

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF INTERMOUNTAIN ) CASE NO. INT-G-25-07**  
**GAS COMPANY’S APPLICATION FOR )**  
**AUTHORITY TO REVISE RATE SCHEDULE )**  
**EE-GS GENERAL SERVICE ENERGY ) ORDER NO. 37033**  
**EFFICIENCY REBATE PROGRAM )**  
**)**

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On November 21, 2025, Intermountain Gas Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting authority to revise Rate Schedule EE-GS — General Service Energy Efficiency (“EE”) Rebate Program, effective January 1, 2026.

On December 19, 2025, the Commission issued a Notice of Application; Notice of Suspension of Proposed Effective Date, suspending the Company’s proposed January 1, 2026 effective date for the statutorily provided period of 30 days and five months, and Notice of Intervention Deadline, setting a deadline for interested persons to intervene in the case. Order No. 36880. No petitions to intervene in the case were filed.

On January 23, 2026, the Commission issued a Notice of Modified Procedure setting comment deadlines. Order No. 36914. Staff filed comments to which the Company replied. No other comments were received.

Based on our review of the record, the Commission now issues this Final Order rejecting the Company’s proposed revisions to Rate Schedule EE-GS and directing the Company to refile with further revisions to its proposed commercial rebate program.

**BACKGROUND**

The Commission approved the implementation of the Company’s Commercial EE Program as Rate Schedule EE-GS and a funding mechanism through Rate Schedule EEC-GS in Order No. 34941. The Commercial EE Program has been chronically over-funded due to limited customer participation. *See* Order Nos. 36245 and 36337. To address the over-funded balance, the Commission suspended the Rate Schedule EEC-GS charge effective October 1, 2024, with instructions for the Company to file a case to evaluate the long-term program viability by the earlier of the program becoming underfunded or the end of 2026. Order No. 36337 at 4.

## THE APPLICATION

The Company launched its Commercial EE Program in April 2021. Application at 3. According to the Company, participation in the Commercial EE Program has been limited due to factors such as outreach challenges and program design limitations. *Id.* at 3–4. The Company took steps to identify methods to improve its Commercial EE Program offerings, including soliciting feedback from Energy Service Representatives, the Stakeholder Committee, and customers and by commissioning an independent process evaluation. *Id.* at 4. The Company has implemented much of the feedback aimed at improving the program, including enhanced marketing and outreach, formalized contractor engagement, preparatory steps to expand rebate offerings, and plans to bolster data collection during the rebate application process. *Id.* at 4–6.

The Company proposed to revise Rate Schedule EE-GS as detailed in Exhibit Nos. 2 and 3 to the Application. *Id.* at 7. The proposed changes would significantly expand the programs measure offerings. *See* Exhibit 2. The Company’s current offerings with corresponding rebate amounts are shown in Table No. 1 below, while the proposed measures and rebate amounts are listed in Table No. 2 below. *Id.*

**TABLE NO. 1: Current Rate Schedule EE-GS 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

**TABLE NO. 2: Proposed Rate Schedule EE-GS Measures/Incentives**

Measure	Description	Rebate Amount
Boiler Reset Control	Unit Installed	\$1.50 per 300kBtu/h capacity
High-Efficiency Condensing Boiler $\geq$ 300kBtu/h	Minimum 84% thermal efficiency	\$6,000
High-Efficiency Condensing Boiler < 300kBtu/h	Minimum 93% AFUE	\$1,500
Storage Water Heater New Construction	ENERGY STAR Certified	\$3,500
Storage Water Heater Retrofit	ENERGY STAR Certified	\$6,000
Tankless Water Heater New Construction	Less than 200 kBtu/hr: Minimum 0.81 UEF, or minimum 85% thermal efficiency. Greater than or equal to 200 kBtu/hr: Minimum 84% thermal efficiency.	\$6,000
Tankless Water Heater Retrofit	Less than 200 kBtu/hr: Minimum 0.81 UEF, or minimum 85% thermal efficiency. Greater than or equal to 200 kBtu/hr: Minimum 84% thermal efficiency.	\$8,000
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	\$6,000
Gas Heat Pump 135 - 240kBtu	> 1.2 COP for heating & > 1.0 COP for cooling	\$10,000
Gas Heat Pump Water Heater	> 1.2 COP for heating	\$150
Pipe Insulation	Minimum 1" of insulation indoor.	\$2 per foot
Energy Star Convection Oven	ENERGY STAR Certified	\$150
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
Energy Star Convection Griddle	ENERGY STAR Certified	\$100

