

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	<b>CASE NO. INT-G-19-05</b>
<b>OF INTERMOUNTAIN GAS COMPANY</b>	)	
<b>FOR AUTHORITY TO REVISE RATE</b>	)	<b>NOTICE OF APPLICATION</b>
<b>SCHEDULE EEC – ENERGY EFFICIENCY</b>	)	
<b>CHARGE</b>	)	<b>NOTICE OF</b>
	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>ORDER NO. 34431</b>
	)	

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On August 15, 2019, Intermountain Gas Company, a subsidiary of MDU Resources Group, Inc. (“Intermountain Gas” or the “Company”) applied to the Commission for an order approving an increase in the Energy Efficiency Charge (the “EEC”), from \$0.00367 per therm to \$0.02093 per therm. Application at 1. The Company asserts the EEC must be increased to recover deferred Residential Energy Efficiency Rebate Program (“EE Program”) expenses and to fund forecasted future EE Program growth. *Id.* 3-4.

The Company requests its Application be processed under Modified Procedure, and that the proposed change to the EEC take effect on October 1, 2019. *Id.* at 5-6.

**BACKGROUND**

In Case No. INT-G-16-02 the Commission authorized Intermountain Gas to establish the EE Program for its residential customers. *See* 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, Intermountain Gas Company I.P.U.C. Gas Tariff, Sheet No. 16 at 1; *see also Energy Efficiency 2018 Annual Report* at 1, attached as Exhibit 1 to the Application in Case No. INT-G-19-04. On July 27, 2017, Intermountain Gas requested Commission authority to implement a funding mechanism for the EE Program. *See* Order No. 33888, Case No. INT-G-17-03. In Order No. 33888 the Commission approved this request and authorized the Company to charge its residential customers \$0.00367 per therm to fund the EE Program. *See* Rate Schedule EE, Intermountain Gas Company I.P.U.C. Gas Tariff, Sheet No. 17 at 1; *see also* Application at 3-4 & Order No. 33888 at 3.

## NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Intermountain Gas asserts from October 1, 2017, through June 30, 2019, EE Program expenses exceeded revenues by \$1,097,907, which remains deferred and unrecovered to date. Application at 4.

YOU ARE FURTHER NOTIFIED that Intermountain Gas asserts that due to the EE Program's success and anticipated growth, its expenses are forecasted to be \$3,944,642 annually. *Id.* The Company estimates \$3,300,000, or 84% of these future expenses, will be rebates paid to customers participating in the EE Program. *Id.*

YOU ARE FURTHER NOTIFIED that Intermountain Gas requests Commission authority to increase the EEC to \$0.02093 per therm so the Company can collect \$5,042,549 next year to recover EE Program deferred expenses and to fund its operation and growth. *Id.*

YOU ARE FURTHER NOTIFIED that Intermountain Gas requests that the proposed EEC take effect October 1, 2019, to coincide with the effective date of any rate changes resulting from the Company's annual Purchased Gas Cost Adjustment. *Id.* at 5. Intermountain Gas states the typical residential customer's monthly bill would increase by \$1.07 if the Commission approves the proposed EEC of \$0.02093 per therm. *Id.*

YOU ARE FURTHER NOTIFIED that Intermountain Gas states it has informed its customers of the Application through a Customer Notice and by a Press Release sent to daily and weekly newspapers, and major radio and television stations in the Company's service area. *Id.* at 5-6.

## NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission finds good cause exists to require written comments to be filed in this case on less than twenty-one (21) days-notice. This is necessary in order to process the case to completion so that Commission authorized changes, if any, to the EEC will take effect on October 1, 2019, which is the same day any Commission

approved rate changes, if any, will take effect as a result of the Company's annual Purchased Gas Cost Adjustment. *See* Case No. INT-G-19-06. Accordingly, any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than September 13, 2019**. The written comment must contain a statement of reasons supporting it. Persons desiring a hearing must specifically request one in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

**For the Commission:**

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

**For the Company:**

Preston N. Carter  
Givens Pursley LLP  
601 W. Bannock Street  
Boise, Idaho 83702  
E-mail: [pnc@givenspursley.com](mailto:pnc@givenspursley.com)  
[kendrah@givenspursley.com](mailto:kendrah@givenspursley.com)

Lori A. Blattner  
Director – Regulatory Affairs  
Intermountain Gas Company  
P.O. Box 7608  
Boise, Idaho 83707  
E-mail: [Lori.Blattner@intgas.com](mailto:Lori.Blattner@intgas.com)

These written comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document. These written comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that for the same reasons stated above for shortening the period for filing written comments, the Commission similarly finds good cause exists to reduce the period for the Company to file any reply written comments. Accordingly, the Company may file reply comments, if necessary, **no later than September 18, 2019**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order

without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set this matter for a formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and supporting work papers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission office. The Application and supporting documentation are also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "File Room" tab at the top of the page, scroll down to "Open Gas 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 and specifically *Idaho Code* §§ 61-307, 61-503, and 61-622. The Commission may enter any final order consistent with its authority under Title 61.

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.*


### **ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure (IDAPA 31.01.01.201 through .204). Interested persons wishing to file written comments or protests in this matter must do so no later than September 13, 2019.

IT IS FURTHER ORDERED that the Company may file reply comments, if necessary, no later than September 18, 2019.

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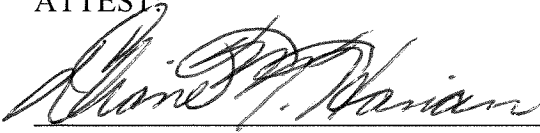
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29<sup>th</sup>  
day of August 2019.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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