

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. INT-G-24-05
OF INTERMOUNTAIN GAS COMPANY)
FOR A DETERMINATION OF 2023)
ENERGY EFFICIENCY EXPENSES AS) ORDER NO. 36797
PRUDENTLY INCURRED AND)
APPROVAL OF RATE SCHEDULE EE-RS)
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On December 20, 2024, Intermountain Gas Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting an order: (1) designating \$3,846,358 of 2023 energy efficiency expenditures as prudently incurred by the Company; (2) approving the proposed revisions to Rate Schedule EE-RS; and (3) approving the Company’s use of the deemed savings methodology for evaluating the cost-effectiveness of the Energy Efficiency Program (“EE Program”) (“Application”). The Company’s Application included its 2023 Energy Efficiency Annual Report (“Annual Report”), an Evaluation, Measurement, and Verification Study (“EM&V”), and proposed revised Rate Schedule EE-RS.

On February 3, 2025, the Commission issued a Notice of Application and Notice of Intervention Deadline. Order No. 36455. The Commission granted intervention to the city of Boise City (“Boise City”). Order No. 36487. On March 10, 2025, the Commission issued a Notice of Modified Procedure and set deadlines for public comments and the Company’s reply. Order No. 36495.

On June 6, 2024, the Company filed a Supplemental Application with exhibits (“Supplemental Application”) proposing several program changes based on updated information to supporting workpapers. Thereafter, on June 23, 2025, the Commission issued Order No. 36648 vacating the prior comment deadlines and resetting the public comment deadline to July 10, 2025, and the Company reply comment deadline to July 31, 2025, to allow for the record to be more fully developed. Boise City and Commission Staff (“Staff”) each filed comments, to which the Company replied.

Having reviewed the record in this case, we now issue this Final Order approving the Company’s Application and Supplemental Application with modifications as described below.

BACKGROUND

In 2017, in Case No. INT-G-16-02, the Commission authorized the Company to establish the 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. Later in 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. Order No. 33888.

In Case No. INT-G-19-04, the Commission required the Company to conduct a third-party EM&V study. This was meant to “review and update the avoided cost calculation with the Energy Efficiency Stakeholder Committee” (“EESC”). Order No. 36245 (quoting the Company’s application at 4 in Case No. INT-G-23-06). 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 the Company permission to implement a Commercial EE Program and established a method to fund energy efficiency upgrades under Rate Schedule EEC-GS (“EEC-GS”). Order No. 34941. Additionally, the Commission instructed the Company to submit an Annual Commercial EE Program Report. *Id.*

In Case No. INT-G-23-06, the Commission approved the prudence of the Company’s 2022 EE Program expenses and directed the Company to include an EM&V with a billing analysis covering four Residential EE Program measures—Whole Home Tiers I and II, Furnace, and Smart Thermostat. Order No. 36245. The Commission also directed the Company to look for ways to reduce labor expenses. *Id.*

THE APPLICATION

EE Program Revenues and Expenses

The Company stated that during the 2023 EE Program year, the EEC-RS of \$0.01564 per therm funded the Residential EE Program, which had a total revenue of \$4,702,205. Application at 9. The Company represented that the EEC-GS of \$0.00320 per therm funded the Commercial EE Program, which had a total revenue of \$474,181. *Id.* The Company noted that because both the Commercial and Residential EE Programs were overfunded, the Commission, by prior order, authorized a reduced collection rate for both EEC-RS and EEC-GS on October 1, 2024. Order No. 36337.

