

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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|--|---|-----------------------------|
| IN THE MATTER OF THE APPLICATION OF |) | |
| INTERMOUNTAIN GAS COMPANY FOR |) | CASE NO. INT-G-02-03 |
| AUTHORITY TO DECREASE ITS RATES FOR |) | |
| SERVICE |) | |
| |) | |
| |) | ORDER NO. 29068 |
| |) | |

On May 23, 2002, Intermountain Gas Company (Intermountain, Company) filed an Application (Application) with the Commission for authority to place into effect new rate schedules that would decrease its annualized revenues by \$52.5 million yet maintain the Weighted Average Cost of Gas (WACOG) at \$0.35295 per therm.¹ If its Application is approved, Intermountain stated that customer rates will decrease on average by 24%. The Application also proposed an over-collection of \$8.2 million (an additional 4.7%) to promote future rate stability. After reviewing the comments and record in this case, the Commission partially grants the Application as set out in greater detail below but denies the Company’s proposal for an over-collection.

BACKGROUND

A. Procedural History

On May 23, 2002, Intermountain Gas Company filed its annual Purchased Gas Cost Adjustment (PGA) Application for authority to decrease its net revenue and customer rates by approximately \$52.5 million (24%). The PGA account is a deferral mechanism for over- and under-collections and for realized savings on spot market gas purchases. Intermountain Gas supplies natural gas to approximately 200,000 customers in southern Idaho. On June 3, 2002, the Commission issued a Notice of Application, Modified Procedure and Comment Deadline. Order No. 29042.

1. _____

¹ A “therm” is a commercial unit of heat energy and comprises approximately 100 cubic feet of natural gas. A therm is equivalent to 100,000 Btus (British thermal units).

B. The Application

Intermountain's Application sought to pass through a \$52.5 million revenue decrease in gas-related costs to ratepayers resulting from: 1) a net decrease in costs for Intermountain's natural gas interstate transportation, 2) an updated customer allocation of gas-related costs pursuant to the Company's Purchased Gas Cost Adjustment provision, and 3) the inclusion of temporary surcharges and credits for one year relating to gas and interstate transportation costs from Intermountain's deferred gas cost account. Application at 3-4.

Because of changes in Intermountain's gas-related costs, Intermountain stated that its earnings will not be affected as a result of the proposed decrease in prices and revenues. *Id.* at 9. The Company proposed to provide the \$52.5 million reduction by implementing the following permanent change and temporary credit to its tariff rates for natural gas service and sales:

Permanent Adjustments:

| | |
|--|----------------|
| ▪ INT-G-01-3 Elimination of Temporary Surcharges/Credits | (\$40,994,177) |
| ▪ Base Rate Change | (\$ 1,007,635) |
| ▪ Fixed Cost Collection | (\$ 478,316) |

Temporary Surcharges and Credits: Deferred Gas Costs

| | |
|---|----------------|
| ▪ Market Segmentation | (\$ 2,369,508) |
| ▪ Northwest Pipeline FERC settlements | (\$ 1,490,349) |
| ▪ Fixed Gas Cost Misc. | \$ 16,073 |
| ▪ Variable Cost Collection Adjustment | (\$ 9,800,811) |
| ▪ Recovery of the Amount Deferred from Case No. INT-G-01-03 | \$ 3,505,756 |

Intermountain Gas proposed allocating deferred gas costs from its PGA Account No. 186 balance to its customers through a temporary price adjustment effective during the 12-month period beginning July 1, 2002 and ending June 30, 2003. *Id.* at 7. As of June 30, 2002, Intermountain Gas estimated it will have a negative variable gas cost balance in the amount of \$10,138,839. The Company proposed to refund this amount via a per therm credit to all customers. Intermountain Gas recommended the following annualized change in rates per customer class to reflect the combined effect of both permanent and temporary adjustments:

| Customer Class | Revenue | Proposed Average Decrease \$ /Therm | Proposed Average Decrease % Change | Proposed Average Price \$/Therm |
|----------------------|----------------|-------------------------------------|------------------------------------|---------------------------------|
| RS-1 Residential | (\$ 7,414,546) | (\$0.20818) | (21.8%) | \$0.74544 |
| RS-2 Residential | (\$25,310,212) | (\$0.20524) | (24.2%) | \$0.64330 |
| GS-1 General Service | (\$18,892,039) | (\$0.20419) | (25.6%) | \$0.59509 |
| LV-1 Large Volume * | (\$ 631,513) | (\$0.20203) | (31.4%) | \$0.44213 |

