

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF INTERMOUNTAIN ) CASE NO. INT-G-22-05**  
**GAS COMPANY’S APPLICATION FOR )**  
**AUTHORITY TO REVISE RATE ) ORDER NO. 35539**  
**SCHEDULE EEC-RS-RESIDENTIAL )**  
**ENERGY EFFICENCY CHARGE )**  
**)**

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On August 10, 2022, Intermountain Gas Company (“Company”), applied for authority to revise the Residential Energy Efficiency Charge (“EEC-RS”) rate schedule. The Company’s Application requests authorization to provide a one-time credit of \$4,850,000 from the Company’s Residential Energy Efficiency Program (“EE-RS Program”) deferral balance to residential customers through the Company’s Purchased Gas Cost Adjustment (“PGA”) filing, Case No. INT-G-22-04. The Company also requests authorization to decrease the EEC-RS rate from \$0.02093 per therm to \$0.01564 per therm, effective October 1, 2022. Application at 5. The Company requested its Application be processed by modified procedure with an effective date of October 1, 2022.

On August 17, 2022, the Commission issued a Notice of Application and Notice of Modified Procedure establishing public comment and Company reply deadlines. Order No. 35507. Commission Staff filed comments to which the Company did not reply. No other public comments were received.

Having reviewed the record, the Commission now issues this Order approving the Company’s Application.

**BACKGROUND**

The Commission authorized the Company’s current EEC-RS rate of \$0.02093 in Order No. 34454, Case No. INT-G-19-05. The Company’s EEC-RS funds its EE-RS Program. The Company represented that its current EEC-RS was based on total annual expenditures of \$3,944,642, that include direct rebate expenses, personnel expenses, program delivery, and ramp-up expenses. Application at 4-5. Additionally, the Company calculated an under-collected balance of \$1,097,907 through June 2019. *Id.* In total, the Company estimated an annual EE-RS program funding amount of \$5,042,549. *Id.*

## **THE APPLICATION**

The Company's Application proposes a one-time credit of \$4.85 million of the residential deferral balance to residential customers through the PGA, and a decrease in the EEC-RS rate from \$0.02093 per therm to \$0.01564 per therm. The Company represented that an EEC-RS rate schedule decrease is necessary to reflect actual participation in the energy efficiency program and changes in the rebate programs and amounts. The Company stated that the proposed decrease, if approved, would result in the average residential customer's monthly bill decreasing by \$0.33 (through the PGA).

The Company represents that, as of June 30, 2022, it had an over-collected EEC-RS program balance, which it is addressing through its Case No. INT-G-22-04 PGA filing, and that the decrease in the EEC-RS schedule will accurately match revenues with expenses based on its forecasts. The Company represents that participation in energy efficiency programs have grown, albeit at a slower rate than forecast.

## **STAFF COMMENTS**

Staff reviewed the Company's Application, Workpapers, and Exhibits. Staff also verified the documented calculations, and concluded that the Company's request to decrease the EEC-RS per therm rate from \$0.02093 to \$0.01564 was reasonable. Staff recommended that the Commission approve the Company's Application and tariffs as filed, decreasing the EEC-RS rate to \$0.01564 per therm. Staff supported the one-time transfer of \$4.85 million of the over-collected residential rider balance to residential customers through the Company's PGA (Case No. INT-G-22-04), as amortized to residential customers on a cents per therm basis.

Although Staff verified the Company's documentation and supported the reasoning for the proposed changes, Staff did note that the Company's forecasted labor expenses increase of 5% might not be warranted, and that the reasonableness of labor increases and expenses would be addressed in the next general rate case, and in regular prudency filings. Staff also expects the Company to closely monitor the rider balance and adjust the EEC-RS when necessary to avoid significant over- or under-collected balances in the future. Staff cautioned the Company about an 80/20 split for expenses between the residential and commercial programs, and when possible, encouraged the Company to directly assign costs to a specific program. Staff did not address the Company's DSM prudency or its actual cost-effectiveness calculations of its programs in its comments in this case.

## COMMISSION FINDINGS AND DECISION

The Company is a gas corporation and public utility, and the Commission has jurisdiction over it and the issues in this case under Title 61 of the *Idaho Code*, and more specifically, *Idaho Code* §§ 61-117, 61-129, 61-307, 61-501, and 61-502. The Commission must establish just, reasonable, and sufficient rates for utilities subject to its jurisdiction. *Idaho Code* § 61-502.

Based on our review of the record, we find that the Company's request to revise its EEC-RS rate schedule, and transfer the \$4.85 million over-collected balance in the EEC-RS deferral balance to the PGA to provide a credit to residential customers is fair, just and reasonable. This adjustment is necessary to reflect actual participation in the EE-RS Program, and changes in the rebate programs and amounts that have occurred since April 2021.

The Commission makes no finding or determination regarding the reasonableness or prudence of the Company's individual DSM activities or expenses in this case. We also cannot determine at this point the accuracy of the Company's forecasted increases in labor costs. However, the Company's forecasts on labor expenses are a reasonable starting point, and we remind the Company to monitor and evaluate the labor costs, and the rider balance to avoid significant under- or over-collected balances. While the Commission prefers that costs are directly assigned to a program, the Commission finds that the Company's 80/20 split for expenses between the residential and commercial programs appears reasonable. Thus, the Commission accepts the Company's reasoning for its proposed changes.


### ORDER

IT IS HEREBY ORDERED that the Company's Application to decrease the EEC-RS rate to \$0.01564 per therm is approved, as filed.

IT IS FURTHER ORDERED that the Company's proposed transfer of \$4.85 million of the over-collected residential balance to provide a credit residential customers through the Company's PGA, is approved, as filed.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

DONE by Order of the Public Utilities Commission at Boise, Idaho this 27<sup>th</sup> day of September 2022.



ERIC ANDERSON, PRESIDENT

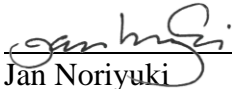


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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