

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF INTERMOUNTAIN ) CASE NO. INT-G-26-02**  
**GAS COMPANY’S APPLICATION FOR )**  
**AUTHORITY TO REVISE RATE )**  
**SCHEDULE EE-RS – RESIDENTIAL ) ORDER NO. 37030**  
**ENERGY EFFICIENCY REBATE )**  
**PROGRAM )**  
**)**

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On January 16, 2026, Intermountain Gas Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting authority to revise its Rate Schedule EE-RS–Residential Energy Efficiency Rebate Program (“Application”). Application at 1. The Company requested an effective date of March 1, 2026. *Id.*

On February 20, 2026, the Commission issued a Notice of Application, Notice of Modified Procedure, and Notice of Suspension of Proposed Effective Date, establishing a March 26, 2026, deadline for public and Commission Staff (“Staff”) comments, an April 16, 2026, deadline for the Company to file reply comments, and suspending the Company’s proposed changes for 30 days plus five months from the requested effective date, or until the Commission entered an earlier order accepting, rejecting or modifying the Company’s proposed tariff revision. Order No. 36944. No petitions to intervene were filed.

Based on our review of the record, we issue this Final Order approving the Company’s request to retire its Whole Home Tier I measure and declare that the Company is no longer required to produce an Evaluation, Measurement, and Verification (“EM&V”) study with a billing analysis for the Whole Home Tier I measure in its next energy efficiency (“EE”) prudency filing.

**BACKGROUND**

The Company previously offered to retire its Whole Home Tier I EE rebate measure in its Petition for Clarification or Reconsideration of Order No. 36797 in Commission Case No. INT-G-24-05. In that case, the Commission required the Company to include an EM&V study with a billing analysis for the Company’s Whole Home Tier I measure in its next EE prudency filing. Order No. 36797 at 13. The Commission also directed the Company to request retirement of the

measure through a separate filing so that interested parties had the opportunity to participate. Order No. 36860 at 3.

### **THE APPLICATION**

The Company applied for authorization to retire its Whole Home Tier I measure. *Id.* The Company represented that the Whole Home Tier I measure was not evaluated in the 2024 EM&V study due to inadequate data for a meaningful evaluation because of limited customer participation in the rebate measure. *Id.* The Company further represented that based on Staff’s therm savings estimates of 62.65 therms, which were included in Staff’s Comments in Case No. INT-G-24-05, the Whole Home Tier I rebate measure was not cost-effective. *Id.* at 4.

The Company represented that it doubted the prudence of spending money on an EM&V study on the Whole Home Tier I measure given the uncertainty of sufficient participation levels to produce statistically significant results and because the Company predicted that the rebate measure would not be cost-effective under a billing analysis approach. *Id.* For those reasons, the Company requested: (1) authorization to retire the Whole Home Tier I measure; (2) approval of the revised EE-RS–Residential Energy Efficiency Rebate Program (“EE-RS”) rate schedule as filed; and (3) a declaration from the Commission that the Company was no longer required to produce an EM&V study with a billing analysis for the Whole Home Tier I measure in the Company’s next EE prudence filing. *Id.* at 5.

### **STAFF COMMENTS**

After reviewing the Application and supporting material, Staff recommended that the Commission approve the Company’s revised EE-RS rate schedule as filed and that the Commission declare that the Company was not required to produce an EM&V study with a billing analysis for the Whole Home Tier I measure in the Company’s next EE prudence filing. Staff Comments at 3.

Additionally, Staff outlined its concerns regarding the Company’s EE residential program’s cost-effectiveness over the next two years and that Staff believed the Company’s 2026 collection estimate for the EE Rider were overly optimistic. *Id.* at 3–7.

#### **I. Whole Home Tier I Measure**

Based on its review of the Application and supporting material, Staff agreed that it was unlikely that the Whole Home Tier I measure would be cost-effective. *Id.* at 2. Thus, Staff believed

that performing an EM&V study on the measure after it was retired would be an unnecessary expense. *Id.*

Staff explained that in Case No. INT-G-24-05, Staff believed that the Whole Home Tier I measure had similar “construction criteria and savings calculation methodologies as the Whole Home Tier II rebate.” Staff Comments at 2. Thus, Staff believed that a 66% savings estimate determined through a billing analysis for the Whole Home Tier II measure could be used to estimate the savings of the Whole Home Tier I measure. *Id.* at 2–3. Staff explained that by using Staff’s recommended 66% deemed savings estimate from Case No. INT-G-24-05, the Company demonstrated in Response to Staff’s First Production Request at No. 1 that the Whole Home Tier I measure had a Utility Cost Test ratio (“UCT”) of 0.6. Staff Comments at 3. Because the Whole Home Tier I measure had a UCT of 0.6,<sup>1</sup> Staff agreed that the measure was unlikely to be cost-effective. Staff Comments at 3.

**II. Remaining Portfolio Cost-Effectiveness**

Staff believed that over the next two years there was a risk that the Company’s EE residential program would not be cost-effective. *Id.* Staff believed that the Company’s 2026 forecasts for the residential portfolio measures, provided in Response to Staff’s First Production Request at No. 1, and outlined in the tables below, showed a UCT of 0.8. *Id.*

**Table No. 1: Historical and Future Residential Portfolio Participation**

Measure	Incentive	2024 Rebate Count	2026 Rebate Count	2027 Rebate Count
Whole Home I	\$900	35	150	-
Tankless Tier I	\$325	1,164	1,500	2,000
Furnace*	\$275	4,032	2,700	2,500
Combi boiler	\$800	3	5	5
Boiler	\$800	13	10	10
Storage Tank Water Heater	\$115	29	10	-
Whole Home Tier II	\$700	1,744	250	-
Tankless Tier II	\$300	4	-	-
Smart Thermostat	\$100	3,389	700	-
<b>Total</b>		<b>10,413</b>	<b>5,325</b>	<b>4,515</b>

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<sup>1</sup> A measure with a UCT of 1.0 or higher would be considered cost-effective.

