

Preston N. Carter, ISB No. 8462
GIVENS PURSLEY LLP
601 West Bannock Street
P.O. Box 2720
Boise, Idaho 83701-2720
Office: (208) 388-1200
Fax: (208) 388-1300
prestoncarter@givenspursley.com

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-26-05

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 October 1, 2026.

Please address communications regarding this Application to:

Preston N. Carter
Givens Pursley LLP
601 W. Bannock St.
Boise, Idaho 83702
prestoncarter@givenspursley.com
stephaniew@givenspursley.com

Michael Parvienen
Director – Regulatory Affairs
Intermountain Gas Company
PO Box 7608
Boise, Idaho 83707
michael.parvienen@cngc.com
igcregulatory@intgas.com

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 - Glens 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 in (Order No. 34941, Case No. INT-G-20-04). The program is funded through Rate Schedule EEC-GS, and was designed to provide incentives for commercial space-heating and kitchen equipment, with the goal of promoting energy efficiency among commercial customers.

III. PURPOSE OF THIS REFILED APPLICATION

On November 21, 2025, Intermountain filed an application in Case No. INT-G-25-07 (“Case”) requesting authority to revise Rate Schedule EE-GS. In Order No. 37033 (“Final Order”), served May 5, 2026, the Commission denied that application and directed the Company and Staff to hold one or more workshops concerning: (1) proposed changes to the technical reference manual (“TRM”) used to evaluate the Commercial Energy Efficiency Program, and (2) revised estimated savings, incremental costs, and rebate incentives for the proposed offerings, including the tankless water heater and storage water heater measures.

The Commission further ordered the Company to reapply with a proposal that considers the information exchanged during the workshop process. This refiled Application is intended to satisfy that directive.

IV. STAFF CONCERNS AND THE COMPANY’S RESPONSE

In the prior case, Staff recommended denial of the application to revise the commercial energy efficiency rebate program and specifically identified concerns with the proposed commercial tankless water heater and storage water heater measures. Staff stated that those measures accounted for approximately 77 percent of the Company’s forecasted first-year savings

and concluded that the estimated savings, incremental costs, and rebate incentives for those measures were unreasonably high.

Staff also questioned whether the Company's tankless-water-heater incremental cost methodology properly accounted for baseline equipment costs, whether the storage-water-heater incremental-cost assumptions relied on oversized baseline equipment, and whether the resulting incentives over-incentivized light-commercial units. Staff further advised that incentives generally should be no higher than each measure's estimated incremental cost, and that the portfolio as a whole should be reevaluated in light of any revisions to the water-heating measures.

The Company started by revising the water-heating savings estimates by working with the technical consultant Qualus. Based on these updated savings, the Company proceeded to cost test the commercial portfolio as well as conduct sensitivity testing on the portfolio that resulted in the program revisions that are the basis of this application.

V. WORKSHOPS, TRM REVISIONS, AND PROGRAM UPDATES

Following the Final Order, the Company re-engaged its technical consultant, Qualus, to review the water-heating assumptions at issue in Case No. INT-G-25-07. The comments and Final Order in Case No. INT-G-25-07 were shared with Qualus. The Company worked with Qualus on the methodology for revising the estimates, as well as the benefits and risks of the different approaches. The Company presented its proposed approach to Staff during workshop discussions on May 28, 2026. The meeting provided Staff with an opportunity to ask questions. No major objections were raised at the meeting. The Company summarized the options considered in the meeting in Attachment 1, "Evaluation of Commercial Water Heater Measure Options."

After the workshop with Staff, Qualus finalized the revised water-heating estimates and provided the Company with a memorandum describing the TRM update process, the supporting

workbooks, and the updated TRM materials. The following is provided as Exhibit No. 1: “Water Heater TRM Update Memo.”

The Company reviewed those materials and based on its involvement in the revision process, the supporting memorandum and workpapers, and the additional information exchanged during the workshops, believes the revised savings estimates are reasonable for purposes of this refiled Application.

Following Staff’s recommendation, the Company took steps to assess the reasonableness of the savings numbers. In the Case comments and the workshop meetings, Staff compared commercial savings to residential savings as a reasonableness check. There are several reasons the commercial water-heating savings are not the same as the residential water-heating savings. In general savings estimates for commercial and residential energy efficiency measures differ in:

- Different operating hours and usage patterns
- Different building types and heating loads
- Different equipment size and capacity differences
- Commercial savings often vary by building type¹

Based on those considerations, the Company believes the difference between the revised commercial water-heating savings estimates and residential water-heating savings estimates is reasonable and does not, by itself, indicate that the commercial estimates are unsupported.