The Company stated that the combined expenditures for the Residential and Commercial EE Programs for January 1, 2023, through December 31, 2023, were \$3,846,358, of which \$2,794,294—approximately 73% of expenditures—accounted for EE Program rebates paid out to residential and commercial customers. Application at 10. Residential rebates of \$2,767,789 accounted for the vast majority of rebates paid. *Id.* Additionally, EE Program administration including labor, program delivery, market transformation, and direct expenses added \$821,804 to the total. *Id.* The Company stated that these administration costs represented an increase of approximately 7%, year-over-year, and that labor expense, as a percentage of rebate dollars paid, decreased by 1%. *Id.* The Company also spent \$230,260 on a conservation potential assessment in 2023. *Id.*

According to the Company, EE Program expenses that could be directly attributed to either the Residential or Commercial Program were assigned accordingly. *Id.* Expenses that could not be directly assigned, such as labor costs (as the Residential and Commercial Programs are serviced by the same employees), were allocated 95% to the Residential Program and 5% to the Commercial Program. *Id.* at 10–11. Only \$45,518 of the total EE Program expenses could not be directly assigned. *Id.* at 11.

The Company asserted that it continued to explore ways to limit labor expenses, including by implementing an internal software application for rebate processing. *Id.* The Company expects the software to eliminate the need for repetitive data entry and reduce the number of customer calls by streamlining the EE Program registration process. *Id.* at 11–12.

The Company reported that both the Residential and Commercial EE Programs ended 2023 with over-collected deferral balances. The Residential Program began the year with an over-funded deferral balance of \$450,521 and experienced growth of the over-funded balance to \$1,378,687 by the end of 2023. *Id.* at 13. To address this over-funded deferral balance, the Commission approved the Company’s request to reduce the EEC-RS to \$0.01149 in the fall of 2024. Order No. 36337. The Commercial EE Program began 2023 with an over-funded deferral balance of \$463,938 and experienced growth of the over-funded deferral balance to \$865,801 by the end of 2023. Application at 13. To address this over-funded deferral balance, the Commission approved the Company’s request to reduce the EEC-GS to \$0.00 in the fall of 2024. Order No. 36337.

The Company also spent \$25,000 on a renewed membership in the North American Natural Gas Heat Pump Collaborative (“Collaborative”). Application at 12. According to the Company,

the purpose of the membership was to assist in bringing gas heat pump technology to market through creating promotional materials, developing an ENERGY STAR certification pathway for gas heat pumps, and presenting information regarding gas heat pumps at industry conferences. *Id.* However, the Company stated that renewing its membership in the Collaborative in 2024 would have been more costly, because gas heat pumps reached the point of commercialized production, and the specific Collaborative projects required significantly more investment than its previous promotional efforts. *Id.* at 12–13. Therefore, the Company did not renew its Collaborative membership for 2024. *Id.* at 13.

EE Program Evaluation

The Company represented that it contracted with a third-party evaluator (“Evaluator”) to conduct an EM&V. *Id.* at 13–14. The evaluation included a billing analysis covering Whole Home Tier I, Whole Home Tier II, Furnace, and Smart Thermostat. *Id.* In addition to the billing analysis, the Evaluator also performed an evaluation of these measures and all water heating measures using a deemed savings methodology. *Id.* at 14.

After comparing the results produced by the different methodologies, the Evaluator recommended the Company’s EE Program be assessed using the deemed savings approach, rather than a billing analysis. *Id.* The Company represented that “[d]eemed savings are an estimate of an energy savings outcome for a single unit of an installed energy efficiency measure” that “(a) has been developed from data sources and analytical methods that are widely accepted for the measure and purpose and (b) are applicable to the situation being evaluated.” *Id.* at 14–15. According to the Company, the deemed savings methodology uses information from large customer sets, with data corrected to eliminate bias. *Id.* at 17. Meanwhile, a billing analysis approach “involves estimating energy savings by applying a linear regression to measured participant energy consumption utility meter billing data” and includes billing data from non-participant customers. *Id.* at 15 (quoting the Company’s 2023 Annual Report, Supplement 1: Impact Evaluation Report at 9). The Company represented that a billing analysis is based on data from the bills of existing customers, relying on a small sample size in a specific geographic area. *Id.* at 17.

