For example, the expense of a residential builder mailing list is charged to Residential Program delivery and administration costs. After all direct costs are assigned, the remaining pool of program and administration costs, are split between the residential program and commercial program based on a respective 92/8 split. This 92/8 split was developed after re-evaluating the company's expense allocation. An analysis of service starts by the ESRs tracked in Construction Tracking.

Real Discount Rate

The real discount rate is used to account for the time-value of money and accurately compare costs. The real discount rate is based on the Company's tax-affected weighted average cost of capital. The calculation of the real discount rate can be found in Case No. INT-G-22-03, Exhibit No. 1, Page 11. Per Case No. INT-G-22-03, Order No. 35663, the Company will update the discount rate and inflation rate within the avoided cost filing in the IRP.

Inflation Rate

An inflation assumption is used in cost-effectiveness testing to convert nominal, forward-looking costs into real dollars. The company assumes an inflation rate of 3.15%.

Net-to-Gross

Net-to-gross (NTG) is a ratio that adjusts the therm savings of rebates and/or programs, so they solely reflect energy efficiency gains that are the direct result of energy efficiency programs. The NTG deducts therm savings resulting from free-ridership, or savings that would have occurred regardless of the program. It also increases therm savings to account for spillover, or savings that occurred but were not counted by the program, as well as therm savings resulting from market transformation. Unfortunately, estimates of net savings require making sweeping assumptions to model a theoretical scenario where the EE Program did not exist. Because of the difficulty in accurately calculating NTG percentages, the Company used an NTG of 100% for all rebate and program cost-effectiveness analysis. Intermountain also performs a sensitivity analysis for each rebate that determines the minimum allowable NTG ratio where the rebate would remain (or become) cost effective under the Utility Cost Test.

Results

The Company performed cost-effectiveness testing at the program level and the individual measure level. To be consistent with the 2023 filing which is pending a final order at the time of the writing of this report, the Company conducted 2024 cost-effectiveness testing consistent with the methodology used in the 2023 filing. The Company has provided cost-effectiveness testing using the 2024 EM&V evaluated savings based on modeling evaluation for the Whole Home Tier I and II and the deemed savings methodology for the rest of the residential measures.

Under the deemed savings methodology, the Residential Program cost testing resulted in a UCT ratio of 1.2. The furnace, storage water heater and smart thermostat were not cost

effective with UCT ratios of 0.9, 0.9 and 0.7, respectively. Program changes to address measure that were not cost effectiveness have already been proposed. The Company has proposed to reduce the furnace incentive amount and retire both the storage water heater and smart thermostat offerings. The Commercial Program had a UCT ratio of 2.3. Neither the Fryer or Griddle were cost effective with UCT ratios of 0.9 and 0.2, respectively.

The Company also provided a program summary report of cost effectiveness results based on 2024 EM&V billing analysis Whole Home Tier I and II, furnace and smart thermostat measures, found on page 23 of this exhibit.

EM&V Schedule

The Company provided the EM&V schedule included in Case No. INT-G-24-05. The dates on the schedule include the changes proposed for 2025 and future program evaluations. Future evaluations will be dependent on when the proposed 2025 program changes can be implemented, as well as working with a 3rd party evaluator to determine if there is sufficient data to provide meaningful evaluation, especially after a program change. Should the implementation of a TRM be incorporated into the Program, the Company will plan to update the TRM with each evaluation.

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

2024 UCT Results

Rebate	Therm Savings*	Annual Therm Savings	UCT Benefits	UCT Costs	UCT Ratio
Whole Home Tier I	183	6,405	$ 70,256	$ 34,679	2.0
Whole Home Tier II	110	191,840	$ 2,104,293	$ 1,379,228	1.5
Furnace - 95% AFUE	44	177,408	$ 1,688,435	$ 1,777,475	0.9
Combination Boiler - 95% AFUE	168	504	$ 5,102	$ 2,673	1.9
Boiler - 95% AFUE	103	1,339	$ 14,687	$ 11,581	1.3
Water Heater (< 55 gallons)	25	675	$ 4,832	$ 5,558	0.9
Water Heater (> 55 gallons)	2	4	$ 29	$ 412	0.1
Tankless Water Heater Tier I	59	68,676	$ 753,307	$ 484,040	1.6
Tankless Water Heater Tier II	48	192	$ 2,106	$ 1,563	1.3
Smart Thermostat	21	71,169	$ 454,491	$ 643,624	0.7
		518,212	**$ 5,097,539**	**$ 4,340,833**	**1.2**

*Evaluated savings are based on deemed savings and modeling methodology.

INTERMOUNTAIN GAS COMPANY

Commercial Energy Efficiency Program

2024 UCT Results

Rebate	Therm Savings	Annual Therm Savings	UCT Benefits	UCT Costs	UCT Ratio
Condensing Unit Heater	409	-	$ -	$ -	-
Boiler Reset Control	1,212	-	$ -	$ -	-
High-Efficiency Condensing Boiler	3,034	21,240	$ 232,976	$ 62,504	3.7
Fryer - Energy Star Certified	508	8,128	$ 55,103	$ 60,060	0.9
Steamer - Energy Star Certified	1,054	-	$ -	$ -	-
Griddle - Energy Star Certified	76	76	$ 515	$ 3,154	0.2
		29,444	**$ 288,594**	**$ 125,718**	**2.3**
Residential and Commercial Portfolio		547,656	$ 5,386,133	$ 4,466,551	**1.2**

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Whole Home Tier I - 2024 Cost-Effectiveness Results*

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			6,405
Lifetime Energy Savings (therms)			160,125
Present Value of Energy Savings	S	**$**	**70,256**

Cost-Effectiveness Tests

Test	**Benefits**	**Costs**	**Ratio**
Utility Cost	$ 70,256	$ 34,679	2.0
Total Resource Cost	$ 70,256	$ 77,274	0.9

Costs

Rebate Costs			**Value**
Rebate Amount		$	900
Rebate Count			35
Total Rebate Costs	R	**$**	**31,500**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	2,117
Total Equipment & Installation Costs	I	**$**	**74,095**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	3,179
Total Program Delivery & Administration Costs	A	**$**	**3,179**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	49%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Whole Home Tier II - 2024 Cost-Effectiveness Results*

Benefits

Energy Savings		**Value**
Annual Energy Savings (therms)		191,840
Lifetime Energy Savings (therms)		4,796,000
Present Value of Energy Savings	S	**$ 2,104,293**

Cost-Effectiveness Tests

Test	**Benefits**	**Costs**	**Ratio**
Utility Cost	$ 2,104,293	$ 1,379,228	1.5
Total Resource Cost	$ 2,104,293	$ 3,850,476	0.5

Costs

Rebate Costs		**Value**
Rebate Amount	$	700
Rebate Count		1,744
Total Rebate Costs	R	**$ 1,220,800**
Equipment & Installation Costs		
Incremental Cost Per Unit	$	2,117
Total Equipment & Installation Costs	I	**$ 3,692,048**
Program Delivery & Administration		
Overhead Expenses[1]	$	-
Direct Costs	$	158,428
Total Program Delivery & Administration Costs	A	**$ 158,428**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	66%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Furnace - 95% AFUE - 2024 Cost-Effectiveness Results*

Benefits

Energy Savings		**Value**
Annual Energy Savings (therms)		177,408
Lifetime Energy Savings (therms)		3,548,160
Present Value of Energy Savings	S	**$ 1,688,435**

Cost-Effectiveness Tests

Test	**Benefits**	**Costs**	**Ratio**
Utility Cost	$ 1,688,435	$ 1,777,475	0.9
Total Resource Cost	$ 1,688,435	$ 5,636,099	0.3

Costs

Rebate Costs		**Value**
Rebate Amount	$	350
Rebate Count		4,032
Total Rebate Costs	R	**$ 1,411,200**
Equipment & Installation Costs		
Incremental Cost Per Unit	$	1,307
Total Equipment & Installation Costs	I	**$ 5,269,824**
Program Delivery & Administration		
Overhead Expenses[1]	$	-
Direct Costs	$	366,275
Total Program Delivery & Administration Costs	A	**$ 366,275**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	105%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Combination Boiler - 95% AFUE - 2024 Cost-Effectiveness Results*

Benefits

Energy Savings			Value
Annual Energy Savings (therms)			504
Lifetime Energy Savings (therms)			11,088
Present Value of Energy Savings	S	**$**	**5,102**

Cost-Effectiveness Tests

Test	Benefits		Costs		Ratio
Utility Cost	$	5,102	$	2,673	1.9
Total Resource Cost	$	5,102	$	10,839	0.5

Costs

Rebate Costs			Value
Rebate Amount		$	800
Rebate Count			3
Total Rebate Costs	R	**$**	**2,400**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	3,522
Total Equipment & Installation Costs	I	**$**	**10,566**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	273
Total Program Delivery & Administration Costs	A	**$**	**273**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	52%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Boiler - 95% AFUE - 2024 Cost-Effectiveness Results*

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			1,339
Lifetime Energy Savings (therms)			33,475
Present Value of Energy Savings	S	**$**	**14,687**

Costs

Rebate Costs			**Value**
Rebate Amount		$	800
Rebate Count			13
Total Rebate Costs	R	**$**	**10,400**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	1,166
Total Equipment & Installation Costs	I	**$**	**15,158**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	1,181
Total Program Delivery & Administration Costs	A	**$**	**1,181**

Cost-Effectiveness Tests

Test	**Benefits**		**Costs**	**Ratio**
Utility Cost	$ 14,687	$	11,581	1.3
Total Resource Cost	$ 14,687	$	16,339	0.9

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	79%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Storage Water Heater (≤ 55 Gallon) 2024 Cost-Effectiveness Results*

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			675
Lifetime Energy Savings (therms)			8,775
Present Value of Energy Savings	S	**$**	**4,832**

Cost-Effectiveness Tests

Test	**Benefits**		**Costs**	**Ratio**
Utility Cost	$	4,832	$ 5,558	0.9
Total Resource Cost	$	4,832	$ 12,983	0.4

Costs

Rebate Costs			**Value**
Rebate Amount		$	115
Rebate Count			27
Total Rebate Costs	R	**$**	**3,105**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	390
Total Equipment & Installation Costs	I	**$**	**10,530**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	2,453
Total Program Delivery & Administration Costs	A	**$**	**2,453**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	115%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Storage Water Heater (> 55 Gallons) 2024 Cost-Effectiveness Results*

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			4
Lifetime Energy Savings (therms)			52
Present Value of Energy Savings	S	**$**	**29**

Cost-Effectiveness Tests

Test	**Benefits**		**Costs**	**Ratio**
Utility Cost	$	29	$ 412	0.1
Total Resource Cost	$	29	$ 962	0.0

Costs

Rebate Costs			**Value**
Rebate Amount		$	115
Rebate Count			2
Total Rebate Costs	R	**$**	**230**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	390
Total Equipment & Installation Costs	I	**$**	**780**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	182
Total Program Delivery & Administration Costs	A	**$**	**182**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	1420%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Tankless Water Heater Tier I - 2024 Cost-Effectiveness Results*

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			68,676
Lifetime Energy Savings (therms)			1,716,900
Present Value of Energy Savings	S	**$**	**753,307**

Cost-Effectiveness Tests

Test	**Benefits**	**Costs**	**Ratio**
Utility Cost	$ 753,307	$ 484,040	1.6
Total Resource Cost	$ 753,307	$ 2,200,940	0.3

Costs

Rebate Costs			**Value**
Rebate Amount		$	325
Rebate Count			1,164
Total Rebate Costs	R	**$**	**378,300**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	1,800
Total Equipment & Installation Costs	I	**$**	**2,095,200**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	105,740
Total Program Delivery & Administration Costs	A	**$**	**105,740**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	64%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Tankless Water Heater Tier II - 2024 Cost-Effectiveness Results*

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			192
Lifetime Energy Savings (therms)			4,800
Present Value of Energy Savings	S	**$**	**2,106**

Cost-Effectiveness Tests

Test	**Benefits**		**Costs**	**Ratio**
Utility Cost	$	2,106	$ 1,563	1.3
Total Resource Cost	$	2,106	$ 4,971	0.4

Costs

Rebate Costs			**Value**
Rebate Amount		$	300
Rebate Count			4
Total Rebate Costs	R	**$**	**1,200**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	1,152
Total Equipment & Installation Costs	I	**$**	**4,608**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	363
Total Program Delivery & Administration Costs	A	**$**	**363**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	74%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

Smart Thermostat - 2024 Cost-Effectiveness Results*

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			71,169
Lifetime Energy Savings (therms)			782,859
Present Value of Energy Savings	S	**$**	**454,491**

Costs

Rebate Costs			**Value**
Average Rebated Amount[1]		$	99
Rebate Count			3,389
Total Rebate Costs	R	**$**	**335,761**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	208
Total Equipment & Installation Costs	I	**$**	**704,912**
Program Delivery & Administration			
Overhead Expenses[2]		$	-
Direct Costs		$	307,863
Total Program Delivery & Administration Costs	A	**$**	**307,863**

Cost-Effectiveness Tests

Test	**Benefits**		**Costs**	**Ratio**
Utility Cost	$	454,491	$ 643,624	0.7
Total Resource Cost	$	454,491	$ 1,012,775	0.4

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[3]	142%

NOTES

[1]Rebates pay the full cost of the individual thermostat up to a maximum of $100.

[2]Allocated based on percentage of portfolio rebate count.

[3]Minimum NTG value where rebate remains cost-effective under UCT.

*2024 Evaluated Savings

INTERMOUNTAIN GAS COMPANY

Commercial Energy Efficiency Program

Condensing Unit Heater - 2024 Cost-Effectiveness Results

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			-
Lifetime Energy Savings (therms)			-
Present Value of Energy Savings	S	**$**	-

Cost-Effectiveness Tests

Test	**Benefits**	**Costs**	**Ratio**
Utility Cost	$ -	$ -	
Total Resource Cost	$ -	$ -	

Costs

Rebate Costs			**Value**
Rebate Amount		$	1,500
Rebate Count			-
Total Rebate Costs	R	**$**	-
Equipment & Installation Costs			
Incremental Cost Per Unit		$	2,889
Total Equipment & Installation Costs	I	**$**	-
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	-
Total Program Delivery & Administration Costs	A	**$**	-

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

INTERMOUNTAIN GAS COMPANY

Commercial Energy Efficiency Program
Boiler Reset Control - 2024 Cost-Effectiveness Results

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			-
Lifetime Energy Savings (therms)			-
Present Value of Energy Savings	S	**$**	-

Cost-Effectiveness Tests

Test	**Benefits**	**Costs**	**Ratio**
Utility Cost	$ -	$ -	
Total Resource Cost	$ -	$ -	

Costs

Rebate Costs			**Value**
Rebate Amount		$	350
Rebate Count			-
Total Rebate Costs	R	**$**	-
Equipment & Installation Costs			
Incremental Cost Per Unit		$	612
Total Equipment & Installation Costs	I	**$**	-
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	-
Total Program Delivery & Administration Costs	A	**$**	-

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	

NOTES

[1]Allocated based on percentage of portfolio rebate count.
[2]Minimum NTG value where rebate remains cost-effective under UCT.