The Company's Commercial EE Program is funded by the EE Charge rider on Rate Schedule EEC-GS. *Id.* at 6. Since suspending the EEC-GS charge on October 1, 2024, the overfunded balance of the rider has decreased from \$1,034,285 in December 2024 to \$716,924 as of September 30, 2025. *Id.* The Company stated that with the expanded rebate offerings proposed in the Application, its Commercial EE Program has an estimated cost of \$866,100 for the first year and could cause the rider to have an underfunded balance. *Id.* The Company represented that it will monitor the rider balance and seek to implement adjustments as needed to ensure financial balance. *Id.*

## STAFF COMMENTS

Staff reviewed the Application, supporting workpapers, and the Company's responses to discovery requests. Staff Comments at 2. Based on its review, Staff recommended the Commission deny the Company's request to revise Rate Schedule EE-GS and direct the Company to refile for authorization to make specific modifications to its Commercial EE Program. *Id.*

Staff noted that the implementation of the proposed Rate Schedule EE-GS's storage and tankless water heater measures combined accounted for approximately 77 percent of the Company's forecasted first year savings. *Id.* at 5. Accordingly, Staff scrutinized these measures and diagnosed several potential issues with the proposals. *Id.* Staff believed the Company's estimated savings, incremental costs, and rebate incentives for the new construction and retrofit tankless water heater and storage water heater measures were unreasonably high. *Id.* at 6, 11.

While Staff would expect commercial measure savings to be higher than those of comparable residential measures, it thought the Company's estimated savings for the commercial tankless water heater measures of at least 24 times more therms than their residential counterparts and estimated savings for the commercial storage water heater measures of at least 35 times more therms than their residential counterparts was excessive. *Id.* at 6, 11. Staff also believed the savings estimates were unrealistically optimistic when compared to those of Avista Utility Company's commercial natural gas tankless water heater and storage water heater rebates. *Id.* at 6–7, 11.

Staff further argued that the Company's methodology for forecasting the incremental costs of its proposed tankless water heater measures failed to account for the cost of baseline equipment and that the incremental cost was improperly based on the value of a storage water heater, resulting in unreasonably high values. *Id.* at 9. Staff stated that the Company also used storage water heaters with capacities larger than residential-sized equipment to calculate estimated incremental costs for the storage water heater measures, leading to inflated values. *Id.* at 12. Relatedly, Staff believed that both the Company's tankless water heater and storage water heater measure proposals over-incentivized light commercial-sized units, because the incentive amounts were based on the incremental cost estimates. *Id.* at 9–10, 12.

Because the tankless water heater and storage water heater measures compose such a large portion of the Company's proposed Commercial EE Program, without corrected estimates and rebate offerings for these measures, Staff stated that it was unable to "provide a clear

recommendation regarding the Company's other proposed changes." *Id.* at 13. However, Staff generally noted that given the infancy of the proposed portfolio, it recommended setting incentives no higher than the estimated incremental cost of each measure. *Id.* at 13–14. Additionally, though Staff was not opposed to certain other proposals—including the retirement of the condensing unit heater and Energy Star steamer measures; the reduction of incentives for the Energy Star fryer and Energy Star griddle measures; and the restructured incentives for the boiler reset control and high-efficiency condensing boiler measures—it believed all proposed changes should be reevaluated given the profound impact the recommendations concerning the tankless water heater and storage water heater measures would have on the portfolio's cost-effectiveness. *Id.* at 14.

Finally, Staff noted that according to the Company's forecast, Rate Schedule EEC-GC would become underfunded with the first 12 months of the new Commercial EE Program. *Id.* at 16. However, Staff believed that there was a pattern of the Company over-forecasting rebate counts and program expenses and that it could take longer than anticipated for Rate Schedule EEC-GC to become underfunded. *Id.* at 15–16. Staff stated that it would continue to monitor the balance while making requests of the Company as necessary. *Id.* at 16.