The Company summarized the Evaluator’s reasoning for preferring a deemed savings approach for evaluating the Company’s residential new construction program. *Id.* Firstly, the Company and the Evaluator maintained that other utilities in Idaho assess their residential new construction programs through modeling software, rather than through a billing analysis. *Id.* The

Company and Evaluator also argued that the Regional Technical Forum (“RTF”) (the developer of workbooks used by the Evaluator in its deemed savings analysis) stated in its publication “New Homes Protocol” that residential new construction programs should be evaluated through energy modeling software. *Id.* at 14–16. The Company and Evaluator next questioned the accuracy of a billing analysis for new residential construction programs due to an alleged inability to eliminate bias in the control group. *Id.* at 16. Finally, the Company Evaluator argued that a billing analysis would introduce additional bias in control group creation because of a lack of pre-period consumption and occupancy data for both the program and non-program homes.

The Company represented that the Evaluator also advised against the use of a billing analysis for the 95% AFUE Natural Gas Furnace and smart thermostat. *Id.* The Company again claimed that no other Idaho utilities use a billing analysis for gas furnace and smart thermostat measures. *Id.* The Company also argued that a billing analysis includes the potential for bias because of the unprovable assumption that inconsistent occupancy occurs randomly, skewing the results towards consistently occupied homes, and because of insufficient pre-period billing data due to newly moved in customers or new construction. *Id.*

The Company argued in strong language that if it was prohibited from using its preferred deemed savings methodology, the Commission would be discriminating between utilities. *Id.* at 17. The Company maintained that other Idaho utilities evaluate their energy-efficiency measures using a deemed-savings approach “analogous” to the methodology proposed by the Evaluator. *Id.* The Company contended that “[a]t a minimum, the Commission must recognize and justify, with reference to relevant factors, the difference between approved evaluation methods for energy-efficiency offerings provided by different utilities.” *Id.*

According to the Company, the Evaluator’s EM&V study revealed an evaluated savings of 422,683 therms for the Company’s Residential Program. Due to limited participation, the Commercial Program accounted for 11,498 claimed savings. *Id.* at 18.

Proposed EE Program Changes

Based on cost-effectiveness testing using the 2025 program budget estimate, the 2023 IRP avoided costs, and forecasted customer participation, the Company proposed changes to its Residential EE Program. *Id.* at 21. The Company proposed increased incentives offered for each of its Residential Program measures except for furnace, which remained at \$350, and for the smart thermostat, for which the suggested incentive decreased from \$100 to \$50. *Id.* The Company also

proposed retiring the storage water heater and Tier II tankless water heater rebates. Additionally, the Company sought to incorporate a deemed savings approach for program planning and evaluation. *Id.* at 22.

In an effort to increase Commercial Program participation, the Company proposed adding a full-time Energy Efficiency Analyst dedicated to commercial customer outreach. *Id.* To pay for this position, the Company proposed pulling the equivalent funding of one full-time position from the Energy Services Representative (“ESR”) allocation, which is currently used to service both the Residential and Commercial Programs. *Id.* at 11, 22. The Company also noted that it intends for its ESR positions to only have responsibility for the Residential Program moving forward. *Id.* at 22.

EE Program Internal Audit

The Company represented that at the time of the Application filing, it was in the process of developing an internal audit plan and a biannual EE Program audit is being considered, pursuant to Order No. 36245. *Id.* at 23. The Company stated that the proposed plan would be presented to MDU Resources Board of Directors for approval in February 2025. *Id.*

The EM&V study also served as a review of the Company’s EE Program. The Evaluator reviewed the tracking database for residential offerings as part of the EM&V study. *Id.* The Company represented that the Evaluator found the database to be well-organized and efficient. *Id.* This review allowed the Company to correct an error that resulted in one Whole Home rebate to be paid out as a Tier I rebate rather than a Tier II through the implementation of internal tracking software. *Id.* The Company added a process evaluation to the EM&V study that found the quality assurance process to be appropriate and effective. *Id.* at 23–24.

