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Attorneys for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF INTERMOUNTAIN GAS COMPANY
FOR AUTHORITY TO REVISE RATE
SCHEDULE EE-GS – GENERAL SERVICE
ENERGY EFFICIENCY REBATE
PROGRAM

Case No. INT-G-25-07

APPLICATION

Intermountain Gas Company, (“Intermountain,” “Applicant,” 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”), requests authority to revise Rate Schedule EE-GS – General Service Energy Efficiency Rebate Program as outlined in this application, effective January 1, 2026.

Please address communications regarding this Application to:

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and

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Intermountain Gas Company
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In support of this Application, Intermountain alleges and states as follows.

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

Intermountain Gas Company (“Intermountain” or “Company”) launched its Commercial Energy Efficiency Program in April 2021, following authorization from the Idaho Public Utilities Commission (Order No. 34941, Case No. INT-G-20-04). The program, funded through Rate Schedule EEC-GS, was designed to provide incentives for commercial space heating and kitchen equipment, with the goal of promoting energy efficiency among commercial customers.

III. COMMERCIAL ENERGY EFFICIENCY PROGRAM

Despite initial efforts, participation in the commercial program has been limited. Several factors have contributed to this outcome including outreach challenges and program design limitations.

Outreach Challenges

Marketing efforts have mirrored those used for residential customers, such as bill inserts and opt-in emails. However, these channels did not effectively reach building operators and facilities managers, the individuals most familiar with commercial equipment. Instead, communications often reached administrative staff responsible for bill payment, missing the target audience for energy efficiency decisions.

Program Design Limitations

The initial offering was intentionally modest to ensure cost-effectiveness and manageable administration. Feedback from Energy Service Representatives, the Stakeholder Committee, and customer inquiries revealed that small or “light commercial” customers—those using residential-

sized equipment—had few opportunities to participate. Additionally, the program lacked incentives for water heating, further limiting its appeal.

In response, Intermountain expanded its Conservation Potential Assessment (CPA) in 2023 to include the light commercial sector, identifying 18 measures with savings potential for smaller commercial customers. The Company also commissioned an independent process evaluation, which recommended enhancing marketing and outreach, formalizing contractor engagement, collecting more data at rebate approval, and expanding rebate offerings.¹ The Company has already taken several steps to follow these recommendations:

- **Enhance marketing and outreach:** To enhance commercial outreach, the Company dedicated a full-time energy efficiency analyst to promoting commercial energy efficiency. This is not a new expense but a reallocation of responsibility and expense. Commercial outreach responsibilities were removed from the Energy Services Representatives, which was the equivalent expense of one FTE. Expenses shifted from funding the ESR role to promote commercial energy efficiency, to funding a full-time energy efficiency analyst dedicated solely to the commercial program.

The commercial analyst hired in February 2025 has already made strides to promote the program with new industry partners such as Building Operators and Manager Association (BOMA), making presentations speaking directly to building managers and Commercial HVAC contractors at the Facility and Maintenance Expo and conducting personal visits with mechanical contractors who are learning about the Company's commercial energy efficiency program for the first time.

¹ Please see the Commercial Process Evaluation provided in Case No. INT-G-25-05, Attachment 1 - Supplement

- **Formalize Contractor Engagement:** The Company has developed an internal product that will serve as a contractor portal. In January 2026, the Company plans to launch a contractor trade ally that will allow for more robust communications with contractors, enable customers to more easily identify contractors familiar with the energy efficiency program, and enable contractors to submit rebates for customers, streamlining the overall selection, implementation, and application process for customers. The portal will also allow the Company to more easily customize the data points being collected with each rebate, as recommended in the Commercial Process Evaluation.
- **Expand the Rebate Offering:** Several preparatory steps have been completed in order to implement the recommendation to expand the commercial offering. As part of the Commercial Process Evaluation, the Company commissioned the development of a technical reference manual (TRM). Measures identified in the CPA to have savings potential were provided to the evaluator for the development of the TRM and focused on prescriptive measures that could be easily installed by customers, validated by the Company, and cost-effectively administered by the Program.