* T-1 tariff price plus the Weighted Average Cost of Gas (WACOG) \$0.35295
WACOG = total commodity cost of gas ÷ total purchase therms

| Transportation | Revenue | Proposed Average Increase (Decrease) \$ /Therm | Proposed Average Increase (Decrease) %Change | Proposed Average Price \$/Therm |
|--------------------|-------------|--|--|---------------------------------|
| T-1 Transportation | (\$221,884) | (\$0.00600) | (5.7%) | \$0.09975 |
| T-2 Transportation | (\$ 49,044) | (\$0.00202) | (7.1%) | \$0.02656 |

Intermountain's Application also proposed leaving the WACOG at \$0.35295 per therm, which is the same WACOG approved by the Commission last year in Case No. INT-G-01-03. Order No. 28783. The Company stated that current market-based commodity prices support the continuance of the \$0.35295 per therm WACOG to Intermountain's customers. Application at 4. However, due to the Company's management and participation in hedging transactions, Intermountain stated that under normal conditions customers will receive "savings" of \$0.033 per therm "over the next 12-month period as compared to the \$0.35295 per therm WAGOG." *Id.* at 4-5. In other words, Intermountain's requested WACOG would over-collect the predicted amount that will be required to pay gas-related costs incurred from July 2002 to July 2003 by \$0.033 per therm. This would result in an over-collection totaling \$8.2 million. When added to the requested \$52.5 million decrease, this over-collection would otherwise result in an average decrease of 28.7% (an additional 4.7%).

The Application stated that natural gas future prices predict an upward trend for future PGA periods even though Intermountain did not believe that market fundamentals will support the high future prices now predicted. *Id.* at 5. Therefore, Intermountain believed that "by allowing the WACOG to remain at the \$0.35295 per therm level, a future price increase can be avoided or mitigated during the July 2003 PGA period (one year from now) by offsetting

future increases with the savings generated by Intermountain's currently hedged supplies." *Id.* If circumstances warranted, Intermountain would file an "out of period" PGA if natural gas prices decline substantially to a level that facilitates price stability for the future with the pass through of any deferred gas cost credits that might exist at the time. *Id.*

WRITTEN COMMENTS

A. Public Comments

As of June 26, 2002, the Commission received eleven (11) written comments from the public. None opposed implementation of a rate decrease. Nine of these eleven customers specifically commented on the Company's plan to over-collect as a hedge against the possibility of future gas cost increases. Two favored the over-collection because, in the words of one Boise resident: "the idea of an 'insurance policy,' in case the cost of gas escalates next year, is a sound one." Seven commentors opposed the \$8.2 million over-collection because, as one Kuna customer stated: "Rates should only increase when they need to, not so that someone else can hold my money in a bank account for the 'what if' reason." Some commentors were also concerned that Intermountain's proposed over-collection was "creative accounting" in the style of Enron, an attempt to profit from the interest-free use of ratepayer money, and merely speculation that natural gas rates would increase next year.

B. Staff Comments

On June 19, 2002, the Commission Staff filed Comments that discussed: 1) the results of its audit, 2) the WACOG and price stability, and 3) consumer issues.

1. **Staff Audit.** In Case No. INT-G-01-03, the Commission required Intermountain to continue to defer \$3,505,756.35 of expenses pending further review. Order No. 28783 at 10. While it was not possible to determine the exact cost to IGI Resources of gas it resold to Intermountain, Staff determined the purchase prices paid by the Company were in a reasonable range. Staff Comments at 3. Staff recommended that the Company be allowed to recover the amount deferred from last year with interest calculated at the Company's short-term investment rate authorized by the Commission. *Id.*

Staff also noted that the Company's record-keeping and information retention have improved dramatically since last year and that it is pleased with the efforts of the Company and IGI Resources to show how resource management decisions are made. *Id.* at 3-4.

