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IDAHO PUBLIC  
UTILITIES COMMISSION

*Attorneys for Intermountain Gas Company*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF  
INTERMOUNTAIN GAS  
COMPANY'S APPLICATION FOR A  
DETERMINATION OF 2019  
ENERGY EFFICIENCY EXPENSES  
AS PRUDENTLY INCURRED**

**CASE NO. INT-G-20-06**

**INTERMOUNTAIN GAS COMPANY'S  
REPLY COMMENTS**

Intermountain Gas Company ("Intermountain" or "Company") respectfully submits the following Reply Comments in response to Comments filed by the Idaho Public Utilities Commission Staff ("Staff").

**BACKGROUND**

Intermountain filed an application on September 1, 2020 for an order designating \$2,803,346 of 2019 Energy Efficiency expenditures as prudently incurred. Application at 2. On December 7, 2020, the Company Supplemented its Application ("Amended Application") with additional information pertinent to the case, including the final report from Intermountain's Evaluation, Measurement and Verification ("EM&V") study, resulting cost-effectiveness test, and proposed changes to the Company's Residential Energy Efficiency Program ("EE Program") resulting from the EM&V study. Amended Application at 2.

On February 25, 2021, Staff filed Comments in the case. Pursuant to the Notice of Modified Procedure issued by the Commission in Order No. 34908, Intermountain submits its Reply Comments.

## REPLY TO STAFF COMMENTS

Intermountain looks forward to continued discussions related to some of the statements and suggestions made in the body of Staff's Comments. The comments provide ideas the Company can consider in consultation with its Energy Efficiency Stakeholder Committee ("EESC") to continue to improve the EE Program. These reply comments are focused on Staff's recommendations, which the Company understands to be Staff's "action items" informed by the body of the comments.

Intermountain appreciates Staff's recommendations to approve the Company's 2019 EE Program expenses of \$2,803,346 as prudently incurred, to approve the Company's proposed and modified measures, and to approve the retirement of the 70% fireplace rebate.<sup>1</sup> These recommendations will all help put the EE Program on a solid foundation which will allow for the continued growth of the program. Staff Comments at 15.

In recommendation 5, Staff recommends that the Commission "direct[] the Company, in cooperation with its EESC, to continue efforts to improve its avoided cost methodology, address distribution costs which are avoided through its EE Program, and present those results to the Commission." Staff Comments at 15. The Company believes that, in cooperation with Staff and the EESC, it has made good progress in improving the avoided cost methodology. Intermountain agrees with Staff that it is important to address distribution costs which are avoided through its EE Program. The Company anticipates the Integrated Resource Plan ("IRP"), which is currently in process, will provide valuable information that can be used in this effort. Once the IRP is filed in the Fall of 2021, Intermountain looks forward to reconvening the Avoided Cost Subcommittee of its EESC to develop a method for including avoided distribution costs.

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<sup>1</sup> These recommendations are labeled 1, 2, and 3 respectively.

In recommendation 4, Staff recommends that the Commission “[d]irect[] the Company to address and document the use of billing analysis when establishing incentive levels” and in recommendation 6, Staff recommends that the Commission “[d]irect[] the Company to implement programs and measure adjustments, as soon as possible and on an ongoing basis, using the best data currently available including, but not limited to, billing analysis and the results of the EM&V.” Staff Comments at 15. The Company agrees that billing analysis, when available, can serve as a useful metric in establishing incentive levels and implementing program and measure adjustments. However, Intermountain has found through its recent EM&V study that while billing data can be an important metric, it may not always be the best method for evaluating the therm savings or cost effectiveness of a particular rebate and is not always industry best practice. Intermountain interprets Staff Recommendations as allowing for the inclusion of industry best practices in determining the analysis methods to be used to support setting incentive levels and implementing adjustments. These industry best practices may include, but are not limited to, billing analysis. If that is the intent of Staff’s Recommendation—and it appears to be—then the Company supports the recommended approach. Intermountain is committed to work with its EM&V consultant and the EESC to set the parameters and content, based on industry best practice, that will guide the EM&V studies upon which rebate recommendations will be based.

#### CONCLUSION

In summary, Intermountain appreciates the Staff Recommendations to approve the 2019 Program Expenses as prudently incurred, approve the proposed and modified measures, and approve the retirement of the 70% fireplace rebate. The Company is committed to using data resulting from the IRP process to develop, in cooperation with its EESC, a method to include avoided distribution costs in its avoided cost methodology. Intermountain is also supportive of

using the best available data and working with its EM&V consultant and EESC to set the parameters and content, based on industry best practices, including (but not limited to) billing analysis, that will guide the EM&V studies upon which rebate incentive levels and adjustments will be based.

Dated: March 11, 2021

GIVENS PURSLEY LLP



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**CERTIFICATE OF SERVICE**

I certify that on March 11, 2021, a true and correct copy of INTERMOUNTAIN GAS COMPANY'S REPLY COMMENTS was served upon all parties of record in this proceeding via the manner indicated below:

**Commission Staff**

Jan Noriyuki, Commission Secretary  
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