THE SUPPLEMENTAL APPLICATION

The Company’s Supplemental Application affected only the proposed changes to the Residential Program and Rate Schedule EE-RS. Supplemental Application at 3, 6. Due to updates contained in the RTF furnace workbook Version 3.1 (published in February 2025) regarding the assessment of unit energy savings, which was used by the Evaluator, the Company no longer believed its proposed furnace and smart thermostat measures were cost-effective. *Id.* at 6. Therefore, the Company proposed to retire the Whole Home Tier II and smart thermostat incentives and to reduce the furnace and tankless water heater incentives. *Id.*

STAFF COMMENTS

On July 10, 2025, Staff issued comments based on its review of the Company's Application, Supplemental Application, the Annual Report, Annual Report Supplements, workpapers, and additional information provided by the Company through discovery. Staff Comments at 2.

EE Program Costs

Though the Company's EE Programs were not cost-effective in 2023 using either the Company's preferred deemed savings evaluation methodology or Staff's recommended billing analysis, Staff recommended the Commission designate the Company's \$3,846,358 of 2023 energy efficiency expenditures as prudently incurred. *Id.* at 19–20. However, Staff recommended the Commission's order establish an expectation that continued unjustified deviations between program planning assumptions and the results of evaluations, may result in future disallowances. *Id.* at 20.

Staff's review also revealed a duplicate \$300 rebate that the Company paid to the same residential customer in 2023. *Id.* at 4–5. Accordingly, Staff recommended the \$300 be removed from the Residential Program deferral balance. *Id.*

EE Program Evaluation Method

Staff disagreed with the Company's factual arguments that the deemed savings approach should be used to evaluate programs rather than a billing analysis. *Id.* at 9. Staff believed the Company's argument regarding a billing analysis relying on a small sample size was unconvincing because the billing analysis sampled significant portions of the Company's rebate populations and the Evaluator found that the billing analysis produced statistically significant results. *Id.* at 10, PY2021–2023 Impact Evaluation of Intermountain Gas Company Residential Rebate Program at 27, 39, and 45. Similarly, Staff found the Company's position that the billing analysis is isolated to a small geographical area unconvincing because the billing analysis considered the entirety of the Company's service territory. Staff Comments at 10.

Finally, Staff disagreed with the Company's argument that the billing analysis approach is subject to the introduction of bias and that the deemed savings methodology corrects such bias by using large customer data sets. *Id.* Staff reasoned that the purpose of utilizing a billing analysis was to determine the actual performance of the Company's programs. *Id.* Staff argued that, by contrast, a deemed savings methodology would rely on data from outside the Company's service

territory and inherently obfuscate the relevant data specific to the Company’s program. *Id.* at 10–11. Staff believed that “[i]n this context, the ‘limitations’ of billing analysis presented by the Company are caused by accurately representing the Company’s program.” *Id.* at 11.

Staff further disagreed with the Company’s legal arguments that the deemed savings approach should be used to evaluate programs rather than a billing analysis. *Id.* Staff maintained that the Commission’s role of ensuring “just and reasonable” rates and services allow and may even require it to treat utilities differently based on factors such as the utility type, circumstances, and the specific issues at hand. *Id.* Staff noted that *Idaho Code* §§ 503 and 507 specifically provide the Commission with wide discretion to determine rulemaking procedures. *Id.* Staff represented that the Commission has issued orders for similar programs operated by other utilities that are specific to the utility being considered. *Id.* Staff believed that the billing analysis approach was consistent with the Evaluator’s general methodology and those used by peer utilities in Idaho. *Id.* at 13.

According to Staff, the Evaluator acknowledged that statistically significant billing analysis data results are more accurate than that from a deemed savings evaluation. *Id.* at 14. Staff believed EE Program planning based on the Company’s preferred deemed savings methodology would be overestimated in future program years. *Id.* The table below, included in Staff’s Comments, illustrates the disparity in results generated by the deemed savings approach and the billing analysis approach. *Id.* at 9.