The Company also evaluated Staff’s recommendation that peer-utility benchmarking be used as an additional reasonableness check, with particular reference to Avista’s commercial program. As part of that review, the Company confirmed the consultant’s findings that Avista’s TRM is not publicly available, the Regional Technical Forum does not provide a unit energy

¹ [“SEE Action Guide for States: Guidance on Establishing and Maintaining Technical Reference Manuals for Energy Efficiency Measures,”](#) Section 2.21, p. 28.

savings (“UES”) workbook for commercial gas water heaters, and Idaho Power’s Version 3.2 TRM does not include a commercial gas water-heating measure. The publicly available information the Company located for Avista reflected aggregated savings for its midstream program rather than standalone unit energy savings for commercial water-heating measures, which is not a directly comparable, publicly available peer-utility UES value for commercial gas water-heating. This peer comparison was helpful in that the lack of commercial water-heating incentives by peer utilities may indicate that water-heating is not a cost-effective measure in Idaho, as was also the Company’s conclusion based on cost-testing the updated water-heating savings. This will be covered in subsequent sections of this application.

The Final Order states, “the Company shall reapply to revise Rate Schedule EE-GS that takes into account the information exchanged during the workshop.” Compliance with this was a multi-step process conducted by the Company. Exhibit No. 2, “Step-by-Step Commercial Offering Development—Sensitivity Testing,” provides snapshots of the model outputs for each step outlined here.

This multi-step process started with the model that was used in the original Case as a starting point to revise the proposed rate schedule EE-GS. The first step was to update the water-heating UES assumptions while holding the remaining variables from the prior filing constant. Cost-testing with the updated water-heating savings demonstrated commercial water-heating measures are not cost-effective. Table 1 provides a summary of the utility cost test (“UCT”) ratios for the water-heating measures based on updated savings estimates:

Table 1. UCT Ratios for Water Heater Measures

REBATE NAME	SEGMENT	ANNUAL THERM SAVING ESTIMATE	EUL	INCREMENTAL COST	PROPOSED REBATE AMOUNT	Year 1 Rebate Forecast	FORECASTED UCT RATIO
Storage Water Heater NC	Commercial	45	13	\$ 15,421	\$ 3,500	2	0.1
Storage Water Heater Retrofit	Commercial	53	13	\$ 5,846	\$ 6,000	6	0.1
Tankless Water Heater NC	Commercial	30	13	\$ 24,049	\$ 6,000	50	0.0
Tankless Water Heater Retrofit	Commercial	32	13	\$ 10,813	\$ 8,000	25	0.0

The Company, therefore, removed the commercial water-heating measures from the proposed offering (Step 2). After removing the non-cost-effective water-heating measures, the Company then evaluated the remaining measures and attempted to optimize incentive levels while maintaining incentives at or below the estimated incremental cost of each measure, consistent with Staff's recommendation (Step 3). Next, measures that did not support the program's cost-effectiveness objectives, or presented significant implementation concerns, were removed except for the 95% AFUE furnace measure (Step 4).

At this stage of cost-testing, the measure-level UCT for the furnace was 0.9, while the Program-level UCT exceeded the UCT threshold at 1.2. In promoting the commercial energy efficiency program, customers frequently comment on the lack of a furnace incentive for small commercial customers. Adding the furnace incentive to the commercial rebate offering is the program response to customer interest. The Company is proposing to add the furnace incentive to the offering since energy efficiency programs are delivered as portfolios, not isolated transactions and as will be demonstrated in the sensitivity testing, individual UCT measure results can be sensitive to assumptions. Program-level screening allows stronger-performing measures to balance measures that address customer needs or market barriers. This approach maintains a cost-effectiveness discipline, while allowing practical market learning.

As a final step (Step 5), the Company updated the program model using the 2027 budget forecast. This resulted in all measures meeting or exceeding the UCT threshold of 1.0, and a program UCT of 1.3.

Of all the measures in the portfolio, the gas heat pump measures bear the most uncertainty. GHP technology is new and will require significant contractor and customer education. The Company has encountered several contractors who are familiar with GHP equipment, but all cite cost as the biggest barrier to adoption. Offering an incentive will help address this barrier to adoption and will support the Company's market transformation work to advance adoption of energy saving gas heat pump technology in Idaho. The Company proposes adding GHP measures to the portfolio, but in order to sensitivity test the furnace measures, a base case scenario was created in which the already modest GHP participation is reduced to zero. Under this base case (Step 6), all measures met the UCT threshold of 1.0 or greater, and the portfolio met the UCT threshold at 1.1.