INTERMOUNTAIN GAS COMPANY

Commercial Energy Efficiency Program

High Efficiency Condensing Boiler - 2024 Cost-Effectiveness Results

Benefits

Energy Savings			Value
Annual Energy Savings (therms)			21,240
Lifetime Energy Savings (therms)			530,988
Present Value of Energy Savings	S	**$**	**232,976**

Cost-Effectiveness Tests

Test	Benefits	Costs	Ratio
Utility Cost	$ 232,976	$ 62,504	3.7
Total Resource Cost	$ 232,976	$ 78,677	3.0

Costs

Rebate Costs			Value
Average Rebated Amount[1]		$	5,975
Rebate Count			7
Total Rebate Costs	R	**$**	**41,828**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	8,286
Total Equipment & Installation Costs	I	**$**	**58,001**
Program Delivery & Administration			
Overhead Expenses[2]		$	-
Direct Costs		$	20,676
Total Program Delivery & Administration Costs	A	**$**	**20,676**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[3]	27%

NOTES

[1]Rebates are based on the capacity of the unit.

[2]Allocated based on percentage of portfolio rebate count.

[3]Minimum NTG value where rebate remains cost-effective under UCT.

INTERMOUNTAIN GAS COMPANY

Commercial Energy Efficiency Program

Fryer - Energy Star Certified - 2024 Cost-Effectiveness Results

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			8,128
Lifetime Energy Savings (therms)			97,536
Present Value of Energy Savings	S	**$**	**55,103**

Cost-Effectiveness Tests

Test	**Benefits**	**Costs**	**Ratio**
Utility Cost	$ 55,103	$ 60,060	0.9
Total Resource Cost	$ 55,103	$ 48,060	1.1

Costs

Rebate Costs			**Value**
Rebate Amount		$	800
Rebate Count			16
Total Rebate Costs	R	**$**	**12,800**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	50
Total Equipment & Installation Costs	I	**$**	**800**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	47,260
Total Program Delivery & Administration Costs	A	**$**	**47,260**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	109%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

INTERMOUNTAIN GAS COMPANY

Commercial Energy Efficiency Program

Steamer - Energy Star Certified - 2024 Cost-Effectiveness Results

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			-
Lifetime Energy Savings (therms)			-
Present Value of Energy Savings	S	**$**	-

Cost-Effectiveness Tests

Test	**Benefits**	**Costs**	**Ratio**
Utility Cost	$ -	$ -	
Total Resource Cost	$ -	$ -	

Costs

Rebate Costs			**Value**
Rebate Amount		$	1,100
Rebate Count			-
Total Rebate Costs	R	**$**	-
Equipment & Installation Costs			
Incremental Cost Per Unit		$	635
Total Equipment & Installation Costs	I	**$**	-
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	-
Total Program Delivery & Administration Costs	A	**$**	-

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

INTERMOUNTAIN GAS COMPANY

Commercial Energy Efficiency Program

Griddle - Energy Star Certified - 2024 Cost-Effectiveness Results

Benefits

Energy Savings			**Value**
Annual Energy Savings (therms)			76
Lifetime Energy Savings (therms)			912
Present Value of Energy Savings	S	**$**	**515**

Cost-Effectiveness Tests

Test	**Benefits**		**Costs**	**Ratio**
Utility Cost	$	515	$ 2,954	0.2
Total Resource Cost	$	515	$ 2,954	0.2

Costs

Rebate Costs			**Value**
Rebate Amount		$	200
Rebate Count			-
Total Rebate Costs	R	**$**	**-**
Equipment & Installation Costs			
Incremental Cost Per Unit		$	360
Total Equipment & Installation Costs	I	**$**	**-**
Program Delivery & Administration			
Overhead Expenses[1]		$	-
Direct Costs		$	2,954
Total Program Delivery & Administration Costs	A	**$**	**2,954**

Equations & Assumptions

Utility Cost Test	= S x NTG ÷ (R + A)
Total Resource Cost Test	= S x NTG ÷ (I x NTG + A)
Real Discount Rate	3.51%
Inflation Rate	3.15%
Net-to-Gross (NTG)	100%
Net-to-Gross Sensitivity[2]	574%

NOTES

[1]Allocated based on percentage of portfolio rebate count.

[2]Minimum NTG value where rebate remains cost-effective under UCT.

INTERMOUNTAIN GAS COMPANY

Residential Energy Efficiency Program

2024 UCT Results

Rebate	Therm Savings*	Annual Therm Savings	UCT Benefits	UCT Costs	UCT Ratio
Whole Home Tier I	38	1,330	$ 14,589	$ 34,679	0.4
Whole Home Tier II	38	66,272	$ 726,937	$ 1,379,228	0.5
Furnace - 95% AFUE**	32	127,008	$ 1,208,766	$ 1,777,475	0.7
Combination Boiler - 95% AFUE	168	505	$ 5,110	$ 2,673	1.9
Boiler - 95% AFUE	103	1,345	$ 14,757	$ 11,581	1.3
Water Heater (< 55 gallons)	25	680	$ 4,868	$ 5,558	0.9
Water Heater (> 55 gallons)	2	4	$ 30	$ 412	0.1
Tankless Water Heater Tier I	59	68,723	$ 753,818	$ 484,040	1.6
Tankless Water Heater Tier II	48	190	$ 2,088	$ 1,563	1.3
Smart Thermostat**	28	94,892	$ 605,988	$ 643,624	0.9
		360,949	**$ 3,336,951**	**$ 4,340,833**	**0.8**

*Therm Savings Values are evaluated savings

Billing Analysis Values

INTERMOUNTAIN GAS COMPANY

Commercial Energy Efficiency Program

2024 UCT Results

Rebate	Therm Savings	Annual Therm Savings	UCT Benefits	UCT Costs	UCT Ratio
Condensing Unit Heater	409	-	$ -	$ -	-
Boiler Reset Control	1,212	-	$ -	$ -	-
High-Efficiency Condensing Boiler	3,034	21,240	$ 232,976	$ 62,504	3.7
Fryer - Energy Star Certified	508	8,128	$ 55,103	$ 60,060	0.9
Steamer - Energy Star Certified	1,054	-	$ -	$ -	-
Griddle - Energy Star Certified	76	76	$ 515	$ 3,154	0.2
		29,444	**$ 288,594**	**$ 125,718**	**2.3**
Residential and Commercial Portfolio		390,393	$ 3,625,546	$ 4,466,551	**0.8**

ENERGY EFFICIENCY PROPOSED EVALUATION PLAN 2025-2028				
Energy Efficiency Program	2025 Proposed changes	2026	2027	2028
Residential Measures:				
Whole Home Tier I	Implement IGC TRM		I	P
Whole Home Tier II	Implement IGC TRM		I	P
Combination Boiler for Space and Water Heat	Implement IGC TRM		I	P
Furnace	Implement IGC TRM		I	P
Boiler	Implement IGC TRM		I	P
Storage Water Heater	Retire			
Tankless Water Heater Tier I	Implement IGC TRM		I	P
Tankless Water Heater Tier II	Retire			
Smart Thermostat	Implement IGC TRM		I	P
TRM Review			X	
Commercial Measures:				
Condensing Unit Heater	Process Evaluation Develop TRM		I	P
Boiler Reset Control	Process Evaluation Develop TRM		I	P
High-Efficiency Condensing Boiler	Process Evaluation Develop TRM		I	P
Fryer	Process Evaluation Develop TRM		I	P
Steamer	Process Evaluation Develop TRM		I	P
Griddle	Process Evaluation Develop TRM		I	P
TRM Review			X	

Evaluation Type: I=Impact, P=Process, O= Other

INTERMOUNTAIN GAS COMPANY

CASE NO. INT-G-25-05

ATTACHMENT 1
2024 ANNUAL REPORT
(34 PAGES)

2024
ANNUAL REPORT

INTERMOUNTAIN® GAS COMPANY
A Subsidiary of MDU Resources Group, Inc.
In the Community to Serve®

Energy Efficiency

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Attachment 1 to Application

INT-G-25-05
Attachment 1 to Application

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EXECUTIVE SUMMARY

The 2024 Annual Report for Intermountain Gas Company outlines the continued growth and performance of its Energy Efficiency Programs, which serve both residential and commercial customers. The Company applied the same cost-effectiveness testing methodology from the previous year, using updated savings data from the 2024 Evaluation, Measurement, and Verification (EM&V) study. Participation in rebate programs increased for the sixth consecutive year, with over 10,000 rebates issued, a 22.5% increase over 2023. The Company deemed both the Residential and Commercial Programs cost-effective, with Utility Cost Test (UCT) ratios of 1.2 and 2.3, respectively.

The Residential Program saw strong engagement across a variety of rebates, including Whole Home incentives, high-efficiency furnaces, boilers, smart thermostats, and water heaters. While some measures like smart thermostats and furnaces had lower cost-effectiveness, others, such as Whole Home Tier I and tankless water heaters, performed well. Outreach efforts were expanded through digital campaigns, in-person builder and contractor events, and a new DIY weatherization video series, which helped increase web traffic and customer engagement.

The Commercial Program, though newer and slower to gain traction, showed promise with high cost-effectiveness in select rebates like high-efficiency boilers. However, a process evaluation revealed challenges including low awareness, limited contractor involvement. Recommendations included enhancing marketing, formalizing contractor engagement, and expanding rebate offerings to better meet business needs.

Looking ahead, the Company plans to implement a Trade Ally Program to strengthen contractor relationships, expand its rebate portfolio, and continue leveraging partnerships with industry organizations to stay at the forefront of energy-efficient technologies. These efforts aim to secure long-term, cost-effective energy savings and support a more energy-efficient future for Intermountain's customers.

INTRODUCTION

At the time of writing of this report, Case No. INT-G-24-05 is still under consideration. Any Orders that are to come from that case are still unknown. To maintain consistency, the Company used the same approach as in the 2023 annual report to prepare this report. For cost-effectiveness testing, the Company used the evaluated savings from the 2024 Evaluation, Measurement and Verification (EM&V) study, just as it did for the 2023 cost-effectiveness analysis: for the Whole Home Tier I and Tier II incentive, evaluated savings are based on a modeling analysis, for all other measures, evaluated savings are based on a deemed savings analysis.

Customers have continued to increase their participation in the rebate program for the sixth year in a row. In 2024, Intermountain paid a total of 10,437 rebates to customers across the Residential and Commercial programs combined, marking a 22.5% increase from the previous year. At the Program level, both the Residential and Commercial Programs were cost-effective with a Utility Cost Test (UCT) ratio of 1.2 and 2.3, respectively.

As part of its regular planning, implementation, and evaluation cycle, the Company commissioned an Evaluation, Measurement and Verification (EM&V) study for the Residential Program. After applying updated unit energy savings estimates, the Company found that four residential measures had a UCT below 1.0. Using the updated evaluation data the Company submitted a program revision that is awaiting approval at the time of writing this report. The Company also proposed using the IGC Technical Reference Manual, which is designed specifically for the Program.

In addition to the Residential EM&V and Process evaluation, the Company commissioned a Process evaluation for the Commercial Program. The Commercial Process evaluation was started in 2024 and was complete in 2025. The Company is actively implementing the process evaluation's recommendations which primarily focus on improving program marketing and outreach and contractor engagement.

COST-EFFECTIVENESS TESTING METHODOLOGY

Intermountain's objective is for all rebates to have benefit/cost ratios equal to or greater than one, when measured by the Utility Cost Test (UCT). The UCT measures cost-effectiveness from the utility company's perspective and takes into consideration avoided supply costs, Program administration costs, and incentives paid by the utility. Rebates undergo cost tests at several stages: preliminary design, implementation, annual review, and during the Evaluation, Measurement and Verification study (EM&V.) The cost-effectiveness of rebates is also evaluated based on the customer's perspective using avoided supply costs, Program administration costs, and net participant costs in the Total Resource Cost Test (TRC.) The TRC is not the primary cost test used for decisions regarding the inclusion of rebate offerings. In calculating the UCT and TRC, Intermountain relies on the calculations outlined in the California Standard Practice Manual and the National Action Plan for Energy Efficiency's (NAPEE), Understanding Cost-effectiveness of Energy Efficiency Programs: Best Practices, Technical Methods, and Emerging Issues for Policy-Makers.

As an entire Portfolio, the Residential and Commercial programs combined, the portfolio achieved a UCT of 1.2. To conduct Program-level cost-effectiveness testing for the respective Programs, the Company directly assigned expenses to the Residential and Commercial Programs. For example, any expenses related to residential customer outreach, such as the customer engagement activity or participation in the Building Contractors Association (BCA) were charged to the Residential Program expense account. Likewise, all expenses related specifically to the Commercial Program activities, like the commercial customer survey development, were charged to the Commercial Program expense account.

If an activity or expense related to both the Residential and Commercial Program, Intermountain allocated the expenses between the Residential and Commercial Programs. For example, professional membership fees to the Association of Energy Service Professionals, which provided training on topics relevant to general energy efficiency program management, such as cost-effectiveness, rather than a topic specific to a particular program, were allocated between the Residential and Commercial Program. The allocation method was applied to other expenses such as promotional give away items used at both residential and commercial events, equipment cleaning of booth kit items used at both commercial and residential events, and expenses related to participation in industry groups like GTI Energy and the Association of Energy Service Professionals (AESP) that address both commercial and residential topics. This expense allocation was updated to reflect the activity of the programs,' shared expenses were split by a 92% allocation to the Residential Program and 8% allocation to the Commercial Program. The allocation was based on the recorded service-starts for the residential and commercial sectors.