Summary of Therm Savings Values

Measure	Planned Savings Value	2024 Evaluation Deemed Savings	2024 Evaluation Billing Analysis
Whole Home Tier I	161	183	N/A
Whole Home Tier II	128	110	37.66
Furnace	87	46	31.65
Smart Thermostat	44	26	27.96
Combination Boiler	155	168	
Boiler	159	107	
Tankless Water Heater	65	51	

Proposed EE Program Changes

Staff did not believe the Company's proposed EE Program changes were likely to result in a cost-effective program. *Id.* at 20. However, Staff agreed with the Company's proposed retirement of the Storage Water Heater, Tankless Water Heater Tier II, Whole Home Tier II, and Smart Thermostat rebates. *Id.* at 20–21. Staff also recommended the Commission deny the Company's proposed increases to incentives for the Whole Home Tier I, Combination Boiler, Boiler- 95% AFUE, and Tankless Water Heater Tier I rebates. *Id.* at 21. Staff proposed a decrease to the furnace rebate. *Id.*

Summary of Proposed Residential Rebate Amounts

Residential Program	Current Rebate	Initial Proposed Rebate	Updated Proposed Rebate	Staff's Proposed Rebate
Whole Home 1	\$ 900	\$ 1,500	\$ 1,500	\$ 900
Whole Home 2	\$ 700	\$ 1,000	Retire	Retire
Furnace – 95% AFUE	\$ 350	\$ 350	\$ 275	\$ 175
Combination Boiler	\$ 800	\$ 1,500	\$ 1,500	\$ 800
Boiler – 95% AFUE	\$ 800	\$ 1,000	\$ 1,000	\$ 800
Water Heater <55 gallons	\$ 115	Retire	Retire	Retire
Water Heater >55 gallons	\$ 115	Retire	Retire	Retire
Tankless Water Heater Tier 1	\$ 325	\$ 400	\$ 375	\$ 325
Tankless Water Heater Tier 2	\$ 300	Retire	Retire	Retire
Smart Thermostat	\$ 100	\$ 50	Retire	Retire

Additionally, Staff recommended the Commission find that the Company complied with certain aspects of Order No. 36245 but that it failed to comply with Order No. 36245's direction to separate savings for new construction, retrofit, and replacement for the 95% annual fuel utilization efficiency ("AFUE") Furnace rebates and direct the Company to immediately track furnace rebates separately. *Id.* at 8.

Finally, to address what Staff viewed as poor EE Program health, Staff recommended the Commission direct the Company to begin quarterly meetings with Staff to monitor the performance of its Demand-Side Management ("DSM") programs. *Id.* at 23.

EE Program Internal Audit

Staff noted that the Company did not provide a date by which the audit of its EE Program would take place. *Id.* at 7. Staff recommended that the Commission require the Company to give notification concerning both the timeline for the audit and the results of the audit, when available. *Id.*

COMPANY REPLY COMMENTS

On July 31, 2025, the Company filed reply comments, in which the Company agreed with some of Staff's recommendations for the EE Program. Specifically, the Company agreed with Staff's recommendations that the Commission accept retirement of the rebates for Storage Water Heater, Whole Home Tier II, Smart Thermostat, and Tankless Water Heater Tier II. Company Reply Comments at 3. The Company also stated it was willing to accept Staff's proposed rebate amounts for its various EE Residential Program if the Commission approved the use of a Technical Reference Manual ("TRM") for program planning moving forward. *Id.* at 4–5.

The Company did not object to holding quarterly meetings with Staff regarding EE Program planning, however, the Company asked for clarification regarding the scope of such meetings and represented that new, relevant data is not always available on a quarterly basis. *Id.* at 3. The Company volunteered that information "such as the number of rebates paid each quarter, the number of cumulative rebates in the current program year, and comparisons of rebate numbers to prior years" would be available on a quarterly basis. *Id.* The Company also expressed concern that such meetings could undercut the role of its EESC. *Id.* at 3–4. It asked that any Commission order directing quarterly meetings between the Company and Staff also clarify how planning conducted at the meetings should interplay with the EESC. *Id.* at 4.