The resulting IGC Commercial TRM² served as the basis of the commercial program planning. Without a billing analysis to inform measure savings (and to date there has not been enough participation for a meaningful billing analysis), the IGC TRM provides the unit energy saving estimates, estimated useful life, incremental cost, and measure efficiencies for each measure. All measures were tested for cost-effectiveness using the Utility Cost Test (UCT) and the results of the cost-effectiveness testing are provided as Exhibit No. 1. The condensing unit heater, connected thermostat, Energy Star

² Please see the Commercial TRM provided in Case No. INT-G-25-05, Attachment 1 – Supplement 2

Combination oven, and Energy Star steamer included in the TRM were deemed to be non-cost-effective and were not included in the proposed commercial offering discussed in this Application. The proposed revision to Rate Schedule EE-GS included in this application expands the Commercial rebate offering from the current 3 space heating incentives and 3 commercial kitchen equipment incentives to 18 incentives for space heating, water heating and commercial kitchen equipment.

- **Collect more data points at the time of rebate approval:** Expanding the rebate offering will require developing a new rebate application. The Company will address more robust data collection as a part of the revision to the rebate application.

IV. COMMERCIAL ENERGY EFFICIENCY CHARGE AND RIDER BALANCE

The Commercial Energy Efficiency Program is funded by the Energy Efficiency Charge rider on Rate Schedule EEC-GS. Over time, the rider accumulated a significant over-collected balance. To address this, Intermountain suspended the EEC-GS charge effective October 1, 2024, reducing it from \$0.00320 to \$0.00. This action decreased the over-collected balance from \$1,034,285 in December 2024 to \$716,924 by September 30, 2025.

Based on the over-collected rider balance of \$716,924 as of September 30, 2025, the Company anticipates that the proposed expanded rebate offering included in this Application could switch to an under-collected balance within the first 12 months based on the new program's estimated costs of \$866,100, as seen on Exhibit No. 1. Intermountain will continue to monitor the rider balance and provide updates in quarterly meetings with Commission Staff.³ Adjustments to the EEC-GS rate will be made as needed to prevent significant over- or under-collection, ensuring the program remains financially balanced.

³ In Order No. 36797, the Commission directed the Company "to begin quarterly meetings with Staff to monitor the performance of its programs."

V. PROPOSED REVISIONS TO RATE SCHEDULE EE-GS

Based on the information provided above and the results of the cost-effectiveness testing provided in Exhibit No. 1, the Company proposes to revise Rate Schedule EE-GS as shown in Exhibit Nos. 2 and 3, which provide both legislative and clean copies of the proposed changes.

The Company proposes an effective date of January 1, 2026 for these proposed revisions because Intermountain believes this timing will help to minimize customer confusion that may result from mid-year program changes

VI. 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

VII. REQUEST FOR RELIEF

Intermountain respectfully petitions the Idaho Public Utilities Commission as follows:

- a. That the Commission approve the proposed Revisions to Rate Schedule EE-GS outlined in this application, effective January 1, 2026;
- 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: November 21, 2025.

GIVENS PURSLEY LLP

By /s/ Preston N. Carter
Preston N. Carter
Givens Pursley LLP
Attorneys for Intermountain Gas Company

CERTIFICATE OF SERVICE

I hereby certify that on November 21, 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:

Commission Staff

Monica Barrios-Sanchez, Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg. 8, Suite 201-A
Boise, ID 83714

Via Electronic Mail

secretary@puc.idaho.gov

/s/ Maryalice Gresham

Maryalice Gresham – Regulatory Affairs Mgr

EXHIBIT NO. 1

CASE NO. INT-G-25-07

INTERMOUNTAIN GAS COMPANY

INTERMOUNTAIN GAS COMPANY

Energy Efficiency Commercial Program (Program Planning)

Year 1 Program Planning Cost Effectiveness Testing

PROGRAM INPUTS		COST SUMMARY	
Commercial Overhead Costs	\$ 217,500	Direct	\$ 217,500
Rebate Allocation Method	% Rebate Count	Incentive	\$ 648,600
		TOTAL	\$ 866,100