*	Rebate decreased to \$275 from \$350 1/1/2026 – 2026 forecasts represent a combination of remaining old rebate payouts and new rebates.
	Proposed retirement - expect to accept rebates until 9/2026
	Retired as of 12/31/2025 - rebates accepted until 3/21/2026

**Table No. 2: Historical and Future Residential Portfolio Savings and Cost-Effectiveness**

Measure	Incentive	Total Therm Savings			Cost-Effectiveness		
		2024 Therm Savings	2026 Therm Savings	2027 Therm Savings	2024 UCT	2026 UCT	2027 UCT
Whole Home I	\$900	1,995	9,450	-	0.6	0.6	-
Tankless Tier I	\$325	75,660	75,375	100,500	1.7	1.1	1.1
Furnace*	\$275	225,792	85,800	80,000	1.2	0.7	0.9
Combi boiler	\$800	465	841	841	1.8	2.0	2.3
Boiler	\$800	2,067	1,071	1,071	2.0	1.3	1.5
Storage Tank Water Heater	\$115	1,102	250	-	1.3	0.7	-
Whole Home Tier II	\$700	99,408	9,500	-	0.8	0.5	-
Tankless Tier II	\$300	232	-	-	1.6	-	-
Smart Thermostat	\$100	149,116	19,600	-	1.5	0.8	-
<b>Total</b>		<b>555,837</b>	<b>201,887</b>	<b>182,412</b>	<b>1.2</b>	<b>0.8</b>	<b>1.0</b>

*Id.* at 4. Staff reasoned that even though the Company’s residential portfolio was expected to have a UCT of 1.0 by the end of 2027, Staff was concerned that (1) all savings were from the Furnace and Tankless Water Heater measures and (2) if there was a deviation from the Company’s 2026 forecasts, then the portfolio measures were at risk of having a UCT below 1.0. *Id.* at 3–4.

Staff was also concerned that the Company’s Furnace measure was at risk of not meeting forecasted savings, which could bring the entire residential portfolio’s cost-effectiveness below 1.0 because a large portion of the portfolio savings are dependent on the savings from the Furnace measure. *Id.* at 5. Staff believed that the retirement of the Whole Home Tier I measure would not significantly impact the cost-effectiveness of the Tankless Water Heater measure. *Id.* at 5–6. Staff stated it would continue to monitor the cost-effectiveness of the Company’s residential program in future DSM prudence filings by the Company. *Id.* at 4.

### III. Financial Review

Staff believed that the Company’s estimate that the EE Rider would collect \$3,668,745 in 2026, which was supplied to Staff in the Response to Staff’s First Production Request at No. 1,

was overly optimistic when compared to historical data. Staff Comments at 6. Staff believed it was unlikely that 2026 would collect more than 2024, even if funding increased because of population growth, because the Company's 2026 collection estimates were more than what was collected in 2024 when the Company's rate was higher. *Id.* at 6–7.

Staff believed that the Company's projected \$1,713,150 in residential rebate expenditures in 2026 was reasonable due to the fact the Company was working to retire the Whole Home Tier I measure and “the Storage Tank Water Heater, Whole Home Tier II, Furnace, Tankless Water Heater Tier II, and Smart Thermostat measures.” *Id.* at 7. Staff believed that there could be an increase in the residential EE Rider balance in 2026 because of the reduction in rebate expenses. *Id.* Staff stated it would continue to monitor the residential EE Rider's balance in future filings. *Id.*

### **COMMISSION FINDINGS AND DECISION**

The Commission has jurisdiction over the Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. 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, -502, and -503.

The Commission has reviewed the Company's Application including all submitted materials and Staff comments. Based on our review of the record, we find it fair, just, and reasonable to authorize the Company to retire its Whole Home Tier I measure, to approve the revised EE-RS rate schedule as filed, and to declare that the Company is not required to produce an EM&V study with a billing analysis for the Whole Home Tier I measure in its next EE prudence filing. The Commission finds it is not likely that the Whole Home Tier I measure will be cost-effective because the Company's calculations show, by using Staff's recommended 66% deemed savings estimate from Case No. INT-G-24-05, that the measure would only have a UCT ratio of 0.6. Because the UCT ratio was not 1.0 or higher, the measure is not considered cost-effective. Because we authorize the Company to retire the measure, we find that requiring the Company to produce an EM&V study with a billing analysis for the measure in its next EE prudence filing would be an unnecessary expense for the Company and its customers.

The Commission encourages the Company to continue exploring all cost-effective EE measures. It is important that measures and incentives are properly aligned with the needs of customers, and it is equally important that the costs of offering those measures accurately reflect the energy savings derived from the measure.

### **ORDER**

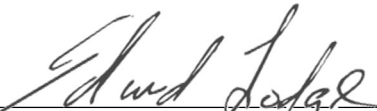
IT IS HEREBY ORDERED that the Company is authorized to retire its Whole Home Tier I measure.

IT IS FURTHER ORDERED that the Company's revised EE-RS rate schedule is approved as filed.

IT IS FURTHER ORDERED that the Company is no longer required to produce an EM&V study with a billing analysis for the Whole Home Tier I measure in the Company's next EE prudence filing.

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 6<sup>th</sup> day of May, 2026.

  
EDWARD LODGE, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

  
DAYN HARDIE, COMMISSIONER

ATTEST:

  
Monica Barrios-Sanchez  
Commission Secretary

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