Program outreach and education activities for both the Residential and Commercial Energy Efficiency Programs are outlined in this report. Together, the Residential Program and the Commercial Program make up the Energy Efficiency Portfolio. Any Program level discussion or reporting will specify Residential or Commercial Program. For simplicity, Program reporting is separated into two distinct sections which cover Program funding, Program cost-effectiveness, individual measure cost-effectiveness, as well as Program outreach, awareness, and education.

RESIDENTIAL ENERGY EFFICIENCY PROGRAM

Residential customers fund the Residential Energy Efficiency Program through the Energy Efficiency Charge (EEC-RS), a monthly per therm charge. As of December 31, 2024, the Company had an over-collected EEC-RS Program balance of $1,027,286. To address this overcollection and align collections with rebate growth, on October 1, 2024, the EEC-RS was reduced from $0.01564 per therm to $0.01149 per therm. The Company will continue monitoring rider balance fluctuations to maintain rate stability and prevent excessive over- or under- collection. Table 1 provides detailed information on the 2024 Rider balance.

Revenue	$	3,989,432
Program Expenses		
Residential Rebates		3,394,896
Labor		687,127
Program Delivery		91,803
Special Studies		141,090
Market Transformation		-
Total Program Expenses		4,314,916
2024 Rider Deferral		
Over/(Under) Collection		(325,483)
Prior Year Rider Balance		
Over/(Under) Collection		1,352,769
Rider Account Balance		
Over/(Under) Collection	$	1,027,286

Table 1 Residential Rider 2024

RESIDENTIAL REBATES

Whole Home Tier I Incentive

The Whole Home Tier I incentive provided residential customers a $900 rebate for new construction homes that met the following criteria:

- HERS rated
- Air sealing at or below 3 ACH at 50 Pa
- Ceiling insulation at or above R-49
- Ducts and air handler located inside conditioned space or duct leakage to outside of less than 4 CFM25/100 ft^2 CFA
- Furnace efficiency at or above 97% AFUE

The Company received 35 qualifying applications for this incentive during the 2024 Program Year. The 2024 impact evaluation resulted in 183 therms per unit, or 6,405 annual therm savings. Based on the evaluated savings, the incentive was cost-effective under the UCT analysis, with a benefit-to-cost ratio of 2.0. The TRC ratio was 0.9.

Figure 2 illustrates the year over year comparison of the number of incentives issued in 2024 compared to 2023.

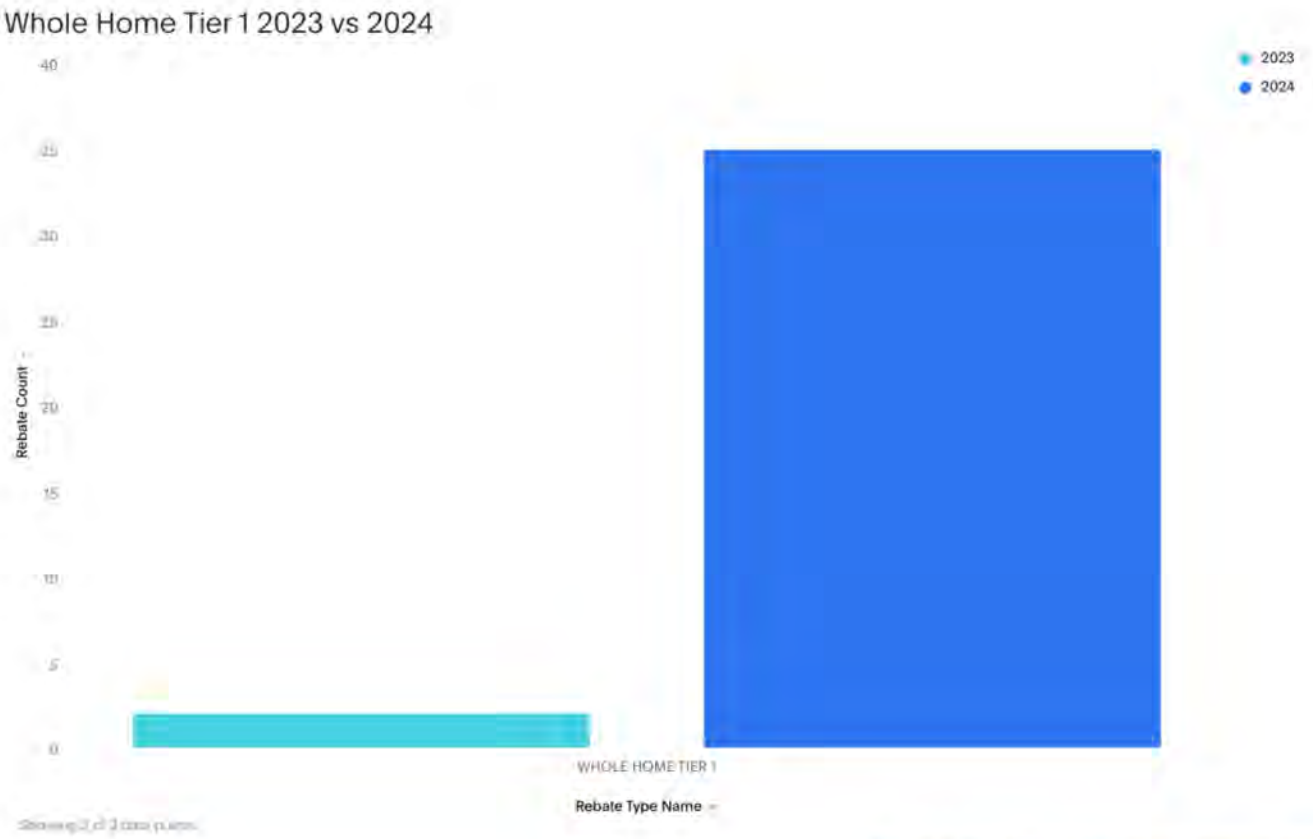

Figure 2 2024 Whole Home Tier I 2023 vs. 2024

Whole Home Tier II Incentive

The Whole Home Tier II incentive provided residential customers a $700 rebate for new construction homes that met the following criteria:

- HERS rated
- Air sealing at or below 4 ACH at 50 Pa
- Ducts and air handler located inside conditioned space or duct leakage to outside of less than 4 CFM25/100 ft² CFA
- Furnace efficiency at or above 95% AFUE

There were 1,744 Whole Home Tier II rebates paid. The 2024 impact evaluation reported savings of 110 therms per unit, or 191,840 therms attributable to the Whole Home Tier II rebate. The evaluated savings were cost-effective under the UCT analysis with a benefit-to-cost ratio of 1.5. The TRC ratio was 0.5.

A year over year comparison of the Whole Home Tier II incentives issued in 2024 compared to 2023 is shown in Figure 3.

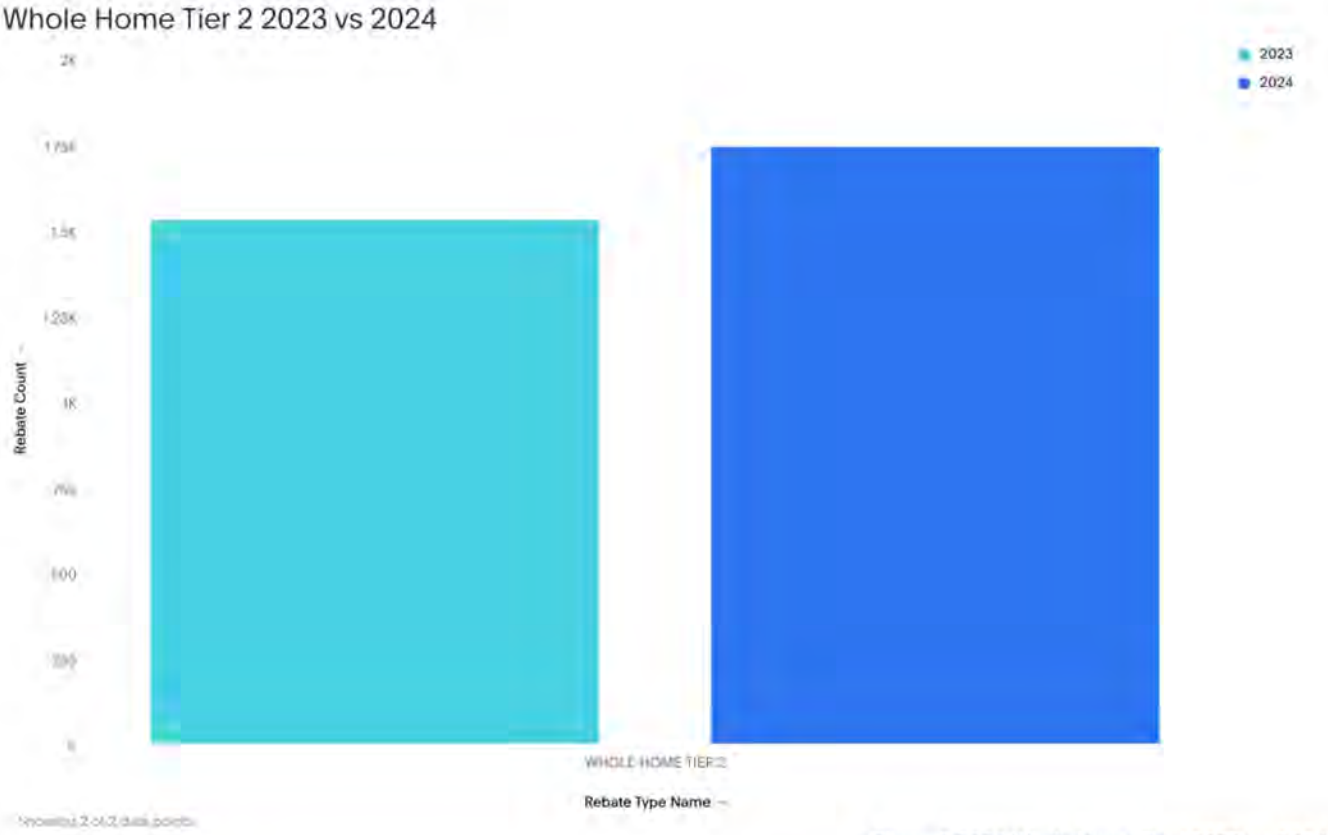

Figure 3 2024 Whole Home Tier I 2023 vs. 2024

Out of the 62 home builders that received a whole home rebate, 50 builders opted to also install at least one stack-on rebate. Stack-on rebates are the addition of a smart thermostat, water heating measure, or both, stacked on a Whole Home rebate. Approximately 69% of all whole home rebates received at least one stack-on rebate. Figures 4 and 5 illustrate the stack-on rebates added to the Whole Home incentive. For Whole Home Tier I, builders most frequently stack on a smart thermostat. Similarly, for Whole Home Tier II, the most common stack-on is smart thermostat, followed by the combination of a smart thermostat and a tankless water heater.