The Company disagreed with Staff's position regarding the Company's alleged failure to comply with Order No. 36245's requirement that the Company "seek to separate savings for new construction, retrofit, and replacement for the 95% AFUE rebates." Order No. 36245 at 12. According to the Company, the Evaluator analyzed separate savings for new construction, retrofit, and replacement for the 95% AFUE rebates to the extent possible. Company Reply Comments at 5. The Company added that in excluding data from new construction from the billing analysis, the Evaluator necessarily complied with Order No. 36245's requirement to separate the savings from new construction from the savings from retrofit and replacement. *Id.* at 6.

The Company continued to argue that a deemed savings evaluation approach should be used instead of a billing analysis. *Id.* The Company represented that the approach endorsed by the Evaluator was the current best practice in the northwest. *Id.* According to the Company, a billing analysis alone does not provide a thorough review of performance. *Id.* Without providing specifics, the Company reiterated that other Commission-regulated utilities use the approach sought by the Evaluator. *Id.* at 7. The Company argued that Staff did not justify requiring a different methodology

in this instance and represented that Staff could “not identify *any* other utility that uses Staff’s proposed methodology to evaluate its DSM programs.” *Id.* at 8–9.

Finally, the Company argued that Staff’s recommendation that the Commission establish an expectation that further unjustified deviations between program planning assumptions and the results of evaluations may result in disallowances misconstrues the relationship between planning and prudence filings in the DSM process. *Id.* at 9. The Company maintained that planning will never accurately predict the results and that disallowances should not be used to punish incorrect forecasts. *Id.* at 10.

INTERVENOR COMMENTS

Boise City appreciated the Company’s efforts to maintain important energy efficiency initiatives. Boise City Comments at 1. However, Boise City expressed concern regarding an alleged disproportionate amount of incentives that were applied to new construction projects. *Id.* Boise City was also concerned by the cost-effectiveness disparity seen between the results of the deemed savings and billing analysis evaluation methods, though Boise City added that it was “supportive of the deemed-savings approach recommended by the evaluator for the time being, in the absence of more robust data for a billing impact approach to energy savings, and with the caveat that differences in the evaluation approach are made transparent.” *Id.* at 1, 3.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company’s Application and the issues in this case under Title 61 of the Idaho Code including *Idaho Code* §§ 61-301 through 303. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501 through 503. The Commission has reviewed the record in this case.

The Commission approves several of the Company’s requests from the Application and Supplemental Application. Specifically, we find the Company prudently incurred \$3,846,358 in EE Program expenses in 2023. However, pursuant to Staff’s discovery of a duplicate \$300 rebate paid to the same residential customer, we direct the removal of the \$300 from the Residential Program deferral balance. We also approve the Company’s proposed retirement of the Storage Water Heater, Tankless Water Heater Tier II, Whole Home Tier II, and Smart Thermostat rebates.

Additionally, the Commission accepts the Company's proposal to reduce the incentive for the Furnace – 95% AFUE rebate from \$350 to \$275.

Considering the cost-effectiveness concerns of the remaining EE Program offerings, the Commission does not find justifications exist for the Company to raise incentives for participants. We direct the Company to continue offering the current rebate amounts for the Whole Home 1; Combination Boiler; Boiler – 95% AFUE; and Tankless Water Heater Tier 1 offerings.

The Commission rejects the Company's request to use the deemed savings approach as the primary methodology for evaluating the cost-effectiveness of the Company's EE Program. In a memo concerning the process for determining savings values, the Evaluator expressly stated that, if statistically significant, billing analysis results are more accurate than the assumed deemed savings. Staff Comments at 14. The Company acknowledged that the billing analysis produced statistically significant results. Company Reply Comments at 8. In Order No. 36331, the Commission directed Idaho Power Company to conduct an evaluation of its Residential New Construction Program that "must rely on billing data instead of the simulated savings basis used in the prior evaluation performed on the program and must be included with the next DSM prudence filing." Order No. 36331 at 8. The Commission has directed utilities to use a billing analysis where appropriate, such as the instant case.