Sensitivity testing was conducted, specifically on the furnace measure, to answer the questions, "What if UES for the furnace saves less or more than expected," and "What if fewer or more customers participate than expected?" The furnace measure was chosen for testing for several reasons: it is forecasted to be a high contribution measure relative to the other measures, it is a new addition to the portfolio, and it has a measure-level cost-effectiveness result near the screening threshold.

The sensitivity analysis tested the furnace UES at plus and minus 10 percent and furnace participation at plus and minus 20 percent. The 10% band was used because the furnace is a mature, well documented measure, not an unknown or unproved energy efficiency measure. Furnace participation sensitivity was tested at 20%, a larger band than the furnace savings, because this is a new offering, and therefore does not have any participation history on which to base a forecast. The Company also tested a low savings/low participation scenario, as well as a higher-than-expected savings/higher-than-expected participation scenario. It is important to note

that although the furnace measure did not achieve a measure-level UCT of 1.0 or greater in every scenario of the sensitivity testing, the entire portfolio remained cost-effective under all tested scenarios. Table 2 provides a summary of all the sensitivity testing scenarios and results.

Table 2. Sensitivity and Testing Results

Sensitivity Testing		Scenario Inputs		Scenario UCT Results	
Scenario Name:	Description:	Furnace UES	Furnace Participation	Program UCT	Furnace UCT
Base Case		108	150	1.1	0.9
Savings Risk: Low	Furnace UES is 10% lower than base case	97	150	1.1	0.9
Savings Risk: High	Furnace UES is 10% lower than base case	119	150	1.2	1.1
Furnace Market Participation Risk: Low	Furnace participation is 20% lower than base case	108	135	1.1	0.9
Furnace Market Participation Risk: High	Furnace participation is 20% higher than base case	108	180	1.2	1.1
Low savings, Low participation	Furnace savings are 10% lower than base case and furnace participation is 20% lower than base case	97	135	1.0	0.8
High Savings, High Participation	Furnace savings are 10% higher than base case and furnace participation is 20% higher than base case	119	180	1.3	1.3

The Company believes this portfolio-level result supports the inclusion of the furnace measure while maintaining overall cost-effectiveness discipline. As demonstrated in the sensitivity testing, individual measure results may be sensitive to specific input assumptions like participation, while energy efficiency programs are delivered as portfolios not singular measures. The final proposed revision to Rate Schedule EE-GS is shown in Exhibit No. 3 (legislative format) and revised Exhibit No. 4 (clean format).

The Company's updated TRM, workpapers, tariff sheets, cost-effectiveness analysis, and related supporting exhibits reflect the program updates described above. The Company believes these revisions are responsive to the Final Order and to Staff's concerns in Case No. INT-G-25-07 and provide a more complete record for Commission review of the revised Rate Schedule EE-GS proposal.

VI. COMMERCIAL ENERGY EFFICIENCY PROGRAM, COST-EFFECTIVENESS, AND RIDER BALANCE

The Commercial Energy Efficiency Program remains funded through the Energy Efficiency Charge rider on Rate Schedule EEC-GS. The rider's over-collected balance declined from \$1,034,285 in December 2024 to \$501,409 as of June 30, 2026. The forecasted estimated first-year rebate cost for the proposed expanded commercial portfolio is \$103,900. The Company will continue quarterly discussions with Commission Staff regarding commercial program performance and rider balance and, if necessary, will seek future rider adjustments to avoid significant over- or under-collection to maintain financial balance.

This refiled Application includes updated program-planning and cost-effectiveness materials based on the revised assumptions discussed above. The revised exhibits provide measure-level support and updated portfolio-level results so that the Commission can evaluate the proposal in light of Staff's prior concerns regarding savings, incremental costs, incentive levels, and rider impacts.

VII. PROPOSED REVISIONS TO RATE SCHEDULE EE-GS

Based on the updated TRM review, workshop discussions, and revised cost-effectiveness analysis, the Company proposes to revise Rate Schedule EE-GS as shown in revised Exhibit No. 3 (legislative format) and revised Exhibit No. 4 (clean format) filed with this Application. The revised tariff sheets reflect the Company's updated commercial measure offerings, descriptions, eligibility requirements, and rebate amounts.

The Company requests an effective date of October 1, 2026. The proposed date is intended to create a more robust offering of energy saving options for commercial customers and address an overlooked sector of small commercial customers.

VIII. MODIFIED PROCEDURE

Intermountain requests that this matter be processed under Modified Procedure pursuant to Rules 201–204 of the Commission’s Rules of Procedure. Intermountain stands ready for immediate consideration of this matter.