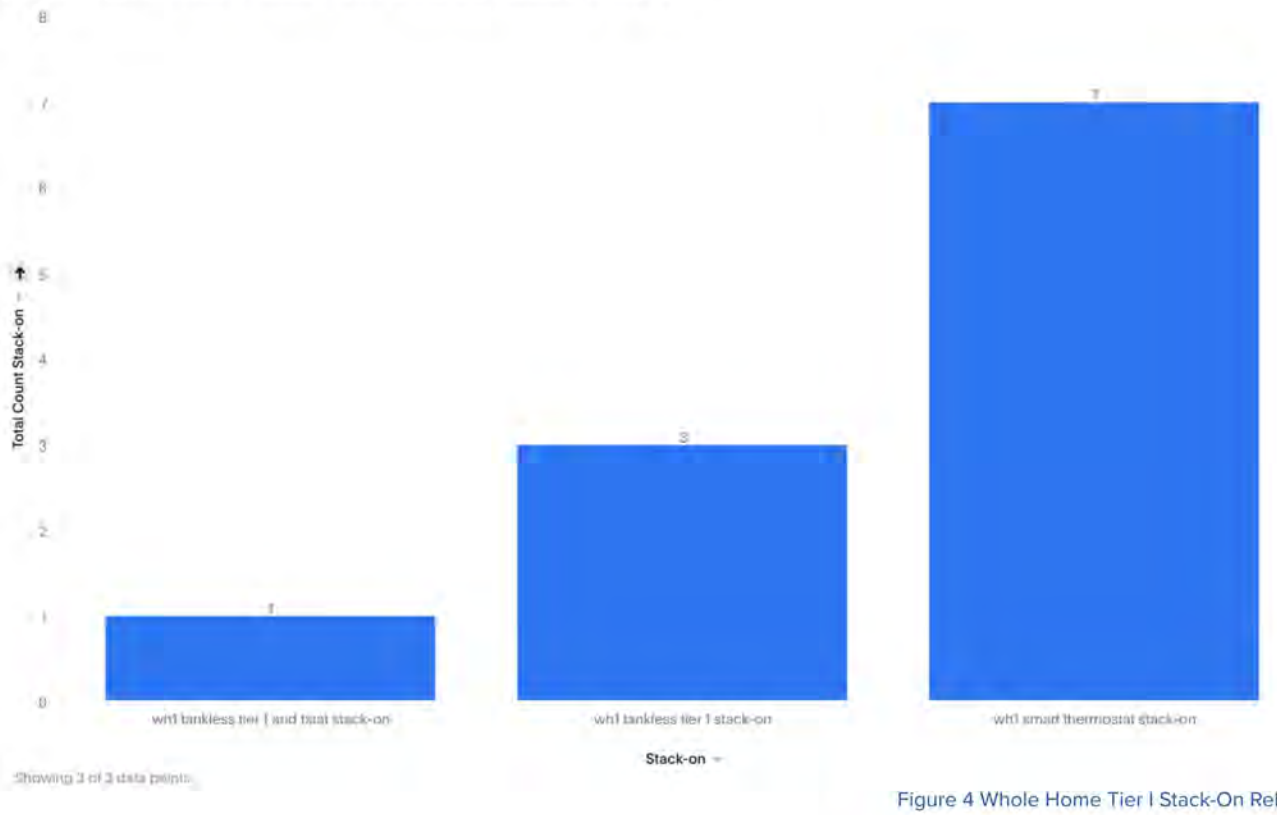

Figure 4 Whole Home Tier I Stack-On Rebates

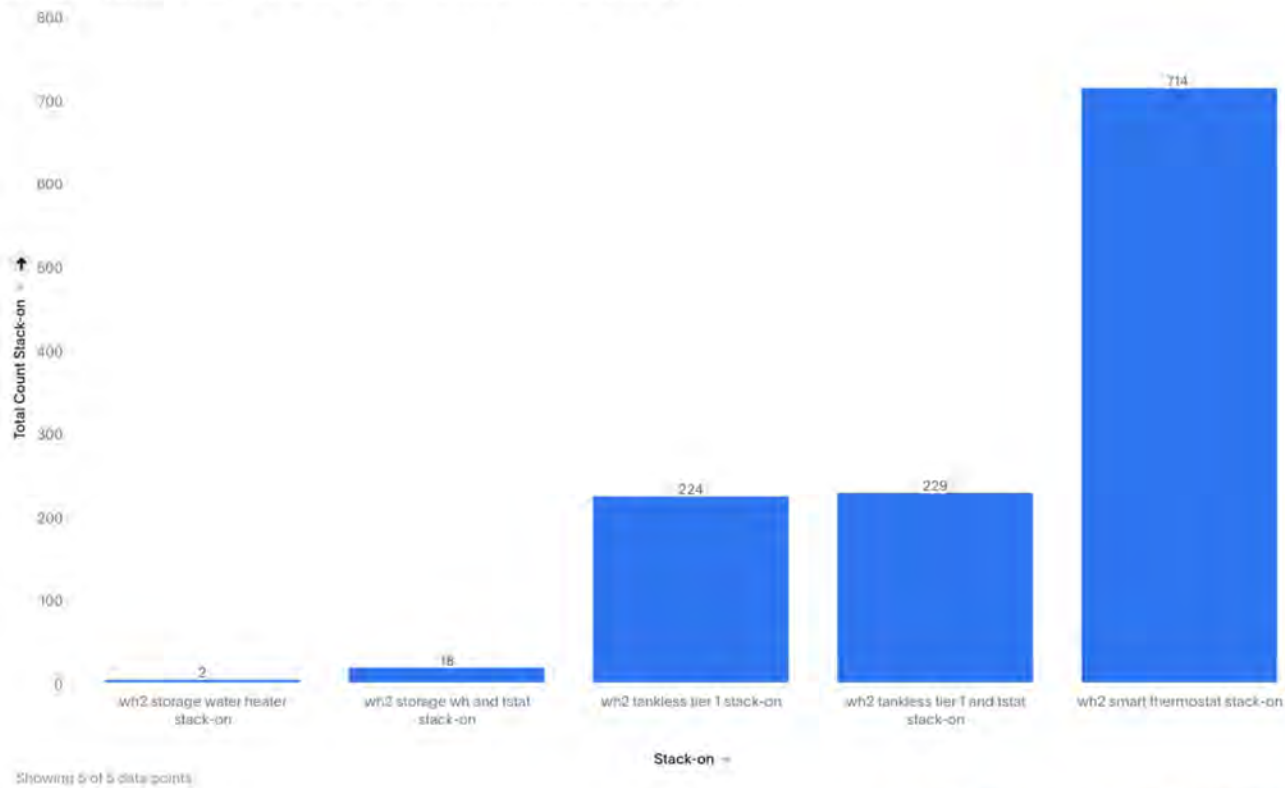

Figure 5 Whole Home Tier II Stack-On Rebates

Furnace Incentive

The furnace incentive provided residential customers with a $350 rebate for the installation of a high-efficiency natural gas furnace with a minimum efficiency rating of 95% AFUE. There was a total of 4,032 furnace rebates issued by the Company in 2024. The evaluated per unit therm savings based on the deemed savings approach for the furnace was 44 therms per unit, or 177,408 therms attributable to the Furnace rebate. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 0.9. The TRC was 0.3.
Figure 6 is a year over year comparison of the number of incentives issued in 2024 compared to 2023.

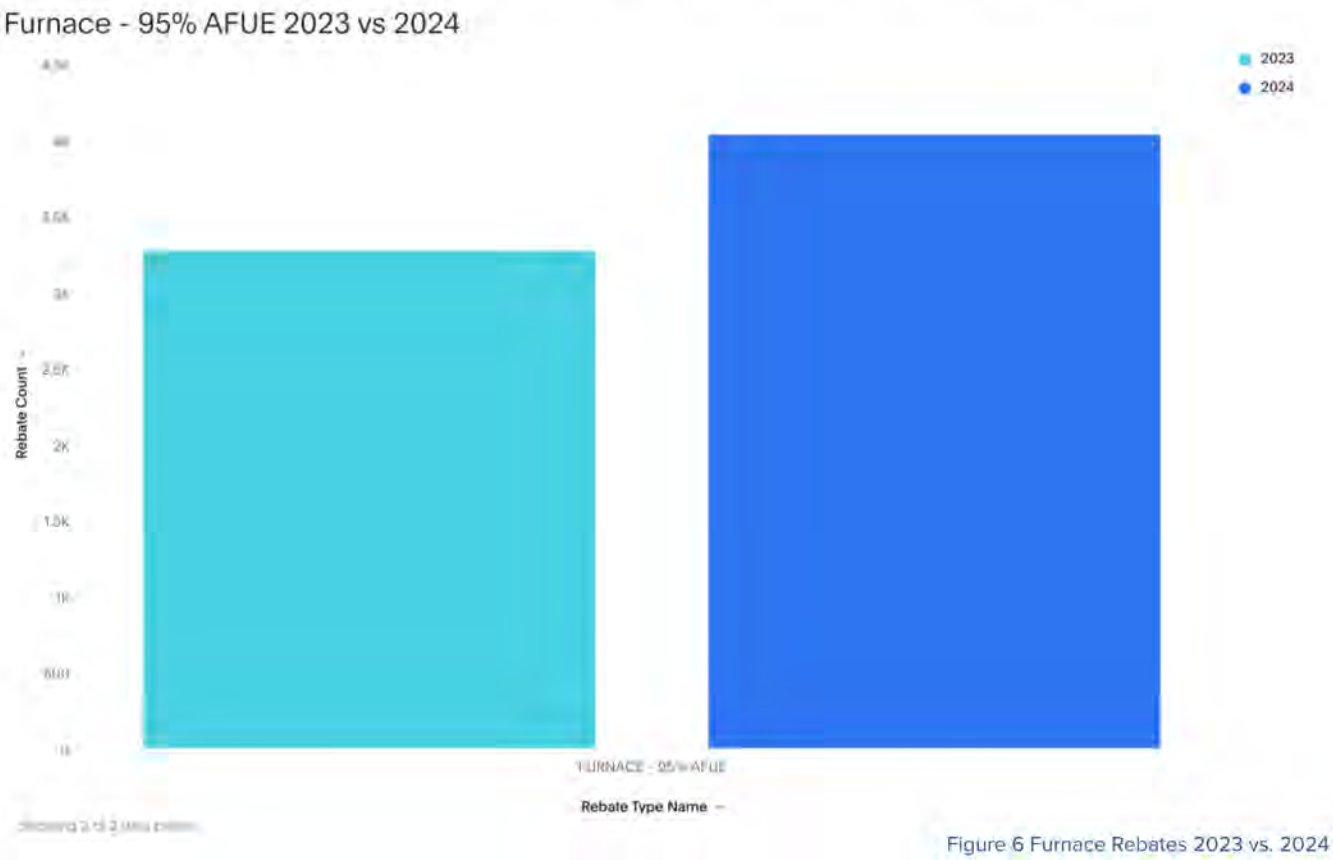

Figure 6 Furnace Rebates 2023 vs. 2024

Boiler – 95% AFUE Incentive

The boiler incentive provided residential customers with an $800 rebate for the installation of a high-efficiency boiler with a minimum efficiency rating of 95% AFUE. The Company issued 13 rebates in 2024, for total annual therm savings of 1,339 therms. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 1.3. The TRC was 0.9.

Figure 7 is a year over year comparison of the number of incentives issued in 2024 compared to 2023.

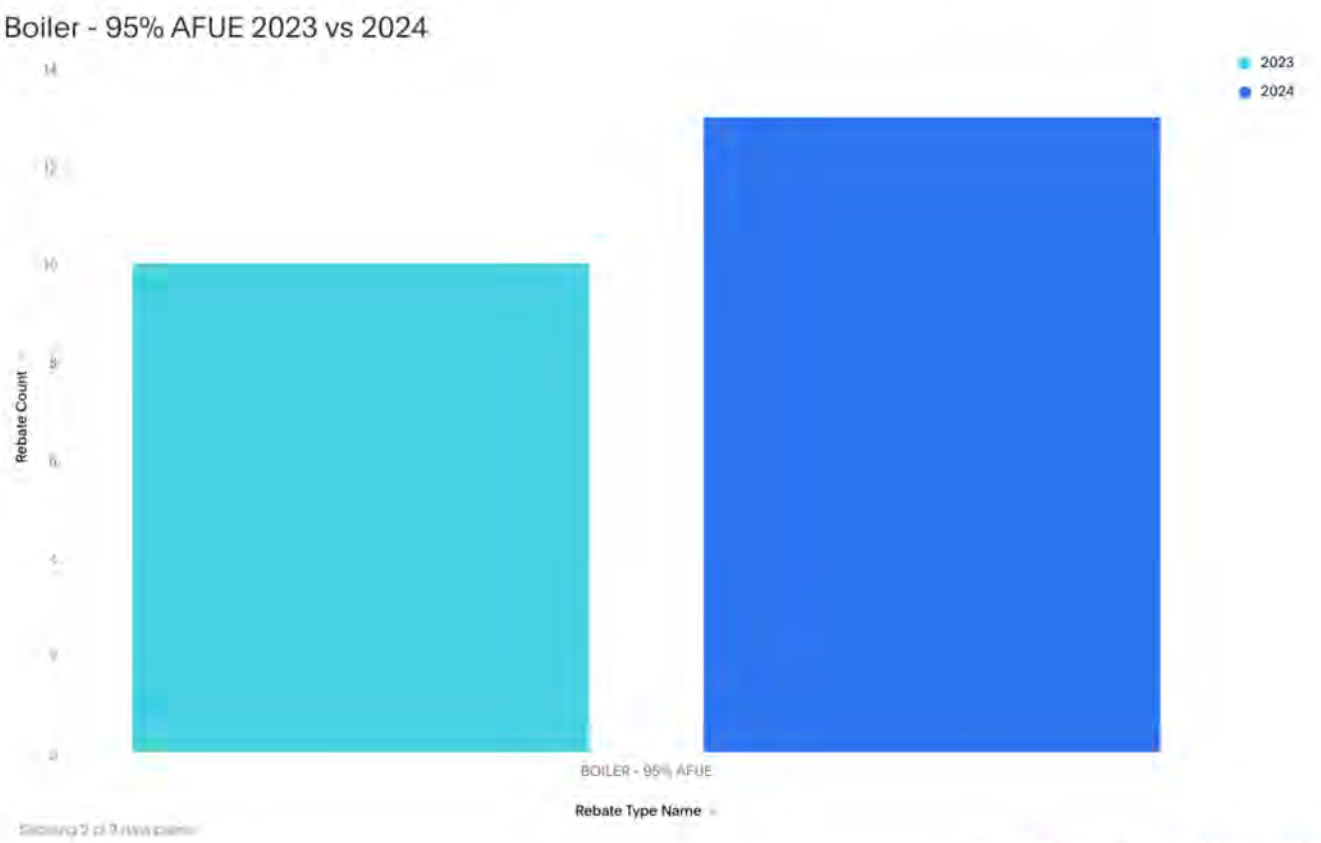

Figure 7 Boiler Rebates 2023 vs 2024

Combination Boiler – 95% AFUE Incentive

The combination boiler incentive provided residential customers with an $800 rebate for the installation of a high-efficiency combination boiler with a minimum efficiency rating of 95% AFUE. There were three rebates issued by the Company in 2024. The 2024 impact evaluation reported savings of 168 therms per unit, or 504 therms attributable to the Combination Boiler rebate in 2024. The evaluated savings were cost-effective under the UCT analysis with a benefit-to-cost ratio of 1.9. The TRC was 0.5.

Figure 8 is a year over year comparison of the number of incentives issued in 2024 compared to 2023.

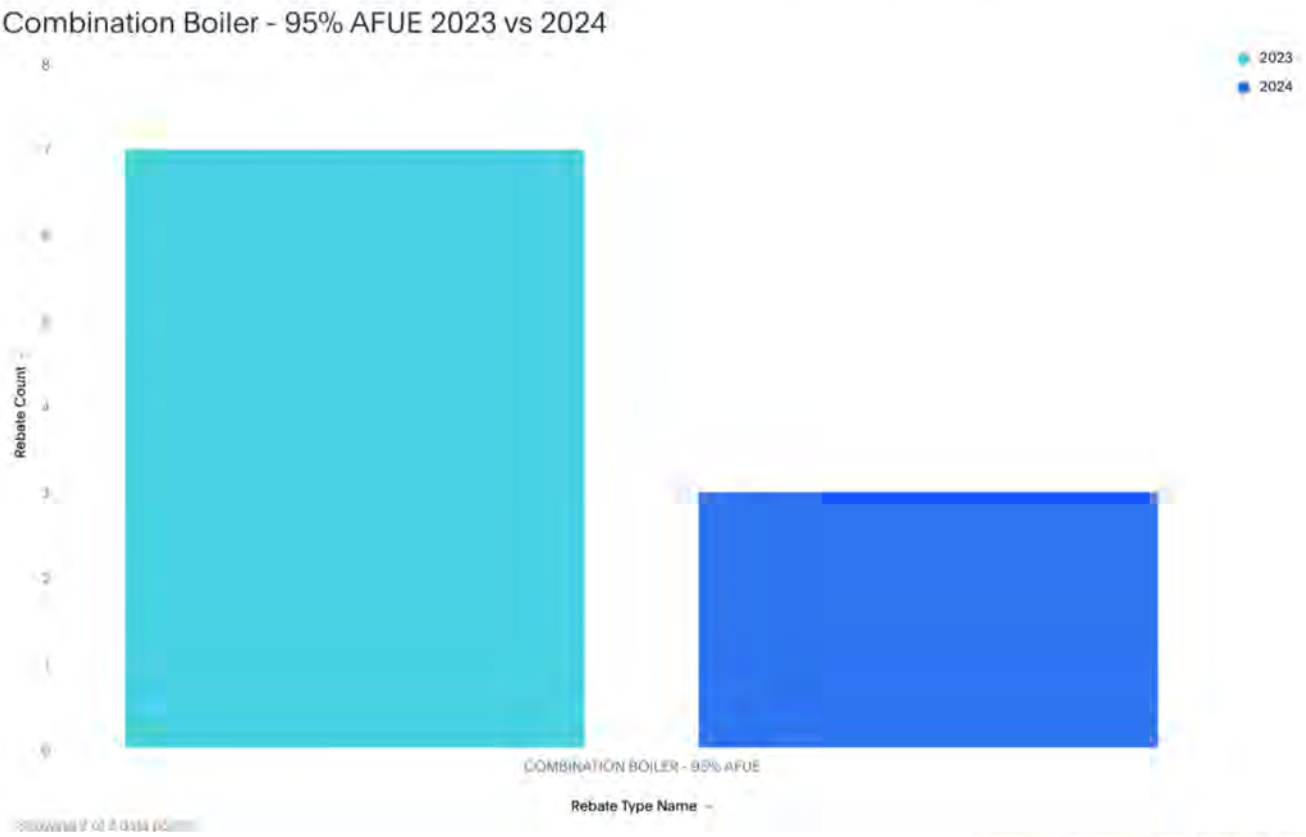

Figure 8 Combi Boiler 2023 vs. 2024

Smart Thermostat Incentive

The smart thermostat incentive provided residential customers with up to a $100 rebate for the installation of an Energy Star Certified thermostat. Program Terms and Conditions do not allow for incentive payments to exceed the amount paid for equipment. In 2024 a total of 3,389 thermostat rebates were issued by the Company. The 2024 impact evaluation savings based on deemed savings approach was of 21 therms per unit, or 71,169 therms attributable to the Thermostat rebate. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 0.7. The TRC was 0.4.