During the audit, Staff discovered that the Company entered into financial hedges to fix the price of gas for customers last winter and spring. The price protection provided by the hedges cost \$14.9 million in addition to the actual gas purchased. *Id.* at 4. Staff's review also indicated that the surcharge put in place last year will over-collect approximately \$6.8 million dollars from customers through June 2002. *Id.* Because the surcharge was based on normalized revenues, the Company collected more than authorized when the weather was colder than normal. The over-collected amount will be returned to customers with interest through the proposed credit.

Staff's audit also noted that the Company continues to pursue capacity releases and segmentation credits that benefit customers. *Id.* Moreover, the Company received a favorable FERC settlement of \$1.49 million dollars from Northwest Pipeline that will be passed on to customers. *Id.* Finally, Staff certified that Intermountain correctly calculated the amounts of the proposed permanent adjustments and the temporary surcharges and credits for the next PGA period. *Id.* at 5.

2. WACOG and Price Stability. Given the price volatility and significant rate increases experienced over the last two years, Staff indicated that it made every effort to ensure that only the price of gas was included in rates. *Id.* However, Staff noted that the Company's request that the WACOG remain at \$.35295/therm - even though the Company's data indicated that the WACOG should be \$.3200/therm - was a departure from every other PGA authorized in the past two years. *Id.*

While Staff agreed that over-collection this year could offset a portion of a potential rate increase next year, it may not eliminate all increases that could occur nor guarantee overall lower natural gas rates in the future. *Id.* Because customers will receive approximately \$10 million in temporary credits this year that will expire in 2003, Staff stated that rates will increase by approximately \$10 million unless gas prices decline or an over-collection is available to offset the loss of the credit next year. *Id.*

When considering whether to allow Intermountain Gas to charge higher rates this year in order to keep rates lower next year, Staff noted that Intermountain Gas' customer base is not static. Intermountain Gas' Integrated Resource Plan filed in April 2002 estimates a residential "baseline" growth of about 10,000 customers per year for the next several years due to new construction and conversions to gas. *Id.* at 6. The Company's residential customer growth

rate averaged 5.5% per year for the past five years. *Id.* In addition, some customers will leave the system in the next twelve months resulting in a mismatch between customers who overpay this year and customers who underpay next year. *Id.*

Given the size of the anticipated over-collection, the minimal impact on rate stability, the non-static nature of the customer base, and the uncertainty of forward market prices, Staff recommended that the Company further reduce rates by lowering the WACOG to \$.3200/therm consistent with the costs anticipated in the Company's filing. *Id.* at 7. Staff further advised that \$.3200/therm is a reasonable WACOG given the more recent price forecasts indicating that actual costs for 2002/2003 could be closer to \$.3000/therm. *Id.* The reduction will also assure customers that all costs and savings are directly passed through when they occur.

3. Consumer Issues. Between July 16, 2001 (the effective date of the Company's previous rate increase) and June 11, 2002, the Idaho Public Utilities Commission's Consumer Assistance Staff has received 223 complaints and inquiries regarding credit and collection issues. *Id.* at 8. Of that number, 159 were concerning disconnection of service and 33 were from customers who were asked to pay a deposit either to reconnect service or to keep service. This was an increase over the same 2000-2001 time period when Staff received 121 complaints and inquiries regarding credit and collections issues, of which 86 concerned disconnections and only 15 involved deposits. *Id.*

According to Staff, these figures dramatically emphasize the impact recent rate hikes have had on customers and their ability to pay higher utility bills. Faced with a growing number of past due accounts, Intermountain Gas increased collection activities to make payment arrangements whenever possible and, if necessary, disconnect service. The Company now typically requests payment of a deposit as security on an account before reconnecting service. *Id.* To continue assisting customers in reducing their energy needs, Staff recommended that Intermountain Gas maintain its education efforts and continue providing customers with conservation information. *Id.* Staff also recommended that Intermountain provide its final plan to adjust the level pay program to the Commission for review prior to its final implementation. *Id.* at 9.

