

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. INT-G-17-03**  
**OF INTERMOUNTAIN GAS COMPANY )**  
**TO IMPLEMENT A DEMAND SIDE ) NOTICE OF APPLICATION**  
**MANAGEMENT PROGRAM FUNDING )**  
**MECHANISM AND CHARGE ) NOTICE OF**  
**) MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 33839**

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On July 27, 2017, Intermountain Gas Company asked the Commission for authority to implement a Demand Side Management (DSM) Program Funding Mechanism and DSM Charge. Although the Commission has yet to formally accept a tariff filing from the Company, a draft tariff was submitted as an exhibit during the Company’s recent rate case, in which the Commission authorized the Company to implement a residential DSM program, but did not approve the proposed fixed cost collection mechanism. Order No. 33757 at 37-38. Intermountain asks that its Application be processed by Modified Procedure, and requests an effective date of October 1, 2017, to coincide with the requested effective date for its annual Purchased Gas Cost Adjustment filing.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that “DSM” generally refers to utility activities and programs that encourage customers (thus, on the “demand side” as opposed to the “generation side”) to use less overall energy or use less energy during peak usage hours. Order No. 33188. The Commission authorized the Company to implement a DSM program, finding that “DSM, as both a least-cost resource and an important element of promoting energy efficiency, is an important part of any utility’s provision of service.” Order No. 33757 at 37; *see* Application at 2. However, the Commission rejected the Company’s proposal to use a fixed cost collection mechanism (FCCM), citing insufficient “evidentiary quantification of the Company’s need for an FCCM and the benefits of its developing DSM program, and what it hopes to achieve through energy efficiency programs and fixed-cost recovery.” Order No. 33757 at 38.

YOU ARE FURTHER NOTIFIED that the Company seeks “to define and formalize a mechanism whereby the Company can recover costs incurred in the administration and

delivery of its Rate Schedule DSM” and submits a proposed budget for recovery. Application at 3. The Company states that its costs from administering its DSM program may include energy efficiency program rebates; administration ramp-up expenses and incremental staffing; DSM outreach; local support for promotion of tariff-approved DSM measures; and encouraging market transformation through adaptation of energy efficiency technologies. *Id.* The Company reports that all DSM activities are designed for its residential customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company proposes a recovery mechanism in which it submits its “annual budget of anticipated administrative and program costs related to the Company’s DSM program.” *Id.* In its annual filing, the Company will request the Commission’s ruling that its “expenses are both reasonable and prudent.” *Id.* Also, the Company’s budget will include “any surplus or deficit associated with the collection of DSM funds and the incurrence of DSM-related expenses.” *Id.*

YOU ARE FURTHER NOTIFIED that the Company states its “DSM Charge shall be determined as the approved annual budget to implement Rate Schedule DSM divided by normalized therm sales for Rate Schedule RS, as determined in the Company’s annual Purchased Gas Cost Adjustment filing.” *Id.* “All DSM funds collected will be allocated to costs incurred in the administration and delivery of its proposed DSM program, and accounting records will be maintained to track actual expenses vs. the DSM Charge collected from residential customers.” *Id.* at 4.

YOU ARE FURTHER NOTIFIED that, for the program year October 1, 2017 to September 30, 2018, the Company estimates costs of \$177,000 for program delivery and administration (personnel and ramp-up expenses), and \$600,000 in rebate payments for total costs of \$777,000. *Id.* This proposed budget would equal a per therm increase of \$0.00367 (0.58%) for the Company’s residential class. *Id.*

YOU ARE FURTHER NOTIFIED that the Company states it provided notice of its proposed rate increase associated with its proposed DSM funding mechanism. *Id.* at 4-5.

YOU ARE FURTHER NOTIFIED that the Application and supporting documents, including the Company’s proposed DSM budget and proposed DSM Charge have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and attachments 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 the type of “Open Gas Cases,” and then click on the case number as shown on the front of this document.

### 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-.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 any person desiring to state a position on this Application may file a written comment in support or in opposition with the Commission **by no later than September 15, 2017**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application may be mailed to the Commission and Intermountain Gas at the addresses reflected below:

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

Michael P. McGrath  
Director – Regulatory Affairs  
Intermountain Gas Company  
PO Box 7608  
Boise, ID 83707

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Ronald L. Williams  
Williams Bradbury PC  
PO Box 388  
802 W. Bannock Street, Suite 900  
Boise, ID 83701

These 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 form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the addresses listed above.

YOU ARE FURTHER NOTIFIED that if the Company wishes to file a reply, it must do so **no later than September 20, 2017.**

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 the same for formal hearing.


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* § 61-503. 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.*

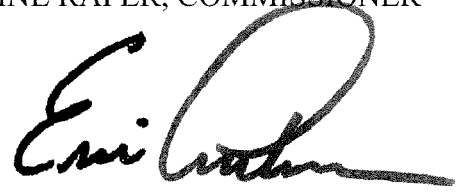
### **ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). Interested persons shall have until September 15, 2017 to file written comments, and the Company shall have until September 20, 2017 to file a reply, if any.

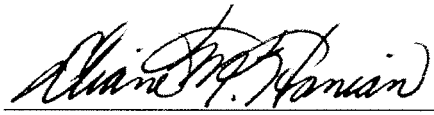
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 16<sup>th</sup>  
day of August 2017.

  
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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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