Figure 9 is a year over year comparison of the number of incentives issued in 2024 compared to 2023.

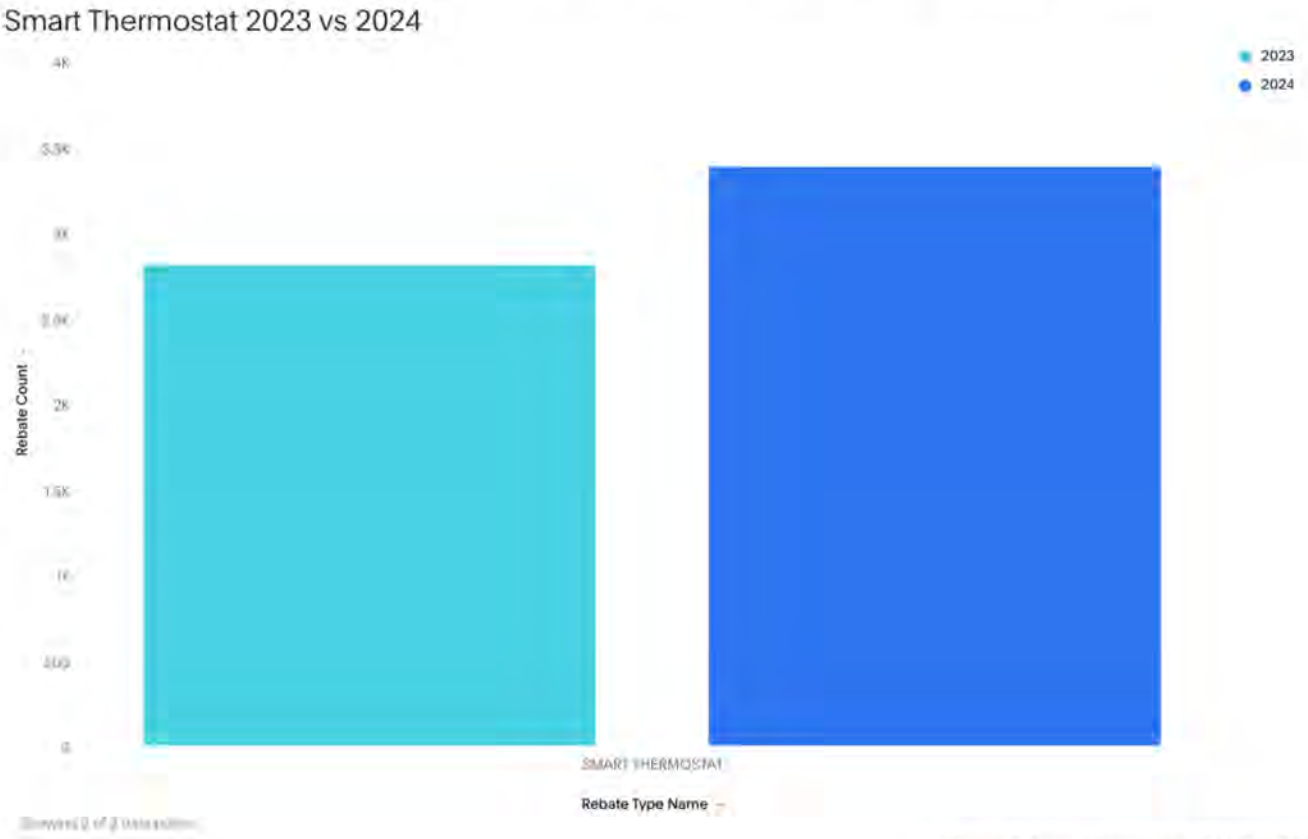

Figure 9 Smart Thermostat 2023 vs 2024

Storage Water Heater Incentive

The storage water heater incentive provided residential customers a $115 rebate for the installation of a storage water heater with a minimum efficiency rating of 0.68 UEF. A total of 29 water heater rebates were issued by the Company in 2024. The Company did not differentiate the water heater incentive by tank size, although to evaluate savings, rebated water heaters were sorted by tank size: greater than 55 gallons and equal to or less than 55 gallons. Evaluated savings based on the 2024 impact evaluation were 25 therms per unit for water heaters equal to or less than 55 gallons, and two therms for water heaters with tank size greater than 55 gallons. The federal standard for storage water heaters over 55 gallons is more stringent than storage water heaters with smaller storage sizes, resulting in very low savings. Together, the evaluated savings for storage water heaters was 679 therms. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 0.9 for storage water heaters equal to or less than 55 gallons and 0.1 for storage water heaters over 55 gallons. The TRC was 0.4 for storage water heaters equal to or less than 55 gallons and 0.0 for storage water heaters over 55 gallons.

Figure 10 is a year over year comparison of the number of incentives issued in 2024 compared to 2023.

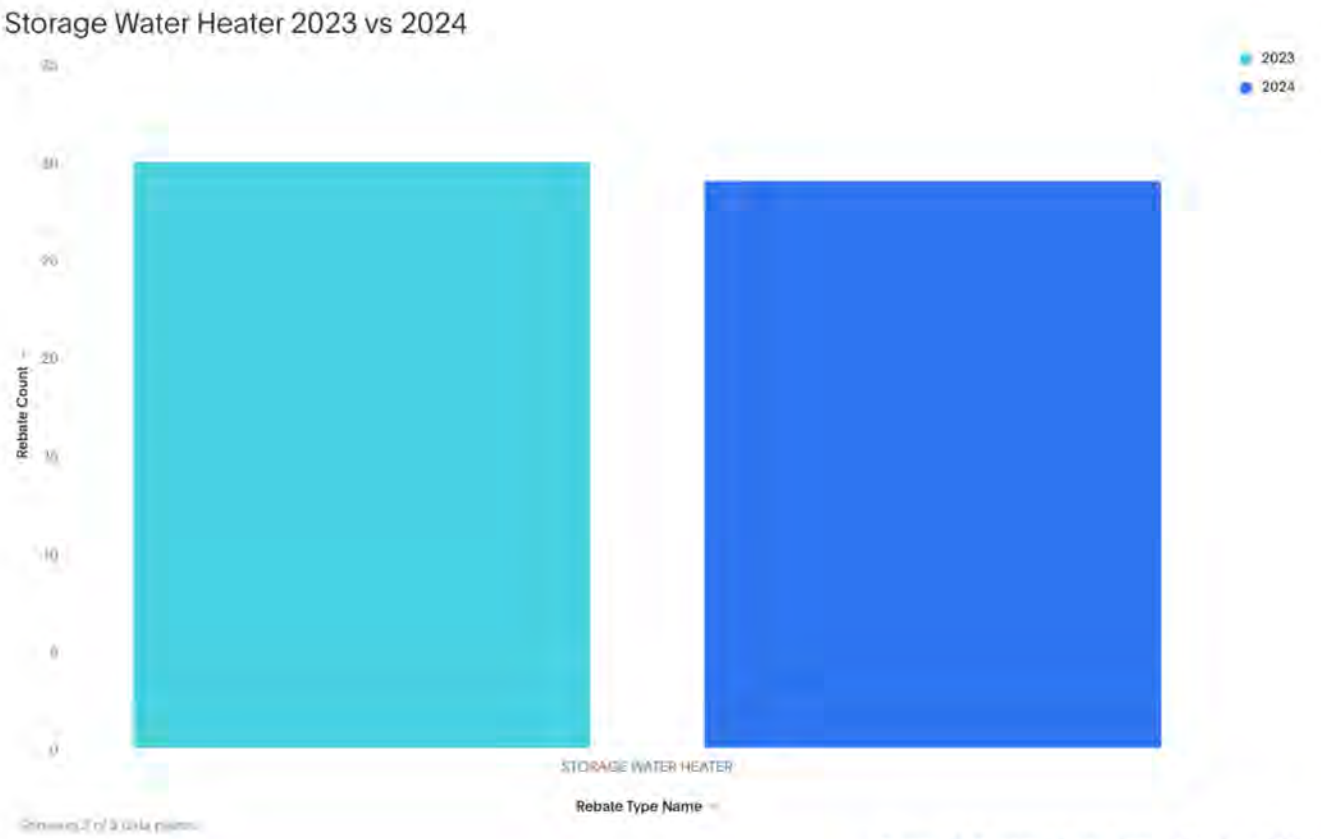

Figure 10 Storage Water Heater 2023. vs 2024

Tankless Water Heater Incentive

The Tankless Water Heater Tier I incentive provided residential customers with a $325 rebate for the installation of a condensing tankless water heater with a minimum efficiency of 0.91 UEF. There were 1,164 rebates paid in 2024. Evaluated savings from the 2024 impact evaluation resulted in 59 therms per unit, or 68,676 therms of evaluated savings. The evaluated savings were cost-effective under the UCT analysis with a benefit-to-cost ratio of 1.6. The TRC was 0.3.

Figure 11 is a year over year comparison of the number of Tankless Water Heater Tier I incentives issued in 2024 compared to 2023.

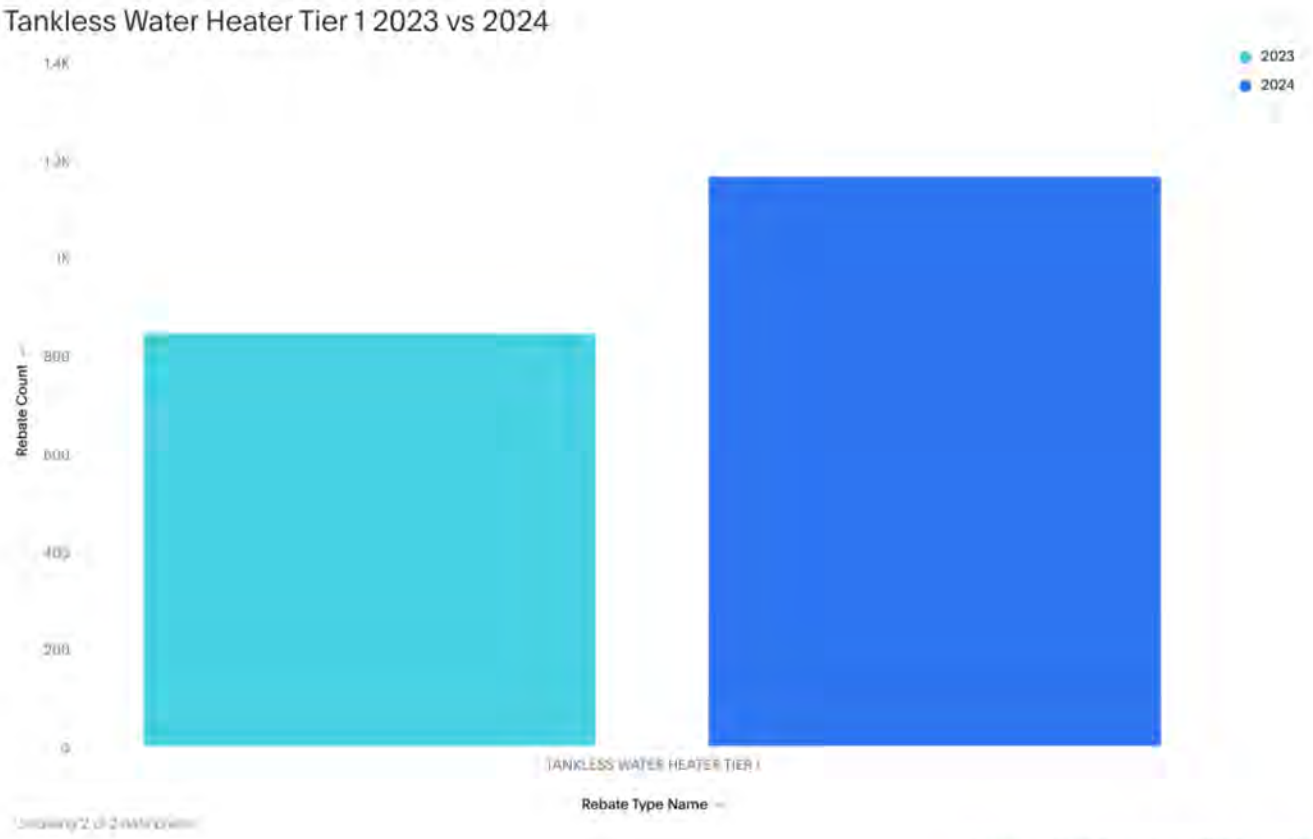

Figure 11 Tankless Tier I 2023 vs. 2024

The Tankless Water Heater Tier II incentive provided residential customers with a $300 rebate for the installation of a condensing tankless water heater with a minimum efficiency of 0.87 UEF. There were four rebates paid in 2024. Evaluated savings from the 2024 impact evaluation resulted in 48 therms per unit for the Tier II tankless water heater, or a total of 192 therms attributable to the rebate. The evaluated savings under the UCT analysis resulted in a benefit-to-cost ratio of 1.3. The TRC was 0.4.