IX. REQUEST FOR RELIEF

Intermountain respectfully petitions the Idaho Public Utilities Commission as follows:

- a. That the commission accept this refiled Application as in compliance with Order No. 37033;
- b. That the Commission approve the proposed revisions to Rate Schedule EE-GS outlined in this Application, effective October 1, 2026; and
- c. For such other relief as the Commission may determine just and proper.

Dated: September 9, 2026

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 September 9, 2026, 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
monica.barriossanchez@puc.idaho.gov

Preston N. Carter

Preston N. Carter

ATTACHMENT 1

CASE No. INT-G-26-05

INTERMOUNTAIN GAS COMPANY

EVALUATION OF COMMERCIAL WATER HEATER MEASURE OPTIONS

Evaluation of Commercial Water Heater Measure Options for the IGC Technical Reference Manual

Purpose

This memorandum summarizes the options considered for development of deemed savings values for commercial water heater measures in Intermountain Gas Company's ("IGC" or "Company") Technical Reference Manual ("TRM"). It is intended to document the analytical considerations reviewed, the relative advantages and limitations of each option, and the basis for the recommended approach.

Background

In evaluating the commercial water heater measures, the Company considered whether the underlying savings analysis should be based on an Idaho-only dataset or a broader regional dataset, and whether deemed savings should be structured as a single average value, a tiered value, or a capacity-based value. These questions were evaluated with an emphasis on representativeness, precision, implementation practicality, and regulatory defensibility.

Representativeness of the Idaho Sample

One question considered was whether the 94 Idaho records available from the NEEA Commercial Building Stock Assessment ("CBSA") provide a sufficiently representative basis for estimating savings for IGC's commercial customer population.

The review concluded that the Idaho CBSA records are a reasonable basis for the analysis. According to pages 11 and 12 of the 2019 CBSA Final Report, the CBSA was designed to provide a regionally representative sample of commercial buildings based on a cataloguing of commercial buildings across the region. The CBSA development process also included input from a group of statisticians who reviewed the sample design, case weighting methods, and final weights. On that basis, the Idaho sample was determined to be a reasonable proxy for Idaho's commercial water heater population. Assuming IGC's commercial customer base is generally similar to Idaho's broader commercial building stock, the Idaho subset provides an appropriate foundation for water heater savings estimation.

Geographic Scope Options Considered

Option 1: Idaho-Only Analysis

Under this option, the deemed savings analysis would rely solely on the Idaho-specific records within the CBSA dataset.

Advantages considered:

- Most directly aligned with IGC's service territory and customer population.
- Avoids introducing building stock or climate differences from neighboring states.
- Provides a straightforward and jurisdiction-specific basis for analysis.

Limitations considered:

- The principal limitation is the relatively small sample size.

Despite the smaller sample, this option was viewed favorably because it is more closely tailored to Idaho conditions and avoids the need to defend the inclusion of external geographies that may not be as comparable.

Option 2: Expanded Geography

The Company also considered whether to expand the dataset to include additional geographies, particularly Montana, given that Montana shares one of Idaho's climate zones.

Advantages considered:

- A larger geography could increase sample size modestly.

Limitations considered:

- Montana would add only 73 customers, which was not viewed as a large enough increase to materially improve the analysis.
- Broader regional expansion could raise questions regarding comparability of climate, market conditions, and commercial building stock.
- Inclusion of Oregon or Washington was not viewed as advisable because those states present different climatic and market conditions.

After review, an Idaho-only analysis was considered the more appropriate and defensible geographic basis.

Measure Structure Options Considered

The Company also considered three potential approaches for structuring deemed savings values: (1) single average values, (2) tiered values, and (3) capacity-based values.

These options can be viewed on a continuum from simplicity to precision. A single average approach represents the simplest end of the spectrum, while a capacity-based approach represents a more differentiated and equipment-specific methodology.

Option 1: Single Average Savings Value

Under a single average approach, one deemed savings value would be applied broadly across qualifying installations.

Advantages considered:

- Simple to administer.
- Minimal data collection requirements.
- Straightforward for rebate validation and savings assignment.

Limitations considered:

- May reduce precision.
- May not fully reflect differences in installed equipment characteristics.
- Can be less adaptable if customer or equipment distributions change over time.

This option offers administrative ease, but its simplicity may come at the expense of accuracy and representativeness.

Option 2: Tiered Savings Values

Under a tiered approach, savings values would vary across a limited number of predefined categories.

Advantages considered:

- Provides more differentiation than a single average value.
- Can improve precision while maintaining relatively manageable implementation requirements.

Limitations considered:

- Requires more data collection and verification than a single average approach.
- Still may not fully reflect variation in actual installed equipment.

This option was viewed as an intermediate alternative, offering some improvement in accuracy while stopping short of a fully equipment-specific framework.