C. Northwest Industrial Gas Users Comments

On June 25, 2002, the Northwest Industrial Gas Users (NWIGU) petitioned the Commission for leave to intervene and submit comments in this proceeding. The NWIGU is a

non-profit association comprised of thirty-two (32) diverse industrial end users of natural gas with major facilities in the states of Oregon, Washington and Idaho. NWIGU Comments at 2. These customers transport large quantities of natural gas to serve their facilities.

As part of its Application, Intermountain proposed to refund any surcharge amounts generated from resolution of two Northwest Pipeline Corporation (NPC) cases before the Federal Energy Regulatory Commission (FERC). The NWIGU stated that its concerns with the equitable resolution of these NPC refunds and surcharges have been resolved with Intermountain as set forth in the Company's filing with the Commission. *Id.* at 3-4. By tracking the refunds and surcharges in accordance with the individual customer's usage and cost responsibility during these time periods in question, the NWIGU believed that Intermountain's filing has reached "an equitable and fair resolution of these issues, both with the 1993 surcharges and the 1995 refunds." *Id.* at 4. Thus, the NWIGU requested the Commission approve the direct billing and crediting of industrial accounts as proposed in Intermountain's Application. The NWIGU further stated that it reviewed the Company's filing and associated work papers and urged the Commission to approve the permanent adjustments and temporary surcharges and credits for the deferred gas costs as an appropriate and correct resolution of those accounts. *Id.*

D. AARP Idaho Comments

On June 26, 2002, AARP Idaho filed Comments on behalf of its more than 143,000 Idaho members. The AARP urged the Commission to reject the Company's proposal to over-collect \$8.2 million. AARP Comments at 2. By doing so, the Commission would ensure that all gas costs and savings would be directly passed through to customers as they occur and maintain consistency with past PCA practices. *Id.* The AARP also noted that over-collection would likely create a mismatch between customers who overpay this year and customers who underpay next year. *Id.* at 3. The AARP also agreed with Staff that an over-collection will not guarantee overall lower natural gas rates and may not eliminate all increases that could occur in the future. *Id.*

Rising utility rates are having an overwhelming impact on Idaho citizens – especially older persons, many of whom are living on low and fixed incomes. The AARP indicated that older Americans spend a greater proportion of income on home energy costs. Low-income older families spend an average of 16 percent of their income on residential energy. *Id.* Too often,

these families are forced to choose between risking their health and comfort by cutting back on energy expenditures and reducing spending for other basic necessities. *Id.*

The AARP urged the Commission to adopt Staff's recommendation to order Intermountain to continue its efforts to educate consumers about energy assistance and conservation programs in an ongoing effort to help consumers reduce their energy needs. *Id.* at 4. Since there will continue to be consumers who cannot pay their bills even with the proposed rate decrease, the AARP strongly recommended the Commission "also adopt automatic enrollment to effectively increase participation rates in available low-income energy assistance programs." *Id.* Advocating expanded funding for energy assistance programs, AARP welcomed the opportunity to work with the Commission to implement automatic enrollment and to educate their members on the existence of available energy assistance programs. *Id.*

In the event the Commission authorizes the over-collection, the AARP requested that any future refunds due to customers from the over-collection should be credited with interest. *Id.* at 2. The AARP also urged the Commission to hold public hearings to allow customers, especially those who do not expect to receive notices of the Company's proposal in their bills until June 25, an adequate opportunity to participate in this proceeding before the Commission reaches a final decision. *Id.*

E. Intermountain Reply Comments

On June 24, 2002, Intermountain Gas filed Reply Comments with the Commission. Even though futures market prices currently indicate natural gas prices will increase, it remained Intermountain's collective opinion that it should not currently lock-in natural gas prices simply for the sake of energy price stability because futures prices are "poised for further softening." Reply Comments at 1. However, the Company noted that market liquidity "is sustained by contrary opinions and prices could indeed escalate to the levels predicted by the collective market." *Id.*

The Company stated that it is a viable option for the Commission to secure customer price stability for a longer period by granting a large price reduction now while simultaneously allowing a credit balance to accrue with interest. *Id.* at 2. According to Intermountain, this credit balance will help offset the impact next year of expiring temporary credits and escalating natural gas prices predicted by the futures market. *Id.* As an alternative to Staff's proposal to further reduce the WACOG, the Company committed to further lowering prices before the

winter heating season if market prices decline to a level that facilitates price stability. *Id.* While noting “what is in the best interests of the customer over the intermediate future is obviously a judgment call,” the Company believes that it is appropriate to wait until later this year before the winter heating season to consider the merits of a further incremental adjustment. *Id.*