Figure 12 is a year over year comparison of the number of incentives issued in 2024 compared to 2023.

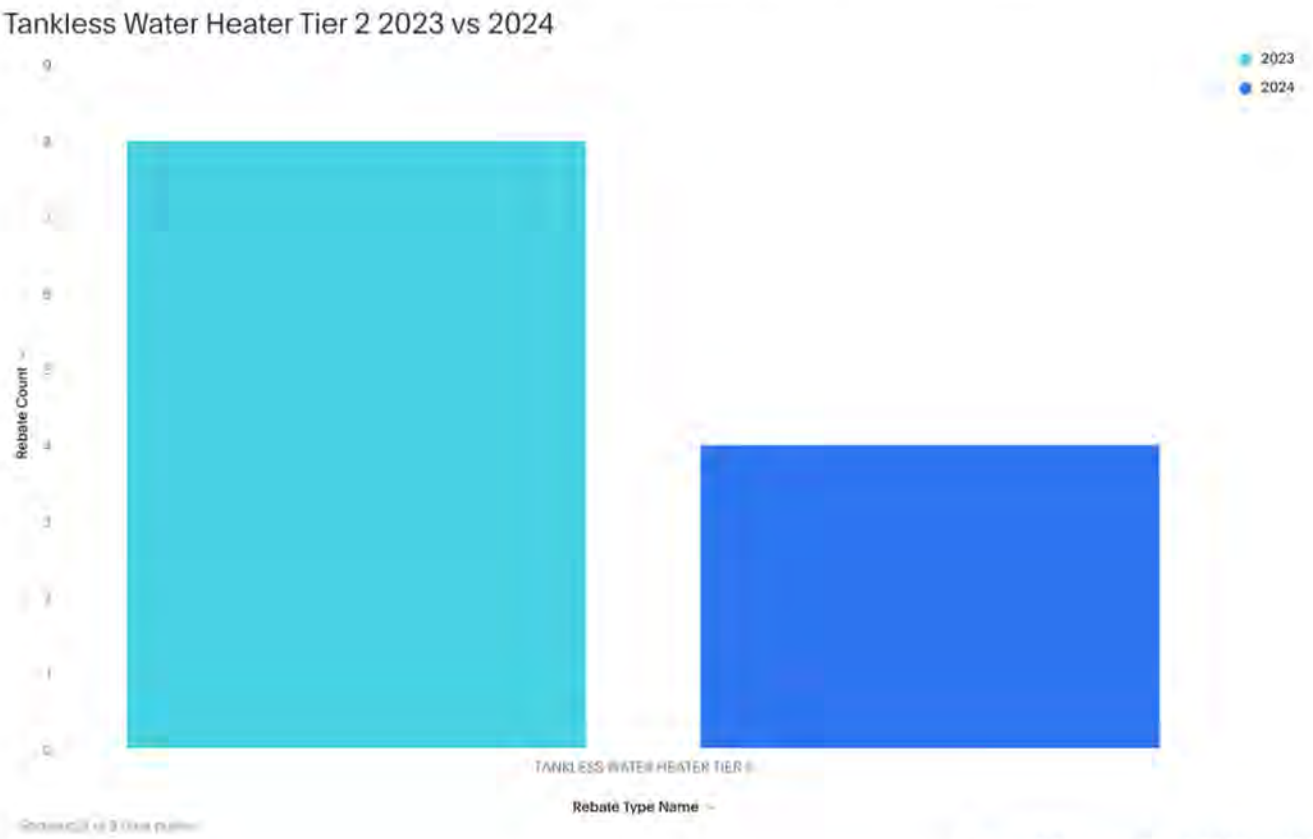

Figure 12 Tankless Tier 2 2023 vs 2024

ENERGY EFFICIENCY OUTREACH AND EDUCATION ACTIVITIES

In 2024 the Company actively promoted Program incentives and energy saving resources to residential customers, builders, contractors, and the communities in the Intermountain Gas service territory.

Guiding Questions

The Company regularly updated and gathered feedback from the Energy Efficiency Stakeholder Committee (EESC) throughout the year. An independent third party also provided additional guidance by conducting a Process Evaluation. Below is a summary of guiding questions and considerations the Company has received from these groups and used to guide efforts to promote the IGC EE Residential Program.

- How have we implemented lessons learned from previous outreach activity?
- How do we measure success in our outreach activities?
- How do we increase outreach and available program information to customers and contractors?

Residential Program Outreach Highlights

- From 2023 to 2024, five of six IGC EE Residential web pages had increases in web traffic. Increases in traffic varied between 16% and 61%.
    - The Whole Home Rebate web page had the largest increase in page traffic at 61%, followed by the savings calculator and energy saving tips page with 54% increases in web page traffic.
- 2 days of in-person meetings were conducted with area home builders and contractors in Pocatello.
- The Company partnered with Treasure Valley Habitat for Humanity to create a Do-It-Yourself (DIY) home weatherization instructional video series to provide customers with a timeless educational resource for home energy savings.

Customers

The Company used multiple methods to promote energy efficiency resources, aligning with customers' communication preferences, and increasing program awareness among both new and existing customers. Below here is a summary of 2024 outreach with IGC Customers:

- The Company included the Energy Efficiency Program brochure with new customer letters, reaching 26,159 new customers.
- The Company posted monthly on social media to share energy saving tips and rebate information.
- Each quarter, the Company emailed residential customers who subscribed to energy efficiency related topics, ranging from 192,000 to 195,000 subscribers each quarter.
- Over 500 customers participated in the annual customer engagement activity: "Watch and Win" Sweepstakes, by watching the instructional home weatherization videos.
- The Company placed Energy Efficiency Program ads in over 330,000 copies of Parade of Homes and Real Estate Magazines distributed throughout the service territory.

The 2023 Easy Savings Kit campaign inspired the launch of the 2024 DIY weatherization campaign. Survey responses about the Energy Savings Kits showed that customers wanted more instructions for installing DIY home weatherization measures. Based on this feedback, and given the popularity of video-based content, the Company partnered with Treasure Valley Habitat for Humanity to create a series of six videos, 1-2 minutes in length, which provide customers with a step-by-step demonstration of how to install DIY home weatherization measures. The Company hosts these videos on its Energy Saving Tips page as a permanent resource for customers.

To promote the availability of this new resource, the Company hosted the "Watch and Win" Sweepstakes throughout the month of September. For this Sweepstake opportunity, residential customers were invited to watch the six videos and vote for the one they found most beneficial to be entered in the sweepstakes. At the end of the sweepstakes, the Company randomly selected five winners to receive a $100 gift card. The Company promoted the sweepstake opportunity via bill insert and e-bill insert to all residential customers and shared through weekly social media posts during the sweepstakes period. The Company sent an additional notice about the sweepstakes to email subscribers. Following the sweepstakes the videos garnered almost 3,000 views in total, and 548 qualifying entries were received. On the bill insert used to promote the sweepstakes, there were 73 recorded QR code scans. The Company will continue featuring the Home Weatherization video series in future program promotions as a customer resource. The 2024 bill insert is provided in Figure 13. Since customers must actively subscribe to receive emails related to saving energy, the bill insert included a call to action to subscribe to receive energy saving related topics.

Figure 13 Watch and Win Bill Insert

In 2023, the Company began sending quarterly energy efficiency email notifications to customers and tracked performance by collecting open rates, click through rates, and percentage of subscribers from its residential customer base. The Company uses this data to evaluate the effect of email messaging on customers making an energy-efficient choice and applying for an IGC rebate. See Table 2 for a summary of email performance for residential customers in 2024.

		Residential					
		Date	# Sent	Open Rate	CTR	# of Customers	Subscribers
2024	Q1	3.19.24	192,987	39%	23%	384,508	50%
	Q2	6.18.24	193,200	52%	0.9%	385,872	50.1%
	Q3	9.10.24	193,694	54%	1%	387,364	50%
	Q4	12.10.24	195,557	56%	2%	392,064	50%

Table 2 2024 Customer Email Performance by quarter

Based on information from Questline Digital's 2024 Energy Utility Benchmarks Report[1] emails regarding Program Promotions, such as those from an Energy Efficiency Program, return open rates of 43.58% on average and click through rates with an average of 0.66%. Intermountain's email campaigns performed better than the industry average on open rates, 3 of the 4 months, and better than the industry average on click through rates for all 4 months.

Additionally, as indicated in the 2024 Process Evaluation, email is the most preferred method of communication for IGC customers. In a survey of IGC rebate recipients, 71.7% of the respondents indicated email as their preferred method of communication as seen in figure 14. Due to Company customer communication policies, customers must opt-in to receive energy saving themed email. The Company will continue to promote encouraging customers to opt-in to energy efficiency email notifications alongside promoting available rebates.

[1] Utility Benchmarks Report- Questline Digital

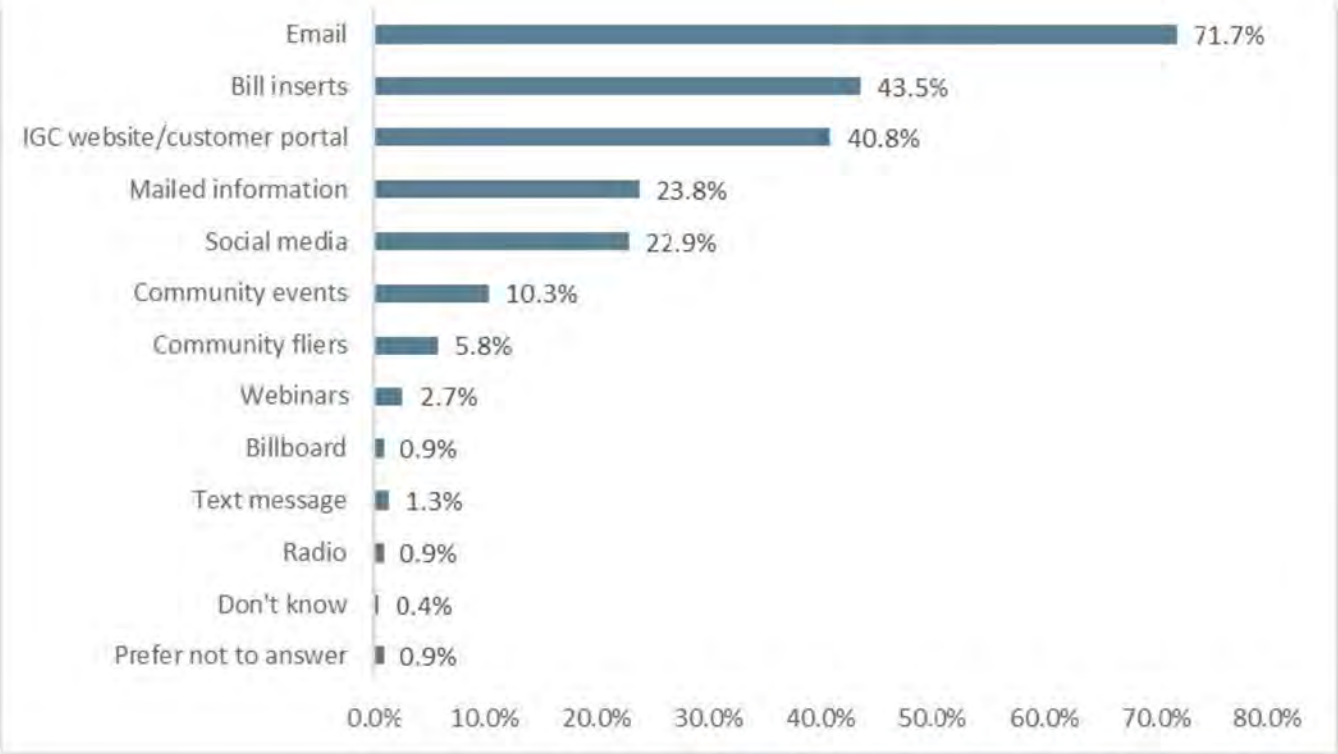

Figure 14 Preferred Communication Style, 2024 Process Evaluation

To better understand the effectiveness of outreach methods, the Company asks rebate applicants how they heard about the Program. Figure 15 illustrates the number of responses to the question 'how did you hear about the program'. The increased number responses of "bill insert" in October and November, the months immediately following the September bill insert distribution, suggest the "Watch and Win" sweepstakes was effective in getting customers to take an energy saving action.

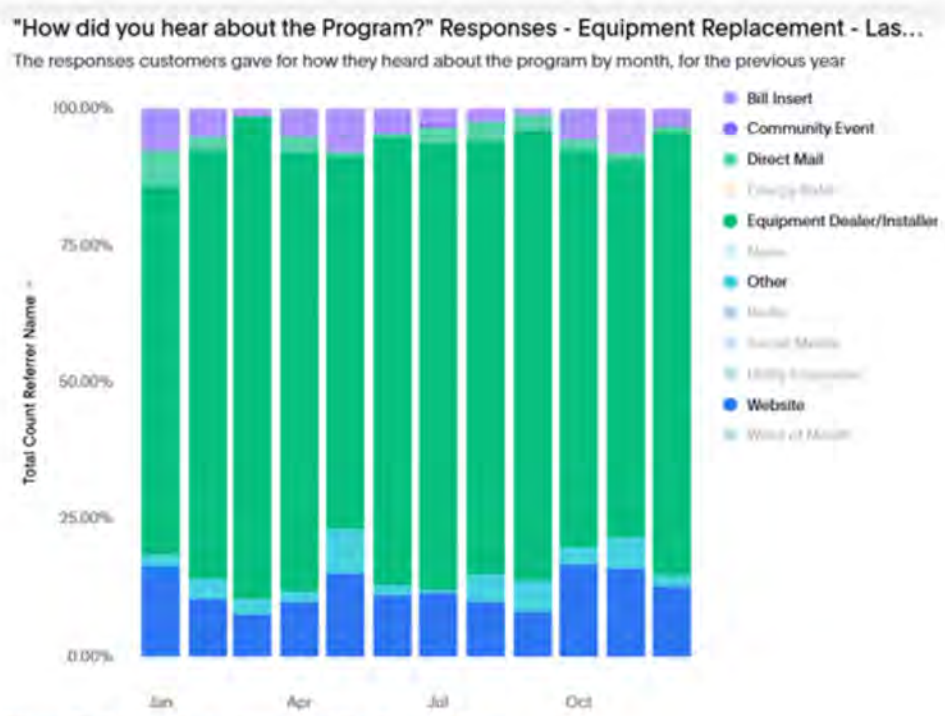

Figure 15. "How did you hear about the Program?"

