

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF INTERMOUNTAIN</b>	)	<b>CASE NO. INT-G-23-06</b>
<b>GAS COMPANY’S APPLICATION FOR A</b>	)	
<b>DETERMINATION OF 2022 ENERGY</b>	)	<b>NOTICE OF APPLICATION</b>
<b>EFFICIENCY EXPENSES AS PRUDENTLY</b>	)	
<b>INCURRED</b>	)	<b>NOTICE OF INTERVENTION</b>
	)	<b>DEADLINE</b>
	)	
	)	<b>ORDER NO. 36002</b>
	)	

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On October 6, 2023, Intermountain Gas Company (“Company”), a subsidiary of MDU Resources Group, Inc., applied to the Idaho Public Utilities Commission (“Commission”) for an order designating \$3,364,641 of 2022 Energy Efficiency expenditures as prudently incurred (“Application”). The Company filed its 2022 Energy Efficiency Annual Report concurrently with its Application.

With this Order, the Commission provides notice of the Company’s Application and sets a deadline for interested parties to intervene.

**BACKGROUND**

In 2017, the Commission authorized the Company to establish the Energy Efficiency Program (“EE Program”) for its residential customers. Order No. 33757 at 35-37. The purpose of the EE Program “is to encourage upgrades to, or use of, high efficiency natural gas equipment.” Rate Schedule EE. On July 27, 2017, in Case No. INT-G-17-03, the Company requested authority to implement a funding mechanism for the EE Program. The Commission approved the Company’s requested funding mechanism of an Energy Efficiency Charge (“EEC”), and ultimately approved Rate Schedule EE, Rate Schedule EEC, and Rate Schedule EEC-RS.

In Case No. INT-G-19-04, the Commission required the Company to conduct a third-party Evaluation, Measurement, and Verification (“EM&V”) study. This was meant to “review and update the avoided cost calculation with the Energy Efficiency Stakeholder Committee” (“EESC”). Application at 4. It was also meant to regularly monitor and update the EE Program incentives. *See* Order No. 34536.

In Case No. INT-G-20-04, the Commission granted permission for the Company to implement a Commercial EE Program. This established a way to fund energy efficiency upgrades

under Rate Schedule EEC-GS (“EEC-GS”). The Commission instructed the Company to create an EM&V plan. Additionally, the Company was instructed to submit an Annual Commercial EE Program Report. This report must include representatives from the GS-1 rate class in its EESC. Finally, the Commercial EE program was to be regularly monitored and updated.

### **NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company represented that the EE Program expenditures are funded through collections from customers via the EEC. The Company stated that the EEC-RS of \$0.01564 per therm funds the Residential EE Program; the total Residential EE Program revenues for calendar year 2022 were \$5,738,001. The Company represented that the EEC-GS remained at \$0.00320 per therm and funds the Commercial EE Program; the Commercial Program revenues for 2022 were \$472,346.

YOU ARE FURTHER NOTIFIED that the Company represented that the combined expenditures for the Residential and Commercial EE Programs for January 1, 2022, through December 31, 2022, were \$3,364,641. Approximately \$2,608,536 accounts for EE rebates paid out to residential and commercial customers. Expenditures for program administration accounted for \$756,105 and \$650,675 for labor. These represent 4 percent and 2 percent increases over 2021 expenses, respectively. The Company stated that it has assigned EE costs to each respective program where possible and offered explanations where costs are not assigned in compliance with Order No. 35663. The Company further stated that employees working on both programs remained the most cost-effective option until the programs each grow in size.

YOU ARE FURTHER NOTIFIED that the Company represented that the Residential EE Program began the year with an over-collected deferral balance of \$2,834,164 and experienced growth of the over-collected balance to \$4,893,882 by June of 2022, due to measures taken in compliance with Order No. 35539 in Case No. INT-G-22-05 (transferring \$4.85 million in over-collected funds to the PGA for refund of residential customers), the rider balance was \$450,521 at the end of 2022.

YOU ARE FURTHER NOTIFIED that the Company represented that the Commercial Program began the year with an over-collected deferral balance of \$84,589 and experienced growth of the over-collected balance to \$463,938 at the end of 2022.

YOU ARE FURTHER NOTIFIED that the Company represented that in 2022 the Residential and Commercial Programs saved an estimated 615,806 and 36,844 therms, respectively.

YOU ARE FURTHER NOTIFIED that the Company represented that it used the 2021 IRP's Avoided Costs as calculated in Case No. INT-G-21-06. *See* Case No. INT-G-21-06, IRP Exhibit No. 5.

YOU ARE FURTHER NOTIFIED that Intermountain Gas stated that it has hosted two meetings to address and discuss the parameters of the EESC with its stakeholders.

YOU ARE FURTHER NOTIFIED that the Application and Annual Report have been filed with the Commission and are available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "Natural Gas" icon, select "Open Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### **NOTICE OF INTERVENTION DEADLINE**

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter to obtain parties' rights of participation must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days after the date of service of this Order.** Such persons shall also provide the Commission Secretary with their email address to facilitate further communications. After the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties that identifies the parties and assigns exhibit numbers to each party. Once the Notice of Parties has issued, Commission Staff shall informally confer with the Company and any intervening parties about how to further process this case and shall then report back to the Commission on a proposed case schedule.

YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination do not have to intervene but may present their views by submitting written comments to the Commission.

YOU ARE FURTHER NOTIFIED that the following people are designated as the Company's representatives in this matter:

Lori A. Blattner  
Intermountain Gas Company  
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### **ORDER**


IT IS HEREBY ORDERED that persons desiring to intervene in this matter must file a Petition to Intervene no later than 21 days from the service date of this Order. Once the deadline has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter including, if necessary, a hearing in this matter.

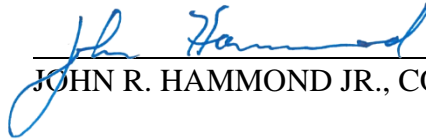
IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15<sup>th</sup> day of November 2023.



ERIC ANDERSON, PRESIDENT

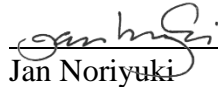


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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