DISCUSSION AND FINDINGS

A. Procedural Matters

We have reviewed the record, including the Application and comments filed by interested parties, and are confident that we have adequate information upon which to base our findings. Although holding the public hearings requested by the AARP would certainly add to our present record, we do not wish to delay implementation of this significant rate decrease to do so. We also believe that the comments received by the Commission thus far adequately represent the public sentiment on the issues presented by Intermountain’s Application.

On June 25, 2002, the Northwest Industrial Gas Users petitioned to intervene in this proceeding. Because this Application is being processed under Modified Procedure, an interested party does not need to intervene in order to file comments. IDAPA 31.01.01.201-204. However, the Commission cannot issue an Order on the Northwest Industrial Gas Users’ petition to intervene until seven (7) days after the petition’s filing have passed as required by Procedural Rule 75. IDAPA 31.01.01.075. In the event that further proceedings on this Application are required, the Commission will timely issue an Order on this petition.

B. Adjustments, Surcharges & Credits

Intermountain’s Application proposes the inclusion of permanent adjustments as well as temporary surcharges and credits for deferred gas costs in customer rates. The temporary surcharges and credits include amounts resulting from the settlement of disputed Northwest Pipeline Corporation² pipeline transportation purchased in the 1990s. Staff, Intermountain and the Northwest Industrial Gas Users agreed that these amounts are correct and recommend their approval. Consequently, the Commission finds the permanent adjustments and temporary surcharges and credits for deferred gas costs to be reasonable and directs Intermountain to implement them during the 2002-2003 PGA period.

² Northwest Pipeline Corporation is also known as Williams Gas Pipeline-West.

C. The WACOG

After reviewing the utility's Application to decrease rates, the Commission is required to establish "just and reasonable" rates. *Idaho Code* § 61-502. Wholesale natural gas prices have fluctuated dramatically over the past few years, resulting in higher natural gas costs for gas utilities nationally and in Idaho. As a result of the increased commodity prices that Intermountain Gas paid its suppliers in 2000 and 2001, the Commission approved several substantial rate increases. We are now in a position to ensure that Intermountain Gas customers experience significant rate relief. The primary issue raised by the Company's Application is not whether rates should be decreased, but by how much.

Given the expiration of temporary credits next year and high futures market commodity prices, the Commission shares the Company's concern that customer rates may increase next year. The Company's Application should put customers on notice that a rate increase next year is possible, and perhaps likely.

The PGA mechanism is designed to pass through commodity costs in a timely fashion. By passing through more than the Company's documented commodity costs now as Intermountain requests, the PGA would not operate as intended. Many Intermountain customers are also customers of Idaho Power Company. Both Companies have trackers built into their rates that have passed through increased commodity costs as they occurred during the last two years. Consistent with the approved PGA methodology, it is appropriate that Intermountain's PGA also pass through the full benefit of decreased commodity costs as they occur. Passing through the full rate reduction to customers now will also avoid any mismatch between customers who would overpay this year and customers who would underpay next year.

Moreover, the Commission assured customers in past public hearings that this parallel treatment would occur equally not only as rates increased, but also as they decreased. Although the Company's proposal to over-collect \$8.2 million to offset a likely rate increase next year is well-intended, the Commission will not breach the commitment it made to ratepayers to pass through the full rate decrease.