#### **COMPANY REPLY COMMENTS**

The Company stated that it was willing to reevaluate Rate Schedule EE-GS and reapply seeking revision, however, it requested clarity from the Commission prior to doing so. Company Reply Comments at 1–2. Additionally, the Company sought to provide its own clarification regarding Staff's questioning of certain elements of the Application. *Id.* at 1.

Through discussions with Staff, the Company had understood it was encouraged to maintain consistency between assumptions used for commercial and residential measures. *Id.* at 2. Had the Company recognized Staff's concerns were instead regarding consistency between the Company's savings estimates and those of peer utilities, it would have addressed that topic while developing the Application. *Id.* The Company stated that it would use the savings estimates of peer utilities for comparison when reevaluating its Commercial EE Program offerings. *Id.* at 3.

The Company stated that it had intended to apply to increase Rate Schedule EEC-GC in compliance with Order No. 36337 if the Commission approved the proposed revisions to Rate Schedule EE-GS. *Id.* However, with the uncertain status of its Commercial EE Program in the

wake of Staff's comments, the Company was unable to request an increase to the rider. *Id.* As of January 31, 2026, the rider balance remained overfunded by \$624,907.77. *Id.*

The Company commissioned an industry technical expert to develop a technical reference manual, which established the savings estimates included in the Application. *Id.* at 4. The Company planned on sharing Staff's comments with the technical consultant as part of reviewing the savings estimates of the current technical reference manual and expressed a willingness to share any resulting revised estimates with Staff in advance of re-filing an application to revise the Commercial EE Program. *Id.* The Company also acknowledged Staff's recommendation that incentive levels should not exceed incremental costs and that the program must demonstrate cost-effectiveness. *Id.* The Company sought clarification as to whether cost-effectiveness would be evaluated at the measure or program level. *Id.*

Accordingly, the Company recommended that the Commission direct the Company and Staff to hold one or more workshops to discuss the issues raised in this case prior to re-filing an application to revise Rate Schedule EE-GS. *Id.* at 5.

#### **COMMISSION FINDINGS AND DECISION**

The Company is a gas corporation under *Idaho Code* § 61-117, and a public utility under *Idaho Code* § 61-129. The Commission has jurisdiction over the issues in this case under Title 61 of the Idaho Code, including *Idaho Code* §§ 61-301, 501, 502, and 503. Based on our review of the record, the Commission now issues this Final Order rejecting the Company's proposed revisions to Rate Schedule EE-GS.

We direct the Company and Staff to hold one or more workshops to discuss proposed changes to the technical reference manual used to evaluate the Company's Commercial EE Program. Additionally, the workshops shall include discussions regarding revised estimated savings, incremental costs, and rebate incentives for the Company's proposed offerings, including the tankless water heater and storage water heater measures. We instruct the Company to reapply to revise Rate Schedule EE-GS that considers the information exchanged during the workshop(s).

#### **ORDER**

IT IS HEREBY ORDERED that the Company's Application is denied.

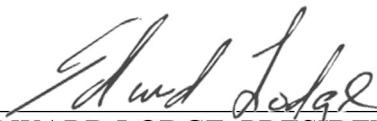
IT IS FURTHER ORDERED that the Company and Staff shall hold one or more workshops to discuss (1) proposed changes to the technical reference manual used to evaluate the

Company's Commercial EE Program and (2) revised estimated savings, incremental costs, and rebate incentives for the Company's proposed offerings, including the tankless water heater and storage water heater measures.

IT IS FURTHER ORDERED that the Company shall reapply to revise Rate Schedule EE-GS that takes into account the information exchanged during the workshop(s).

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

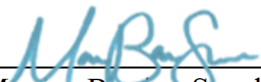
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5<sup>th</sup> day of May 2026.

  
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EDWARD LODGE, PRESIDENT

  
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JOHN R. HAMMOND JR., COMMISSIONER

  
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DAYN HARDIE, COMMISSIONER

ATTEST:

  
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Monica Barrios-Sanchez  
Commission Secretary

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