INPUT BY REBATE						UCT RESULTS			
REBATE NAME	SEGMENT	ANNUAL THERM SAVING ESTIMATE	EUL	PROPOSED REBATE AMOUNT	Year 1 Rebate Forecast	FORCASTED UCT BENEFITS	FORCASTED UCT COSTS	FORCASTED UCT RATIO	
Boiler Reset Control	Commercial	174	16	\$ 450	1	\$ 1,564	\$ 1,219	1.3	
High-Efficiency Condensing Boiler>300K	Commercial	982	25	\$ 6,000	6	\$ 77,698	\$ 40,611	1.9	
High-Efficiency Condensing Boiler<300K	Commercial	262	25	\$ 1,500	6	\$ 20,735	\$ 13,611	1.5	
Storage Water Heater NC	Commercial	899	13	\$ 3,500	2	\$ 13,509	\$ 8,537	1.6	
Storage Water Heater Retrofit	Commercial	1708	13	\$ 6,000	6	\$ 76,967	\$ 40,611	1.9	
Tankless Water Heater NC	Commercial	1460	13	\$ 6,000	50	\$ 548,232	\$ 338,428	1.6	
Tankless Water Heater Retrofit	Commercial	1715	13	\$ 8,000	25	\$ 321,906	\$ 219,214	1.5	
Furnace 95% AFUE	Commercial	108	20	\$ 200	150	\$ 176,473	\$ 145,283	1.2	
GHP <65kBtu - space heating	Commercial	613	15	\$ 2,000	1	\$ 5,205	\$ 2,769	1.9	
GHP 65 - 135kBtu - Space Heating	Commercial	2369	15	\$ 6,000	1	\$ 20,123	\$ 6,769	3.0	
GHP135 - 240 kBtu - Space Heating	Commercial	4276	15	\$ 10,000	1	\$ 36,323	\$ 10,769	3.4	
GHP water heating (>1.2 COP)	Commercial	129	15	\$ 150	1	\$ 1,099	\$ 919	1.2	
Pipe Insulation	Commercial	250	11	\$ 500	1	\$ 1,621	\$ 1,269	1.3	
Energy Star Convection Oven	Commercial	158	12	\$ 150	5	\$ 5,528	\$ 4,593	1.2	
Energy Star Dishwasher High Temp	Commercial	203	14	\$ 500	1	\$ 1,625	\$ 1,269	1.3	
Energy Star Dishwasher Low Temp	Commercial	313	18	\$ 1,000	1	\$ 3,114	\$ 1,769	1.8	
Energy Star Fryer	Commercial	264	11	\$ 550	15	\$ 25,682	\$ 19,778	1.3	
Energy Star Griddle	Commercial	139	12	\$ 100	10	\$ 9,704	\$ 8,686	1.1	
						\$ 1,347,109	\$ 866,100	1.6	
						\$ 1,347,109	\$ 866,100	1.6	

EXHIBIT NO. 2

CASE NO. INT-G-25-07

INTERMOUNTAIN GAS COMPANY

Rate Schedule EE-GS
GENERAL SERVICE ENERGY EFFICIENCY REBATE PROGRAM
(Continued)

MEASURES/INCENTIVES:

Measure	Description	Rebate Amount
Griddle	ENERGY STAR® Certified	\$200
Fryer	ENERGY STAR® Certified	\$800
Steamer	ENERGY STAR® Certified	\$1,100
Boiler Reset Control	Unit Installed	\$350
High-Efficiency Condensing Boiler	Minimum 90% Thermal Efficiency & 300 kBtu/h input	\$4.50/kBtu/h
Condensing Unit Heater	90% AFUE	\$1,500

<u>Measure</u>	<u>Description</u>	<u>Rebate Amount</u>
<u>Boiler Reset Control</u>	<u>Unit Installed</u>	<u>\$1.50 per 300kBtu/h capacity</u>
<u>High-Efficiency Condensing Boiler > 300kBtu/h</u>	<u>Minimum 84% thermal efficiency</u>	<u>\$6,000</u>
<u>High-Efficiency Condensing Boiler < 300kBtu/h</u>	<u>Minimum 93% AFUE</u>	<u>\$1,500</u>
<u>Storage Water Heater New Construction</u>	<u>ENERGY STAR Certified</u>	<u>\$3,500</u>
<u>Storage Water Heater Retrofit</u>	<u>ENERGY STAR Certified</u>	<u>\$6,000</u>
<u>Tankless Water Heater New Construction</u>	<u>Less than 200 kBtu/hr: Minimum 0.81 UEF, or minimum 85% thermal efficiency. Greater than or equal to 200 kBtu/hr: Minimum 84% thermal efficiency.</u>	<u>\$6,000</u>
<u>Tankless Water Heater Retrofit</u>	<u>Less than 200 kBtu/hr: Minimum 0.81 UEF, or minimum 85% thermal efficiency. Greater than or equal to 200 kBtu/hr: Minimum 84% thermal efficiency.</u>	<u>\$8,000</u>
<u>Furnace 95% AFUE</u>	<u>Minimum 95% AFUE</u>	<u>\$200</u>
<u>Gas Heat Pump <65kBtu</u>	<u>> 1.2 COP for heating & > 1.0 COP for cooling</u>	<u>\$2,000</u>
<u>Gas Heat Pump 65 - 135kBtu</u>	<u>> 1.2 COP for heating & > 1.0 COP for cooling</u>	<u>\$6,000</u>
<u>Gas Heat Pump 135 - 240kBtu</u>	<u>> 1.2 COP for heating & > 1.0 COP for cooling</u>	<u>\$10,000</u>
<u>Gas Heat Pump Water Heater</u>	<u>> 1.2 COP for heating</u>	<u>\$150</u>