Option 3: Capacity-Based Savings Values

Under a capacity-based approach, savings would be tied directly to the input capacity of the installed equipment.

Advantages considered:

- Most likely to improve the precision and accuracy of deemed savings estimates.
- Better aligns savings values with the equipment actually installed by customers.
- Offers flexibility and is consistent with current Regional Technical Forum (“RTF”) practice, which increasingly relies on differentiated methodologies based on relevant equipment or site characteristics.
- Key inputs needed to support this approach, such as model number or AHRI information, are often already collected by contractors.
- Input capacity can typically be verified using model number information through AHRI directory searches and other standard equipment reference sources.

Limitations considered:

- Requires somewhat more customer- or equipment-specific information than a single average approach.
- May introduce additional implementation steps if the required equipment data are not consistently collected.

On balance, these implementation considerations were not viewed as significant barriers. In fact, from an evaluation perspective, the capacity-based approach was considered comparable in workload to the other options and may be the most straightforward analytically.

The Company also considered whether a capacity-based treatment for water heaters would be appropriate if other TRM measures continue to use single average deemed savings values. This was not viewed as a barrier, provided the measure-specific rationale for differentiation is clearly documented.

Plan of Action

Use an Idaho-only dataset as the basis for the commercial water heater analysis; and adopt a capacity-based deemed savings methodology for the measure. This combination was viewed as the most supportable because it relies on a geography that is closely aligned with the Company's service area while also using a measure structure that better reflects the characteristics of the equipment actually installed. A capacity-based approach also aligns more closely with the direction of current RTF methodologies, which increasingly distinguish savings based on relevant equipment and site parameters rather than applying a single average value across all applications.

Conclusion

The Company considered multiple alternatives for development of deemed savings values for commercial water heater measures, including broader geographic sampling and less differentiated savings structures. After reviewing the tradeoffs among sample representativeness, implementation complexity, analytical precision, and regulatory defensibility, the preferred course of action is an Idaho-only, capacity-based approach. This approach provides a reasonable balance of jurisdictional relevance, methodological rigor, and practical implementation and is therefore the most defensible option for inclusion in the TRM.

EXHIBIT No. 1

CASE No. INT-G-26-05

INTERMOUNTAIN GAS COMPANY

WATER HEATER TRM UPDATE MEMO

(5 PAGES)

Intermountain Gas Commercial Water Heater TRM Update Memo

6/26/2026

Overview

Qualus developed measure savings estimates for Intermountain Gas Company's (IGC) Commercial Technical Reference Manual (TRM) in 2023 and 2024. These savings estimates were based on a variety of sources including the Regional Technical Forum (RTF), the Illinois TRM, and the California electronic TRM (CA eTRM). As a part of a request to revise their General Service Energy Efficiency Rebate Program Rate Schedule, IGC shared their Commercial TRM with the Idaho Public Utilities Commission (IPUC) for review and approval. In their "INT-G-25-07" comments, the IPUC identified concerns regarding the savings estimates presented in the TRM for commercial storage and tankless water heaters. Original savings estimates for these measures were developed under the assumption that large commercial & industrial water heater equipment would be installed in IGC's service territory. The IPUC meanwhile, assumed that most instances of efficient gas water heater installations would be in light commercial settings. In light of these concerns, Qualus has updated the savings estimates for storage and tankless water heaters to better reflect the high prevalence of light commercial installations in IGC's service territory. Specifics regarding the process Qualus used to update these measures are outlined in the following section.

TRM Update Process

To update the savings estimates for the storage and tankless water heater measures included in IGC's Commercial TRM, Qualus referenced data from the CA eTRM as well as the Northwest Energy Efficiency Alliance's (NEEA) 2019 Commercial Building Stock Assessment (CBSA). More specifically, Qualus utilized the "EnergyImpactWH" files within the tankless¹ and storage² water heater measure packages. These files contain savings estimates per kBTU/h input capacity for a variety of different gas water heater installations across various California climate zones and facility types. Qualus calculated a weighted average savings per kBTU/h input capacity value for both storage and tankless water heaters and then applied that weighted average to the median input capacity of water heaters per the 2019 CBSA. The calculations necessary to produce this savings estimate are presented in the following paragraphs.