The Commission reiterates its instruction from Order No. 36245 that the Company is to separate savings for new construction, retrofit, and replacement for the 95% AFUE furnace rebates in its next EM&V. The Commission appreciates the Company's position that by excluding data for new construction from the billing analysis due to a lack of pre-billing data, the Evaluator necessarily separated the savings from new construction from the savings from retrofit and replacement furnace rebates. However, the Company did not separate savings from retrofit furnace rebates from those of replacement furnace rebates, as instructed. We again direct the Company to immediately begin tracking furnace rebates separately and to include billing data from current new construction once it becomes available.

We instruct the Company to begin quarterly meetings with Staff to monitor the performance of its DSM programs. The scope of the meetings will be dictated by the performance of the EE Program offerings at the time of each meeting but should generally include discussions concerning information found in the Company's quarterly reports regarding its EE programs. The onus is on the Company to determine how to incorporate feedback from these meetings and its

EESC meetings into program planning. The Company acknowledges it is already balancing feedback from Staff with that of the EESC. Company Reply Comments at 3–4. The Company will be able to discuss its desired use of a TRM for program planning at these meetings with Staff.

We do not find it necessary to caution the Company regarding significant deviations between program planning assumptions and the results of evaluations, however, we note such deviations occur and encourage the Company to make an EE filing earlier than it otherwise would if it is experiencing a wide disparity between planning and results, or if it wishes to make changes to its DSM programs.

ORDER

IT IS HEREBY ORDERED that the Company's Application and Supplemental Application are approved subject to the modifications as described below. The Company prudently incurred \$3,846,358 in 2023 Energy Efficiency expenditures.

IT IS FURTHER ORDERED that the Company shall remove \$300 from its Residential Program deferral balance.

IT IS FURTHER ORDERED that the Company's proposed retirement of the Storage Water Heater, Tankless Water Heater Tier II, Whole Home Tier II, and Smart Thermostat rebates are approved.

IT IS FURTHER ORDERED that the Company's proposed reduction to the incentive for the Furnace – 95% AFUE rebate from \$350 to \$275 is approved.

IT IS FURTHER ORDERED that the Company shall continue to offer the current rebate amounts for the Whole Home 1; Combination Boiler; Boiler – 95% AFUE; and Tankless Water Heater Tier 1 programs.

IT IS FURTHER ORDERED that the Company's next prudency filing shall include an EM&V with a billing analysis covering Whole Home Tier I and Furnace measures.

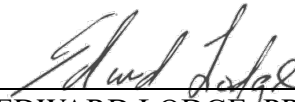
IT IS FURTHER ORDERED that the Company is to separate savings for new construction, retrofit, and replacement for the 95% AFUE furnace rebates in its next EM&V.

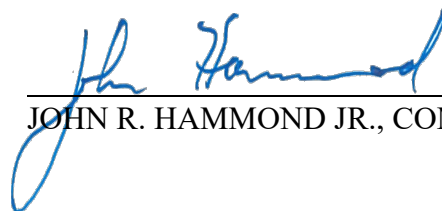
IT IS FURTHER ORDERED that the Company is to begin quarterly meetings with Staff to monitor the performance of its DSM programs.

IT IS FURTHER ORDERED that the Company provide the Commission with notification concerning both the timeline for the audit of its EE Program and the results of the audit, when available.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon 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.

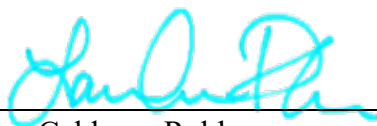
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th day of October 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER

Recused
DAYN HARDIE, COMMISSIONER

ATTEST:


Laura Calderon Robles
Interim Commission Secretary

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