

YOU ARE FURTHER NOTIFIED that IGC developed peak day send out studies and load duration curves under design weather conditions to determine the magnitude and timing of future deficiencies in firm peak day delivery capability. Residential, commercial and industrial peak day send out was matched against available resources to determine which combination of new resources would be needed to meet IGC's future peak day delivery requirements at the best possible cost. *Id.* at 2. Residential, commercial and industrial peak day load growth on IGC's system is forecasted over the five-year period to grow at an average annual rate of 4%.

YOU ARE FURTHER NOTIFIED that certain geographic regions within IGC's service territory were analyzed based upon the anticipated or known need for distribution system upgrades within each specific region. *Id.* at 4.

YOU ARE FURTHER NOTIFIED that the Idaho Falls Lateral Region serves a number of cities between Pocatello north to St. Anthony. The residential, commercial and industrial load served off this region represents approximately 14% of the total Company customers and 18% of the Company's total winter send out during the winter of 2001-2002. *Id.* IGC hopes to work with industrial customers in this region who use alternative fuels to mitigate small, short duration peak day distribution delivery deficits. However, the projected delivery deficits are of such magnitude that "looping" of the existing system is warranted, adding the necessary firm delivery capacity to that area. *Id.*

YOU ARE FURTHER NOTIFIED that the Sun Valley Lateral Region represents approximately 4% of the total Company customers and 3% of the Company's total winter send out during the winter of 2001-2002. *Id.* at 5. When forecasted peak day send out in this region is matched against the existing peak day distribution capacity (120,000 therms), a peak day delivery deficit occurs during 2003 and increases thereafter. *Id.* Growth along the Sun Valley Lateral Region warrants an upgrade to the existing pipeline system since its limited industrial load does not currently have the capability to switch to alternative fuels as a means of mitigating peak day sendout. *Id.* at 6.

YOU ARE FURTHER NOTIFIED that the Canyon County Region represented approximately 12% of the total Company customers and 14% of the Company's total winter send out during the winter of 2001-2002. *Id.* When forecasted peak day send out in this region is matched against the existing peak day distribution capacity (600,000 therms), a peak day

delivery deficit occurs during 2006 and increases thereafter. *Id.* This region's diverse industrial customer base does not currently have the capability to switch to alternative fuels as a means of mitigating peak day send out and IGC is currently exploring optional means of enhancing this region's distribution capability. *Id.* at 7. IGC is also awaiting the outcome of a planned natural gas fired electric generation plant in the Canyon County Region as the construction of this facility can potentially provide synergies to the design of IGC's distribution facilities in that region. *Id.*

YOU ARE FURTHER NOTIFIED that Intermountain Gas believes the natural gas supply available from British Columbia, Alberta and the Rocky Mountain regions should be adequate throughout the five-year forecast period even though the excess supply traditionally associated with natural gas no longer exists.

YOU ARE FURTHER NOTIFIED that Intermountain Gas currently experiences transportation capacity constraints in the Idaho Falls region and projects that capacity constraints will occur in the Sun Valley lateral and the Canyon County area in coming years.

YOU ARE FURTHER NOTIFIED that Intermountain Gas currently uses two liquefied and three underground storage facilities to fill the gap between peak demand and available deliverable supply. The Company generally utilizes these storage facilities to offset winter load requirements, provide peak load protection and balance its system.

YOU ARE FURTHER NOTIFIED that Intermountain Gas considered five non-traditional resource alternatives to meet the design peak day load, including #2 fuel oil, propane, propane-air, LNG facilities, and compressor stations in its Integrated Resource Plan.

YOU ARE FURTHER NOTIFIED that Intermountain Gas's IRP states that the Company promotes the efficient use of natural gas by its customers. In addition to existing programs, IGC is currently preparing a spring/summer conversion promotion with Wells Fargo Bank to promote and finance high-efficiency furnaces and other equipment. IGC is also reviewing the potential to provide real-time natural gas consumption information to industrial customers.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter and Intermountain Gas Company, a gas utility, pursuant to the authority and power

granted under Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF MODIFIED PROCEDURE

Intermountain Gas requests that its Filing be processed under Modified Procedure, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. INT-G-02-2. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case, and that the issues raised by the Company's filing may be processed under Modified Procedure. In so doing, the Commission notes that Modified Procedure and written comment has proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or comments are received within the deadline, the Commission may consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it. Reference IDAPA 31.01.01.204.

NOTICE OF COMMENT DEADLINE

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to the Filing and the use of Modified Procedure in Case No. INT-G-02-2 is **Friday, August 2, 2002**. Reference IDAPA 31.01.01.202.02. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that written comments concerning this Application must be mailed to the Idaho Public Utilities Commission and the Intermountain Gas Company at the following addresses:

NOTICE OF FILING
NOTICE OF MODIFIED PROCEDURE
NOTICE OF COMMENT DEADLINE
ORDER NO. 29039

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:
472 W WASHINGTON ST
BOISE, ID 83702-5983

MICHAEL P. MCGRATH
DIRECTOR
MARKETING SERVICES &
REGULATORY AFFAIRS
INTERMOUNTAIN GAS COMPANY
PO BOX 7608
BOISE, ID 83707
Email: mmcgrath@intgas.com

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 homepage located at www.puc.state.id.us under the "Comments and Questions" icon. Once at the "Comments and Questions" icon, fill in the case number as it appears on the front of this document, and enter your comments. These comments must also be sent to the Applicant at the e-mail addresses listed above.

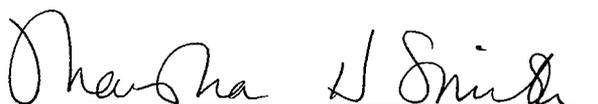
YOU ARE FURTHER NOTIFIED that the Application in Case No. INT-G-02-2 together with accompanying exhibits and workpapers can be reviewed at www.puc.state.id.us by clicking on "File Room" and "Gas Cases," or it can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and Intermountain Gas Company located at 555 South Cole Road in Boise, Idaho (377-6000).

ORDER

IT IS HEREBY ORDERED that the foregoing scheduling be adopted.

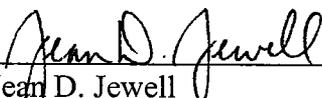
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th
day of May 2002.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:INTG0202_in

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