The number of rebate submissions received through the customer webapp is another indicator of rebate activity. Figure 16 below shows weekly rebate submissions through the customer webapp. The increase in web applications following quarterly customer emails, shown by the spikes in the months of March, June, September, and December, indicate email is also an effective method of raising program awareness and increasing customer participation in taking an energy saving action.

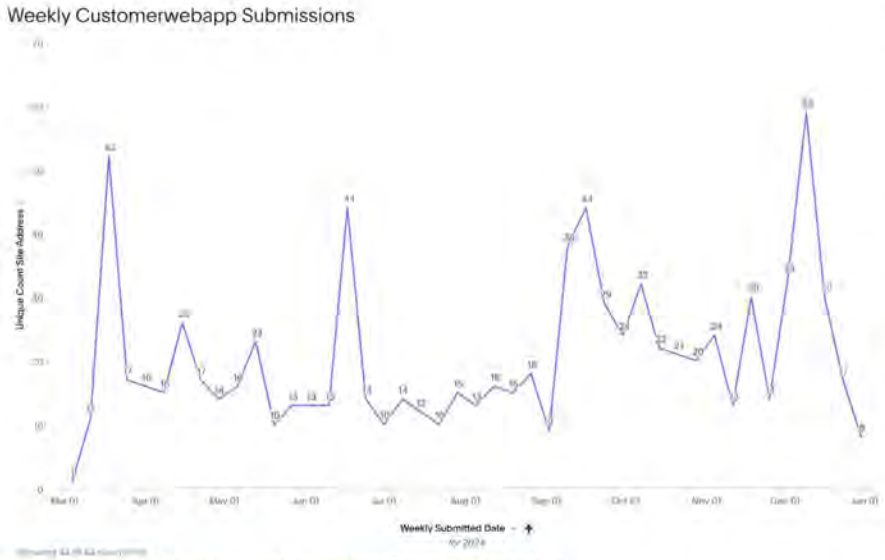

Figure 16 Monthly Rebate Applications via Customer WebApp

Monitoring web traffic through the IGC EE web pages serves as another indicator of program awareness among customers. This year the company noticed an increase in total annual web traffic for 5 out of 6 EE residential web pages, with increases in web traffic between 16% and 61%. Pages such as the appliance rebate page and energy saving tips pages experienced spikes in activity when featured during outreach efforts such as the Customer Engagement Activity and quarterly customer emails in March, June, September, and December. IGC EE web pages not directly highlighted in email campaigns or other promotional activity experienced simultaneous increases in web traffic at these times, indicating further interaction with program materials following promotional activity. Tables 3, 4, and 5 contain web page traffic information for EE residential web pages in 2024.

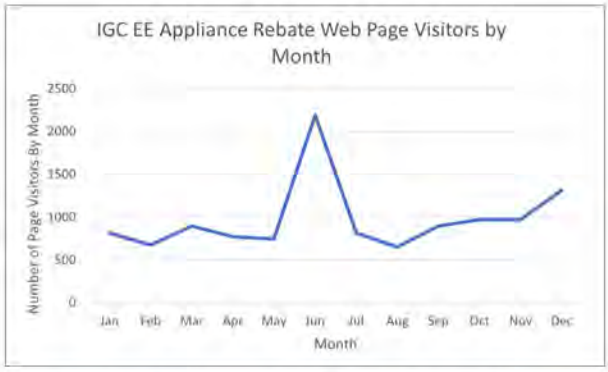

Table 3 IGC EE Appliance Rebate Page Visits by Month

Table 4 IGC EE Energy Saving Tips Web Page Visits

Table 5 IGC EE Residential EE Web Page Visits

Builders and the home buying community

The Company actively promoted the Program by partnering with state-wide and local Building Contractor Associations. The Company attended meetings, hosted informational tables at BCA events, and leveraged ESR connections to build and maintain relationships with local home builders across the service territory. See the summary of outreach conducted with home builders in 2024 below:

- Hosted an information table during the Idaho Falls Parade of Homes, in the garage space of a home receiving an Intermountain Gas rebate to interact with Parade visitors, Figure 17
- Participated in the Builder's Expo, and a builder exclusive event, in Idaho Falls and Canyon County
    - Canyon County attendance: 32 builders
    - Idaho Falls attendance: 14 builders.
- Information table placed at 3 State BCA Meetings, approximately 250 in attendance at each meeting.
- Hosted a booth at each Local BCA golf tournament where available.
    - Attendance ranged between 70-230 BCA members, including multiple builder interactions at each tournament. Each tournament provided opportunities to interact with builders learning about the Program for the first time and maintain relationships with builders who have previously received IGC rebates.
- Energy Efficiency messaging in Parade of Homes Magazine throughout the service territory with over 330,000 print issues distributed and online copies available, Figure 18
- IGC EE and ESR co-hosted in-person meeting held with 22 Pocatello area builders to inform on Company updates and overview of EE rebate program, Figure 19

In 2024 there were 62 builders who received a Whole Home rebate, a decrease of four builders from 66 in 2023. The Company continues to explore ways to reach builders that are not members of a building contractor association.

Figure 17 Idaho Falls Parade Home Display

Figure 18 Energy Efficiency 2024 Parade of Homes Ad

Figure 19 Pocatello Builder and Contractor Meeting

Contractors

Contractors continue to be a main source of information for customers to learn about program offerings. This is supported by both responses to the question 'how did you hear about us?' on residential rebate applications and the 2024 Process evaluation as shown in Figures 14 and 15. To continue developing Program awareness with contractors the Company maintained existing methods of outreach and is considering new opportunities for bolstering the partnership between the Program and contractors that are covered in the 'What's Next' section later in this report.

In 2024, the Company saw a 21% increase in participating residential contractors from 196 in 2023, to 237 in 2024. Out of the 237 participating

contractors in 2024, 124 were identified as returning contractors from 2023. Contractor outreach is summarized below:

- In-person interactions with contractors through Building Contractor Association events at golf hole sponsorships, or at in-person meeting attendance hosted in partnership with the ESR team.
- Promoted educational Gas Heat Pump webinar to all participating contractors identified on rebate applications through email communications.
- Mailed a postcard to all participating contractors highlighting tips to successful customer rebate applications addressing things like frequently overlooked info. The postcard is shown in Figure 20.
- Partnered with ESR to host an in-person meeting in Pocatello for 14 contractors to provide operational updates and promote the rebate program.

Figure 20 2024 Contractor Postcard

Community

The Company used community outreach to promote energy efficiency at large public events and support organizations that share its commitment to energy-saving practices. Below is a summary of the Company's community-wide outreach in 2024:

- Advertising with Idaho Falls Spud Kings:
  - Video board, ribbon board, and printed program advertising at 39 regular season games
    - Video and ribbon board ads displayed 20 times per game.
    - 6,000+ print programs distributed during games, Figure 21
    - 150,229 total season attendance
- Pocatello Portneuf Environmental Fair with over 3,000 in attendance.
- KIND Pocatello Community Coloring Book: energy saving-themed coloring page distributed to 7,000 elementary grade students.

Figure 21 Energy Efficiency Ad Idaho Spud Kings

Figure 22 2024 Portneuf Environmental Fair

Figure 23 Pocatello KIND Coloring Book

What's Next?

The Company recognizes contractors as key partners in delivering energy efficiency to our customers. Because customers often view them as energy experts, contractors play a critical role at the point of decision. In 2025 the Company plans to expand contractor participation in the energy efficiency program by launching an outreach campaign and establishing a trade ally network. The outreach campaign aims to raise awareness, while the trade ally network will function as a membership-based organization offering benefits such as a streamlined application portal and a contractor directory on the Intermountain Gas website to foster stronger relationships and more effective communication with HVAC and plumbing contractors.

COMMERCIAL ENERGY EFFICIENCY PROGRAM

The Commercial Program was approved by the Commission and went into effect as of April 1, 2021. All customers who received natural gas under the Company's GS-1 rate class were eligible to participate in the Program through 2024. The Commercial Program offers rebates on natural gas equipment meeting specific high-efficiency requirements and can be applied to replacement equipment, conversion from other fuel sources, and new construction.

Commercial customers fund the Program through the Energy Efficiency Charge (EEC-GS) rider, a monthly per therm charge to commercial customers. As of December 31, 2024, the Company had an over-collected EEC-GS Program balance of $1,034,285. Due to slow uptake of the Commercial Program, the Company filed to decrease the EEC-GS rate. On October 1, 2024, the EEC-GS was reduced from $0.00320 to $0.00 per therm. In 2024, the Company paid out $54,828 directly to customers in the form of incentive rebates. Table 6 provides full details of the 2024 commercial rider balance.

In this section, 2024 performance and cost-effectiveness, are covered for each rebate. Commercial Program outreach, promotion, and education activities are also included.

COMMERCIAL ENERGY EFFICIENCY PROGRAM

The UCT for the Commercial Program was 0.9, with a TRC ratio of 1.

Rebates

Condensing Unit Heater Incentive

The Condensing Unit Heater incentive offered customers a $1,500 rebate for the installation of a high-efficiency unit heater with a minimum efficiency rating of 90% AFUE. The Company received no applications for the installation of this piece of equipment in 2024.

Boiler Reset Control Incentive

The Boiler Reset Control incentive offered customers a $350 rebate for the installation of a boiler reset control. The Company received no applications for the installation of this piece of equipment in 2024.

High Efficiency Condensing Boiler Incentive

The High Efficiency Condensing Boiler incentive offered customers a $4.50/kBTUh incentive for the installation of a high-efficiency condensing boiler with a minimum efficiency rating of 90% Thermal Efficiency (TE) and a minimum input of 300,000 BTU. The Company issued seven rebates in 2024.

2024 Commercial Rider Balance

Revenue	$	294,202
Program Expenses		
Commercial Rebates		54,828
Labor		82,381
Program Delivery		12,108
Special Studies		2,320
Market Transformation		-
Total Program Expenses		151,637
2024 Rider Deferral		
Over/(Under) Collection		142,566
Prior Year Rider Balance		
Over/(Under) Collection		891,719
Rider Account Balance		
Over/(Under) Collection	$	1,034,285

Table 6 Commercial Energy Efficiency Rider

The incentive was cost-effective under the UCT analysis, with a cost-effectiveness ratio of 3.7. The TRC ratio was 3.0. Figure 24 is a year over year comparison of the number of incentives issued in 2024 compared to 2023.

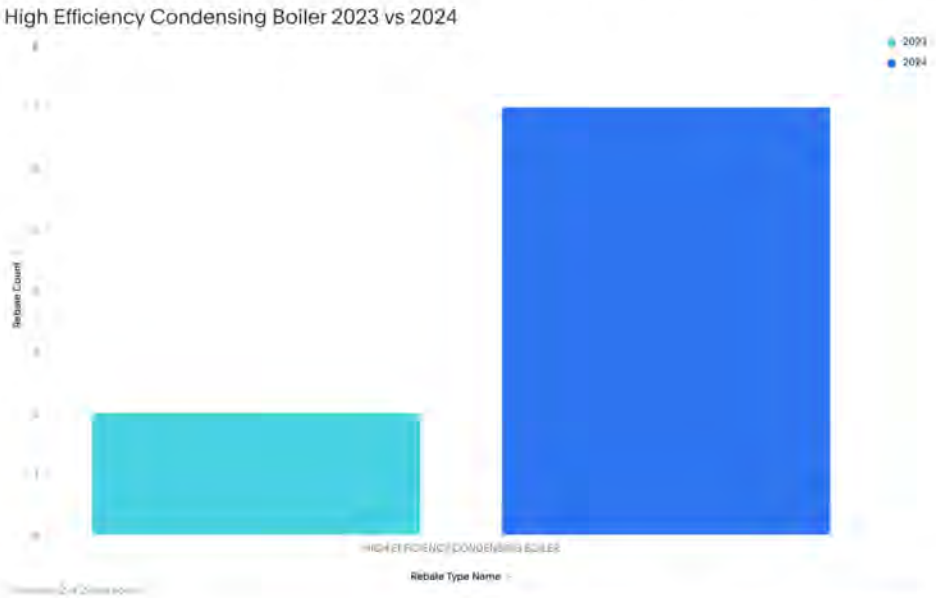

Figure 24 High Efficiency Boiler Rebates 2023 vs. 2024

Fryer – ENERGY STAR Certified Incentive

The Fryer incentive offered customers an $800 incentive for the installation of an ENERGY STAR Certified Fryer. The Company issued 14 rebates during 2024. The UCT for the fryer was 0.9 and the TRC was 1.1. Figure 25 is a year over year comparison of the number of incentives issued in 2024 compared to 2023.

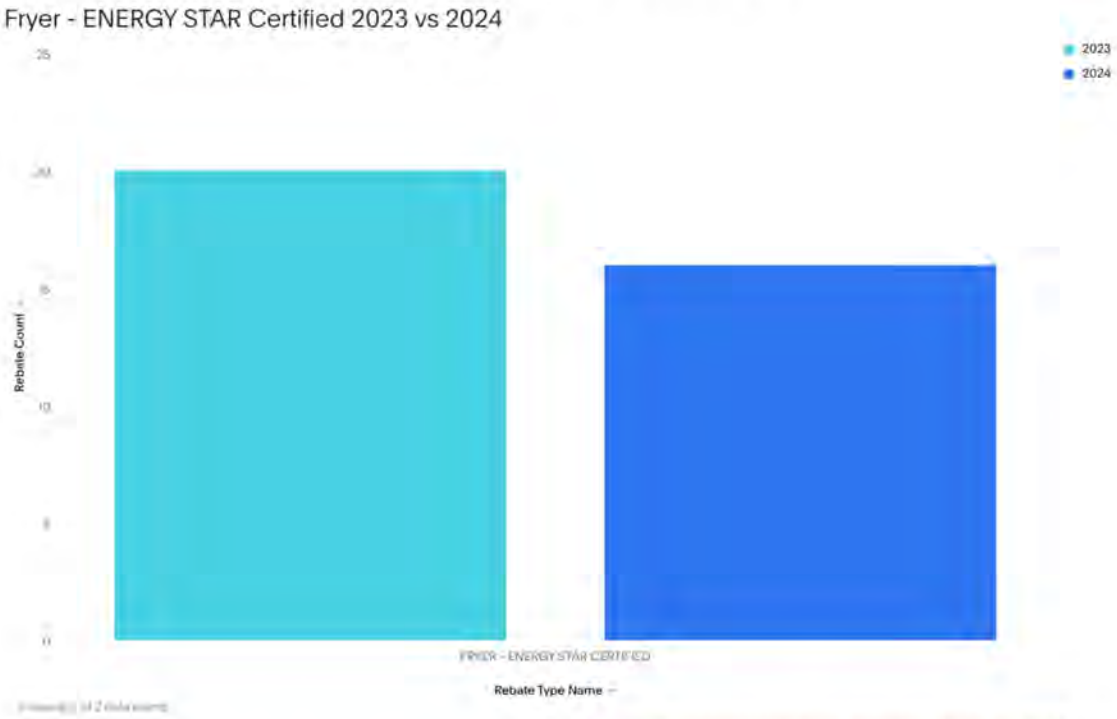

Figure 25 Commercial Fryer Rebates 2023 vs. 2024

Steamer – ENERGY STAR Certified Incentive

The Steamer incentive offered customers a $1,100 incentive for the installation of an ENERGY STAR Certified Steamer. The Company received no applications for the installation of this piece of equipment in 2024.