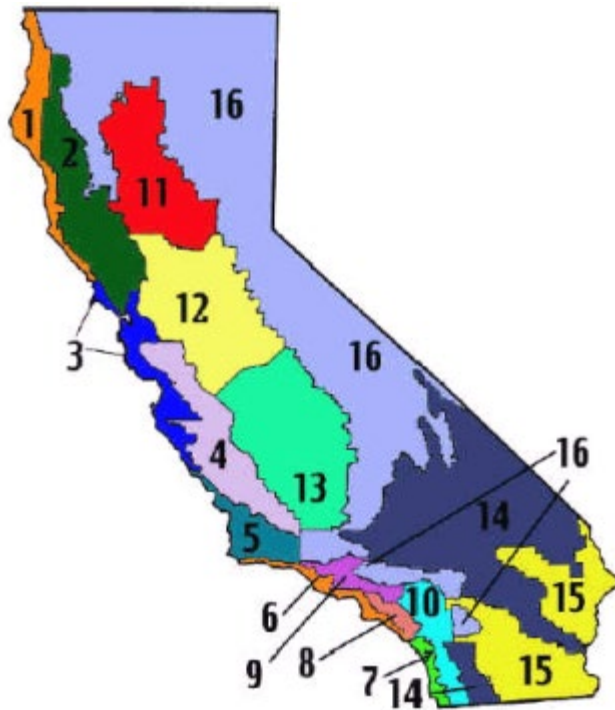
¹ <https://www.caetrm.com/measure/SWWH006/10/>

² <https://www.caetrm.com/measure/SWWH007/08/>

The 2019 CBSA contains a variety of information on the facilities and energy-using equipment installed in Washington, Oregon, Idaho, and Montana. For the purposes of this analysis, Qualus focused exclusively on customers in Idaho within the CBSA's dataset on commercial water heaters. This Idaho-specific dataset included information on 82 commercial facilities with storage water heaters and five facilities with tankless water heaters. The CBSA was designed to be a regionally representative sample of commercial buildings based on cataloging of all commercial buildings in the region. As such, Qualus used the CBSA as a reference point for likely IGC program participants. Qualus extracted several key datapoints from the CBSA dataset including the proportion of facility types, the proportion of facilities with large vs. small water heaters, and the median kBTU/hr input capacity of water heaters. Qualus matched CBSA facility types to the facility types listed in the CA eTRM and then used the proportion of those CBSA facility types to calculate a weighted average of savings. Per the CA eTRM's definitions, Qualus defined storage water heaters with a kBTU/h input capacity greater than 75 and tankless water heaters with a kBTU/h input capacity greater than 200 as large water heaters. Using these cutoff points, Qualus calculated the proportion of large vs. small water heaters in the CBSA and integrated that proportion into weighted average savings calculations.

After calculating a weighted average savings per kBTU/h input capacity based on CBSA facility types and water heater sizes, Qualus was left with a savings per kBTU/h value for existing and new water heaters in each CA climate zone. After reviewing the CA climate zones, Qualus decided to only include zones 1, 2, 4, 5, 11, 12, and 16 in the analysis, based on the logic that those regions in Northern California likely have weather patterns most similar to Idaho. A map of CA climate zones is presented in Figure 1.

Figure 1. California Climate Zones



The penultimate step in Qualus' updated calculation of commercial water heater savings was employing typical meteorological year (TMY) heating degree day (HDD) data from representative weather stations to calculate a single savings per kBTU/h per HDD value per a linear regression analysis. Working under the assumption that many commercial water heaters are in unconditioned spaces, Qualus determined that adjusting for differences in HDD between California and Idaho was a key component in ensuring the final savings estimate was applicable to IGC's service territory. Qualus ran linear regressions for both retrofit and new construction scenarios and extrapolated the results of those regressions to the weighted average HDD of Boise, Twin Falls, and Idaho Falls weather stations, consistent with analysis methodology employed in the initial version of the IGC Commercial TRM. This calculation yielded savings per kBTU/h input capacity values for retrofit and new construction scenarios for both storage and tankless water heaters in IGC's service territory. While these savings per input capacity values are valid and could be used by themselves, Qualus also calculated savings per water heater values based on CBSA data. For this final step in the analysis, Qualus calculated the median kBTU/h input capacity of water heaters included in the CBSA dataset and used that median value to determine a single average savings value for retrofit and new construction scenarios for storage and tankless water heaters.

In this manner, Qualus calculated updated savings values for commercial storage and tankless water heaters for IGC's TRM. These updated savings values should be more representative of the light commercial water heaters that the IPUC expects to be installed in IGC's service territory.