Issued by: **Intermountain Gas Company**By: ~~Lori A. Blattner~~ Michael Parvinen

Effective: April 1, 2021

Title: Director – Regulatory Affairs

Name
of Utility**Intermountain Gas Company**

<u>Pipe Insulation</u>	<u>Minimum 1" of insulation indoor.</u>	<u>\$2 per foot</u>
<u>Energy Star Convection Oven</u>	<u>ENERGY STAR Certified</u>	<u>\$150</u>
<u>Energy Star Dishwasher High Temp</u>	<u>ENERGY STAR Certified</u>	<u>\$500</u>
<u>Energy Star Dishwasher Low Temp</u>	<u>ENERGY STAR Certified</u>	<u>\$1,000</u>
<u>Energy Star Fryer</u>	<u>ENERGY STAR Certified</u>	<u>\$550</u>
<u>Energy Star Convection Griddle</u>	<u>ENERGY STAR Certified</u>	<u>\$100</u>

GENERAL PROVISIONS:

All installations of equipment must comply with all codes and permit requirements applicable in the state of Idaho and must be properly inspected, if required, by appropriate agencies. Customers must submit required documentation of purchase and installation to the Company under the terms and instructions of the current rebate form. The Company reserves the right to verify installation prior to the payment of any rebates.

Issued by: **Intermountain Gas Company**By: ~~Lori A. Blattner~~ Michael Parvinen~~Effective: April 1, 2021~~

Title: Director – Regulatory Affairs

EXHIBIT NO. 3

CASE NO. INT-G-25-07

INTERMOUNTAIN GAS COMPANY

I.P.U.C. Gas Tariff Rate Schedules First	Sheet No. 18 (Page 2 of 2)
Name of Utility	Intermountain Gas Company

**Rate Schedule EE-GS
GENERAL SERVICE ENERGY EFFICIENCY REBATE PROGRAM
(Continued)**

MEASURES/INCENTIVES:

Measure	Description	Rebate Amount
Boiler Reset Control	Unit Installed	\$1.50 per 300kBtu/h capacity
High-Efficiency Condensing Boiler ≥ 300kBtu/h	Minimum 84% thermal efficiency	\$6,000
High-Efficiency Condensing Boiler < 300kBtu/h	Minimum 93% AFUE	\$1,500
Storage Water Heater New Construction	ENERGY STAR Certified	\$3,500
Storage Water Heater Retrofit	ENERGY STAR Certified	\$6,000
Tankless Water Heater New Construction	Less than 200 kBtu/hr: Minimum 0.81 UEF, or minimum 85% thermal efficiency. Greater than or equal to 200 kBtu/hr: Minimum 84% thermal efficiency.	\$6,000
Tankless Water Heater Retrofit	Less than 200 kBtu/hr: Minimum 0.81 UEF, or minimum 85% thermal efficiency. Greater than or equal to 200 kBtu/hr: Minimum 84% thermal efficiency.	\$8,000
Furnace 95% AFUE	Minimum 95% AFUE	\$200
Gas Heat Pump <65kBtu	> 1.2 COP for heating & > 1.0 COP for cooling	\$2,000
Gas Heat Pump 65 - 135kBtu	> 1.2 COP for heating & > 1.0 COP for cooling	\$6,000
Gas Heat Pump 135 - 240kBtu	> 1.2 COP for heating & > 1.0 COP for cooling	\$10,000
Gas Heat Pump Water Heater	> 1.2 COP for heating	\$150
Pipe Insulation	Minimum 1" of insulation indoor.	\$2 per foot
Energy Star Convection Oven	ENERGY STAR Certified	\$150
Energy Star Dishwasher High Temp	ENERGY STAR Certified	\$500
Energy Star Dishwasher Low Temp	ENERGY STAR Certified	\$1,000
Energy Star Fryer	ENERGY STAR Certified	\$550
Energy Star Convection Griddle	ENERGY STAR Certified	\$100

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Issued by: Intermountain Gas Company By: Michael Parvinen Title: Director – Regulatory Affairs