Griddle – ENERGY STAR Certified Incentive
The Griddle incentive offered customers a $200 incentive for the installation of an ENERGY STAR Certified Griddle. The Company issued one rebate during 2024; no rebates were issued for this rebate in 2023. The UCT for the griddle was 0.2 and the TRC was 0.2.

COMMERCIAL PROGRAM PROCESS EVALUATION

In 2024, the Company commissioned the first process evaluation of the Commercial Program. The study began in 2024 and concluded in 2025. The full report can be found in Supplement 1: Commercial Process Evaluation Report.

The Evaluator identified four key findings from the study:[2]

1. **Limited Program Awareness:** Only 42.9% of nonparticipants were aware of IGC's rebate offerings, indicating a need for more effective marketing strategies.

2. **Low Contractor Involvement:** There is no formal contractor program, leading to confusion and low engagement. Contractors play a crucial role in rebate awareness but are not well-informed about the program.

3. **Customer Engagement Barriers:** Many nonparticipants were unsure about rebate availability for their equipment, and tenant businesses face additional hurdles in discussing energy upgrades with landlords.

4. **Verification Challenges:** Verification of installed measures relies on self-reported data due to low survey response rates, limiting the ability to confirm installations and assess program impact. Of the 48 participants, customers that received a commercial rebate, selected for the survey sample, only three responded to the evaluator's survey despite multiple attempts.

The Evaluator concluded that the IGC Commercial Energy Efficiency Program faces significant challenges in customer participation, contractor engagement, rebate verification, and marketing effectiveness. Despite these challenges, there are clear opportunities for improvement. Enhancing marketing efforts, formalizing contractor engagement, improving rebate verification, and expanding rebate offerings can help increase participation and overall program effectiveness.

The conclusions of the study resulted in four main recommendations for the Company:

1. **Enhance Marketing and Outreach:** Develop targeted communication strategies for decision-makers and leverage contractor networks to improve awareness.

2. **Formalize Contractor Engagement:** Establish a trade ally program and provide clearer rebate application guidance to ensure contractors accurately communicate incentives to clients.

3. **Improve Rebate Verification:** Strengthen participation incentives for customer surveys. Explore opportunities to enhance ERA's tracking capabilities. Collecting more data points through ERA at the time of rebate approval could save having a future evaluator contact and collect additional data from participants.

4. **Expand Rebate Offerings:** Consider adding rebates for commonly requested but currently ineligible equipment and develop custom rebate pathways for larger commercial projects.

[2] Supplement 1: Commercial Process Evaluation, p. 21

The Evaluator submits that by implementing these recommendations, IGC can increase participation, strengthen contractor engagement, improve rebate verification, and enhance customer satisfaction, ultimately ensuring that its Commercial Energy Efficiency Program is more effective and impactful.

COMMERCIAL PROGRAM OUTREACH, AWARENESS AND EDUCATION

In 2024, the Company used print, digital, and in-person outreach methods to promote awareness of the Commercial Energy Efficiency Program among commercial customers, business owners, and industry partners such as commercial HVAC/plumbing contractors, architects, and property developers. A summary of the outreach activities conducted for the Commercial Program in 2024 is outlined in the following sections.

Guiding questions

The Company used feedback from the Energy Efficiency Stakeholder Committee to guide promotional efforts for the coming year. Guiding questions for 2024 commercial outreach are outlined below.

- How do we promote Commercial Program resources to the right commercial decision makers more effectively?
- How do we measure success in our commercial outreach activities?

Commercial Program Outreach Highlights

- The Company launched a three-stage pilot program to survey commercial customers.
- 60,000+ print copies of publications containing Commercial Program ads in the following areas:
    - Idaho Business Review print and digital publications
        - Book of Lists- ~12,000 print copies with online edition
        - Earth Day edition of monthly publication ~7,400 print recipients
    - AIA Annual Publication, Design Awards Program, and Build a Better Idaho Program
    - Buy Idaho Directory- 30,000 print copies.
    - Idaho Falls and Pocatello Chamber Magazine Advertising:
        - Pocatello- 5,000 print copies.
        - Idaho Falls- 6,000 print copies.
- Annual sponsorship of the Idaho Chapter of the American Institute of Architects (AIA) including various points of recognition, outlined later in this report.
- Sponsorship of the Idaho Chapter of the American Society of Heating, Refrigeration, and Air Conditioning's (ASHRAE) annual Technical Conference with approximately 200 attendees composed of HVAC professionals and engineers.
- Quarterly emails sent to commercial customer subscribers.

To learn more about commercial customers' equipment usage and energy efficiency preferences, the Company designed a commercial customer survey. The survey aimed to identify the business decision makers for that customer of record, and the building operators or facility managers who are familiar with the building equipment. To incentivize participation in the survey, respondents were offered a $10 e-gift card as a thank you for their participation. The survey was deployed in three stages, releasing the survey to incrementally larger groups of customers with each deployment. Figure 26 illustrates how the survey was released in a 3-stage process to progressively larger groups of customers.

- Stage 1: Mailed postcards with survey invitation to 500 of the largest commercial gas consumers. The postcard is featured in Figure 27 and 28. This resulted in one survey response.
- Stage 2: The survey invitation was emailed to all the commercial customers who subscribe to energy efficiency topics. There were approximately 36,000 subscribers at the time the email was sent. This effort generated 32 responses.
- Stage 3: The third round of survey invitations was sent as a bill insert in the month of November and resulted in one response.

Figure 26 Commercial Customer Survey Deployment

The survey asks specifically for the building operator or facilities manager to take the survey. These responses will be used to build a database of commercial customer contacts and related information about the facility operations, such as the equipment used on-site, enabling for more targeted and customized future communications.

The survey was designed to learn about the customer and will be able to be used for the foreseeable future. Given the initial low response rate, the Company plans to continue to promote the survey as an avenue to engage with commercial customers about energy saving opportunities. The Company will also reconsider if the $10 survey incentive is enough to be effective. The 2024 Commercial Process evaluation indicated a higher incentive should be considered to drive participation.[4]

Figure 27 Commercial Customer Survey Postcard (front)

Figure 28 Commercial Customer Survey Postcard (back)

Engaging with industry organizations such as AIA and ASHRAE are known routes of interacting with members of the design process for commercial building projects such as architects and property developers. In 2024 AIA held their first 'Build a Better Idaho' Construction Symposium, a weeklong educational seminar for engineers, architects, and commercial contractors focusing on energy usage and sustainability in modern building practices. The Company

[4] Supplement 1: Commercial Process Evaluation, p. 23

leveraged sponsorship of this event to promote the Commercial Program among attendees at a commercial-focused, energy-focused event, see Figure 29. The Company received this promotion through AIA's annual sponsorship structure which includes the list of benefits shown below.

- EE promotion in AIA Annual Membership Directory, Build a Better Idaho Program, and newsletters to the membership of over 430 people, 390 of which being architects.
- Promotion of Gas Heat Pump webinars in newsletters to AIA members
- Recognition as AIA annual sponsor on AIA social media, marketing materials, and press release relating to sponsored events
- Verbal recognition as AIA annual sponsor during Design Awards Conference and Build a Better Idaho Construction Symposium

Figure 29 Energy Efficiency Ad, Build a Better Idaho

The Company also promoted the Commercial Program to ASHRAE through sponsorship of their Technical Conference with just under 200 member attendees. As a sponsor, the Company gained visibility through logo placement on conference signage and recognition during session focused on commercial HVAC and engineering practices. The Company also hosted an information table at the annual ASHRAE golf tournament. As a hole sponsor, the Company engaged one-on-one with tournament participants to promote the program, many of whom are HVAC and design professionals. As shown in figure 30.

Figure 30 Interactive Hole Sponsor at ASHRAE

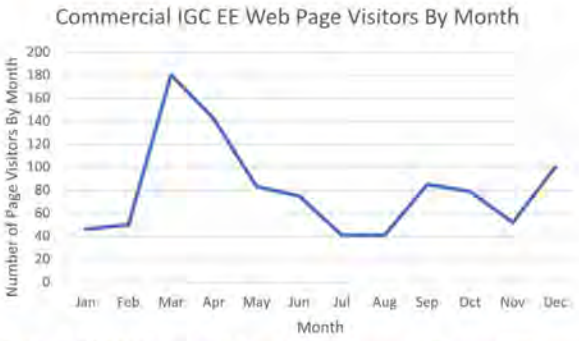

Table 7 2024 Webpage Visits for Commercial Energy Efficiency

The Company monitors website traffic and email performance to gauge customer engagement with energy efficiency initiatives. Like the Residential Program, the Company emailed notifications to commercial customers who opt-in to receiving energy saving themed emails. Email sent to commercial customers produced noticeable spikes in web traffic during the months of March, September, and December. Tables 7 and 8 illustrate annual web page traffic and quarterly email performance. The call to action to subscribe to EE email notifications remains a priority for the Company in future outreach activities.

		Commercial					
		Date	# Sent	Open Rate	CTR	# of Customers	Subscribers
2024	Q1	3.19.24	8,364	59%	3%	36,228	23%
	Q2	6.25.24	8,523	41%	0.8%	36,188	23.6%
	Q3	9.24.24	8,769	44%	2%	36,145	24%
	Q4	12.10.24	8,808	45%	1%	36,611	24%

Table 8 2024 Commercial Customer Email Performance

ENERGY EFFICIENCY STAKEHOLDER COMMITTEE

In 2024, Intermountain held four meetings with the Energy Efficiency Stakeholder Committee (EESC). To ensure more consistent and comprehensive updates, the Company increased the number of meetings from two to four annually. Following a proposal from the November 2023 meeting, the Company followed a standardized agenda for each session. The standard meeting agenda items included: a safety moment, updates on rider balances and rebate performance, outreach and promotion efforts, program administration, special studies, and other special topics. EESC meeting transcripts are provided in Supplement 3: EESC Meeting Notes.

SECURING AN ENERGY EFFICIENT FUTURE

Intermountain actively explores cost-effective energy-saving solutions for immediate implementation while also pursing future-focused technologies. In 2024, the Company chose not to renew its membership in the North American Natural Gas Heat Pump Collaborative but remained active in two member driven groups focused on advancing innovative energy-saving technologies at various stages of development.

- The Emerging Technology Program (ETP). Governed by GTI Energy, is a membership-based utility collaboration. The collaboration works to "accelerate the commercialization and adoption of energy efficient technologies," and "provides expertise for program planning, implementation and assessment as well as tailoring initiatives to meet regional needs, support pilots and custom programs."[5]

[5] Emerging Technology Program • GTI Energy

- Through MDU Resources Group, Intermountain maintains corporate membership in the Energy Solutions Center (ESC). ESC is a non-profit organization that promotes energy-efficiency natural gas solutions for use by residential, commercial, and industrial energy users. ESC also creates educational and marketing materials, case studies and training manuals to "enhance the success of those utility customer service professionals responsible for enhancing customer productivity, efficiency, reliability and comfort." Through corporate membership, the Energy Efficiency team is an active member of the Gas Heat Pump Consortium, a member driven group whose objective is to "prepare communication and marketing outreach materials as well as studies and tools to alert and educate end users, engineers, architects, consultants, installers, contractors and trade allies about higher efficiency, lower carbon HVAC options."

The Intermountain Energy Efficiency team participated in the Spring and Fall ETP meetings. These sessions are dedicated to updates on the market readiness of emerging technologies, as well as the status and outcomes of natural gas equipment pilot assessments and demonstrations for residential and commercial HVAC, water heating and commercial food service.

The EE team is an active member of the ESC Gas Heat Pump Consortium (Consortium). Participation in the Consortium is available to EE staff through the MDU Resources corporate membership. Participation in the Consortium provides the Company access to member-only resources, like updates from gas heat pump manufacturers, case studies and reports, and member utility success stories.

The Technology and Mark Assessment Forum (TMAF) is an additional member-only resource utilized by the Company. This is a conference held twice a year, focused on the latest gas solutions, marketing, customer outreach and energy efficiency topics for utility professionals.

ENERGY EFFICIENCY: NEXT STEPS

The 2024 Process Evaluations for both the Residential and Commercial Programs provided the Company with several actionable recommendations. While evaluated separately, the recommendations for each program were very similar. The Company has already developed a plan to implement these recommendations:

- Enhance Marketing and Outreach Strategies: The Company will continue to hone communication strategies and improve marketing efforts. Messaging will focus on the energy saving potential of equipment upgrades.
- Formalize contractor engagement: Recognizing contractors as key partners, the Company will expand contractor participation through an outreach campaign and the development of a Trade Ally Program. The goal of the outreach campaign will be to raise awareness about the program with HVAC and plumbing contractors. The Company will explore creating a membership-type organization with more structured contractor participation guidelines, and membership benefits like optional training and informational webinars to educated contractors on rebate offering. The Company also plans to launch a streamlined application portal for contractors and inclusion in a contractor directory on the Intermountain Gas website, creating for more robust relationships and contractor communications.
- Expand Rebate Offerings and improve alignment with Business needs: The Company will use its new technical reference manuals to guide the design of cost-effective rebates, including offerings tailored to commercial customers using residential-size equipment

As our need for energy grows, the need to maximize our current resources becomes increasingly more important. The Company will continue to strive to secure cost-effective savings for Intermountain's residential and commercial customers, and work towards an energy efficient future.

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