EXHIBIT No. 2

CASE No. INT-G-26-05

INTERMOUNTAIN GAS COMPANY

STEP-BY-STEP COMMERCIAL OFFERING DEVELOPMENT – SENSITIVITY TESTING

(10 PAGES)

[illegible][illegible]

INTERMOUNTAIN GAS COMPANY								
Energy Efficiency Commercial Program (Program Planning)								
Year 1 Program Planning Cost Effectiveness Testing								
				PROGRAM INPUTS				
				Commercial Overhead Costs	\$	217,500		
				Rebate Allocation Method		% Rebate Count		
INPUT BY REBATE								UCT RESULTS
REBATE NAME	SEGMENT	ANNUAL THERM SAVING ESTIMATE	EUL	INCREMENTAL COST	PROPOSED REBATE AMOUNT	Year 1 Rebate Forecast	FORECASTED UCT RATIO	
Boiler Reset Control	Commercial	174	16	\$ 612	\$ 450	1	1.0	
High-Efficiency Condensing Boiler>300K	Commercial	982	25	\$ 8,825	\$ 8,000	6	1.4	
High-Efficiency Condensing Boiler<300K	Commercial	262	25	\$ 1,175	\$ 1,100	6	1.6	
Storage Water Heater NC	Commercial	45	13	\$ 15,421	\$ 3,500		0.0	
Storage Water Heater Retrofit	Commercial	53	13	\$ 5,846	\$ 6,000		0.0	
Tankless Water Heater NC	Commercial	30	13	\$ 24,049	\$ 6,000		0.0	
Tankless Water Heater Retrofit	Commercial	32	13	\$ 10,813	\$ 8,000		0.0	
Furnace 95% AFUE	Commercial	108	20	\$ 1,438	\$ 200	150	0.9	
GHP <65kBtu - space heating	Commercial	613	15	\$ 3,457	\$ 2,000	1	1.7	
GHP 65 - 135kBtu - Space Heating	Commercial	2369	15	\$ 3,457	\$ 3,200	1	4.7	
GHP135 - 240 kBtu - Space Heating	Commercial	4276	15	\$ 3,457	\$ 3,200	1	8.5	
GHP water heating (>1.2 COP)	Commercial	129	15	\$ 3,222	\$ 150	1	0.9	
Pipe Insulation	Commercial	250	11	\$ 29	\$ 500	1	1.0	
Energy Star Convection Oven	Commercial	158	12	\$ 1,122	\$ 150	5	0.9	
Energy Star Dishwasher High Temp	Commercial	203	14	\$ 502	\$ 500	1	1.0	
Energy Star Dishwasher Low Temp	Commercial	313	18	\$ 1,397	\$ 1,200	1	1.4	
Energy Star Fryer	Commercial	264	11	\$ 1,865	\$ 550	15	1.0	
Energy Star Griddle	Commercial	139	12	\$ 4,745	\$ 100	10	0.8	
								1

[illegible]

INTERMOUNTAIN GAS COMPANY									
Energy Efficiency Commercial Program (Program Planning)									
Year 1 Program Planning Cost Effectiveness Testing									

Step 5: Updated the model with the most current 2027 budget forecast.

[illegible]

Step 6: Removed GHP to create the base case.

[illegible]

Scenario 1: Furnace UES 10% lower than estimated

Scenario 2: Furnace UES 10% higher than estimated

INTERMOUNTAIN GAS COMPANY							
Energy Efficiency Commercial Program (Program Planning)							
Year 1 Program Planning Cost Effectiveness Testing							
Savings Risk: High Furnace UES 10% higher than estimated				PROGRAM INPUTS			
				Commercial Overhead Costs		\$ 175,500	
				Rebate Allocation Method		% Rebate Count	
INPUT BY REBATE							UCT RESULTS
REBATE NAME	SEGMENT	ANNUAL THERM SAVING ESTIMATE	EUL	INCREMENTAL COST	PROPOSED REBATE AMOUNT	Year 1 Rebate Forecast	FORECASTED UCT RATIO
Boiler Reset Control	Commercial	174	16	\$ 612	\$ 450	1	1.1
High-Efficiency Condensing Boiler>300K	Commercial	982	25	\$ 8,825	\$ 8,000	6	1.4
High-Efficiency Condensing Boiler<300K	Commercial	262	25	\$ 1,175	\$ 1,100	6	1.7
Furnace 95% AFUE	Commercial	119	20	\$ 1,438	\$ 200	150	1.1
Pipe Insulation	Commercial	250	11	\$ 29	\$ 500	1	1.1
Energy Star Dishwasher High Temp	Commercial	203	14	\$ 502	\$ 500	1	1.1
Energy Star Dishwasher Low Temp	Commercial	313	18	\$ 1,397	\$ 1,200	1	1.4
Energy Star Fryer	Commercial	264	11	\$ 1,865	\$ 550	15	1.1
							1.1

INPUT BY REBATE							UCT RESULTS
REBATE NAME	SEGMENT	ANNUAL THERM SAVING ESTIMATE	EUL	INCREMENTAL COST	PROPOSED REBATE AMOUNT	Year 1 Rebate Forecast	FORECASTED UCT RATIO
Boiler Reset Control	Commercial	174	16	\$ 612	\$ 450	1	1.2
High-Efficiency Condensing Boiler>300K	Commercial	982	25	\$ 8,825	\$ 8,000	6	1.5
High-Efficiency Condensing Boiler<300K	Commercial	262	25	\$ 1,175	\$ 1,100	6	1.8
Furnace 95% AFUE	Commercial	108	20	\$ 1,438	\$ 200	180	1.1
Pipe Insulation	Commercial	250	11	\$ 29	\$ 500	1	1.2
Energy Star Dishwasher High Temp	Commercial	203	14	\$ 502	\$ 500	1	1.2
Energy Star Dishwasher Low Temp	Commercial	313	18	\$ 1,397	\$ 1,200	1	1.5
Energy Star Fryer	Commercial	264	11	\$ 1,865	\$ 550	15	1.2
							1.2

INPUT BY REBATE							UCT RESULTS
REBATE NAME	SEGMENT	ANNUAL THERM SAVING ESTIMATE	EUL	INCREMENTAL COST	PROPOSED REBATE AMOUNT	Year 1 Rebate Forecast	FORECASTED UCT RATIO
Boiler Reset Control	Commercial	174	16	\$ 612	\$ 450	1	1.2
High-Efficiency Condensing Boiler>300K	Commercial	982	25	\$ 8,825	\$ 8,000	6	1.5
High-Efficiency Condensing Boiler<300K	Commercial	262	25	\$ 1,175	\$ 1,100	6	1.8
Furnace 95% AFUE	Commercial	119	20	\$ 1,438	\$ 200	180	1.3
Pipe Insulation	Commercial	250	11	\$ 29	\$ 500	1	1.2
Energy Star Dishwasher High Temp	Commercial	203	14	\$ 502	\$ 500	1	1.2
Energy Star Dishwasher Low Temp	Commercial	313	18	\$ 1,397	\$ 1,200	1	1.5
Energy Star Fryer	Commercial	264	11	\$ 1,865	\$ 550	15	1.2
							1.1

EXHIBIT No. 3

CASE No. INT-G-26-05

INTERMOUNTAIN GAS COMPANY

LEGISLATIVE TARIFFS

(2 PAGES)

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 kBtuh input	\$4.50/kBtuh
Condensing Unit Heater	90% AFUE	\$1,500

MEASURE	DESCRIPTION	REBATE AMOUNT
Griddle	ENERGY STAR	\$200
Fryer	ENERGY STAR	\$800
Steamer	ENERGY STAR	\$1,100
Boiler Reset Control	Unit Installed	\$350
High-Efficiency Condensing Boiler	Minimum 90% Thermal Efficiency & 300 kBtu input	\$4.50/ kBtuh
Condensing Unit Heater	90% AFUE	\$1,500
Energy Saving Kit	Pre-Rinse Spray Valve, Aerators, Water Temperature Gauge	Complementary with application

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

Title: Director – Regulatory Affairs

Measure	Description	Rebate Amount
Boiler Reset Control	Unit Installed on existing boiler without boiler reset control	\$1.50 <u>per</u> kBtu/h capacity with constant hot water flow
High-Efficiency Condensing Boiler $\geq$ 300kBtu/h	Minimum 84% thermal efficiency	\$8,000
High-Efficiency Condensing Boiler < 300kBtu/h	Minimum 93% AFUE	\$1,100
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	\$3,200
Gas Heat Pump 135 - 240kBtu	> 1.2 COP for heating & > 1.0 COP for cooling	\$3,200
Pipe Insulation	Indoor must have at least 1" of insulation	\$2 per foot
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

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 ParvinenEffective: ~~April 1, 2021~~

Title: Director – Regulatory Affairs

EXHIBIT NO. 4

CASE No. INT-G-26-05

INTERMOUNTAIN GAS COMPANY

CLEAN TARIFFS

(1 PAGE)

I.P.U.C. Gas Tariff Rate Schedules First Revision	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 on existing boiler without boiler reset control	\$1.50 per kBtu/h capacity with constant hot water flow
High-Efficiency Condensing Boiler $\geq$ 300kBtu/h	Minimum 84% thermal efficiency	\$8,000
High-Efficiency Condensing Boiler < 300kBtu/h	Minimum 93% AFUE	\$1,100
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	\$3,200
Gas Heat Pump 135 - 240kBtu	> 1.2 COP for heating & > 1.0 COP for cooling	\$3,200
Pipe Insulation	Indoor must have at least 1" of insulation	\$2 per foot
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

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: Michael Parvinen	Title: Director – Regulatory Affairs
Effective:	