For the foregoing reasons, we find it reasonable to reduce the WACOG from \$0.35295 to \$0.3200 per therm. When combined with the adjustments, surcharges and credits agreed upon by Staff, Northwest Industrial Gas Users and the Company, rates per therm will

decrease on average by 28.7%. The following table indicates the annualized change in rates per customer class:

| Customer Class | Revenue | Average Decrease \$/Therm | Average Decrease % Change | Average Price \$/Therm |
|----------------------|----------------|------------------------------|------------------------------|---------------------------|
| RS-1 Residential | (\$8,588,094) | (\$0.24113) | (25.3%) | \$0.71249 |
| RS-2 Residential | (\$29,373,608) | (\$0.23819) | (28.1%) | \$0.61035 |
| GS-1 General Service | (\$21,940,635) | (\$0.23714) | (29.7%) | \$0.56214 |
| LV-1 Large Volume * | (\$734,510) | (\$0.23498) | (36.5%) | \$0.40918 |

* T-1 tariff price plus the Weighted Average Cost of Gas (WACOG) \$0.3200
WACOG = total commodity cost of gas ÷ total purchase therms

| Transportation | Revenue | Average Decrease \$/Therm | Average Decrease %Change | Average Price \$/Therm |
|--------------------|-------------|---------------------------------|--------------------------------|---------------------------|
| T-1 Transportation | (\$221,884) | (\$0.00600) | (5.7%) | \$0.09975 |
| T-2 Transportation | (\$49,044) | (\$0.07038) | (9.2%) | \$0.69596 |

As a result of this decrease, residential (RS-1) customers using an average of 49 therms of natural gas per month for space heating only will experience a monthly decrease of \$12.37 (-25.3%). Residential (RS-2) customers using an average of 65 therms per month for natural gas space and water heating will experience a monthly decrease of \$18.17 (-28.1%). Commercial customers using an average of 259 therms per month will experience a monthly decrease of \$76.78 (-29.7 %).

The rate decrease approved in this Order shall become effective on July 1, 2002. The Commission orders Intermountain Gas to adjust its billing and file new tariffs to implement the new rates. *Idaho Code* § 61-618.

D. Recovery of \$3.5 Million in Spot Market Purchases

This rate decrease includes collection of the \$3,505,756.35 deferred from last year's PGA case. In its comments submitted then in Case No. INT-G-01-03, Staff indicated that it was unable to verify the prudence of certain spot market transactions IGI Resources made on behalf of Intermountain Gas due to changes in IGI Resources' billing practices. To allow Staff the opportunity to confirm that the price paid by Intermountain Gas was reasonable, the Commission found it necessary to defer consideration of \$3,505,756.35 in spot market purchases until the next PGA period. Order No. 28783 at 10.

Staff later indicated that while it was not possible to determine the exact cost to Resources of gas it resold to Intermountain, the purchase prices paid by the Company were in a reasonable range. Staff Comments at 3. Thus, Staff recommended that the Company be allowed to recover the amount deferred from last year with interest calculated at the Company's short-term investment rate authorized by the Commission. Given the results of Staff's investigation, the Commission finds it appropriate to allow recovery of \$3,505,756.35 in spot market purchases deferred from Case No. INT-G-01-03 with interest at the current authorized rates and methodology.

E. Documentation

We appreciate the diligence of Intermountain and IGI Resources to provide the necessary documentation to detail the decision-making process followed when securing the short-term spot market purchases and conducting other financial transactions. To facilitate continued review of the Company's actions by the Commission and Staff, the Commission directs Intermountain to continue to record and retain copies of information used to make important decisions regarding the purchase of gas and financial transactions. To assist the Commission in monitoring the potential effect of market fluctuations on future customer rates, the Company shall continue to file updated WACOG projections monthly through September 2002 and quarterly thereafter. Intermountain shall also continue to file monthly summaries of its purchased gas transactions and related deferred balances. Although commodity rates have declined, the Commission finds it reasonable for the Company to maintain its education efforts and continue providing customers with conservation information in an ongoing effort to help customers reduce their energy needs. Finally, we direct Intermountain to provide its final plan for adjusting level pay amounts for customers who participate in the level pay program to the Commission for review prior to its implementation.

ORDER

IT IS HEREBY ORDERED that Intermountain Gas's Application is partially granted. The Company shall file tariffs in conformance with a WACOG of \$0.3200 per therm to be effective July 1, 2002. For meters read after the effective date of this Order, usage will be prorated back to July 1, 2002.

IT IS FURTHER ORDERED that Intermountain pass through its proposed permanent adjustments and temporary surcharges and credits to customers as filed.

IT IS FURTHER ORDERED that the \$3,505,756.35 in spot market purchases deferred from Case No. INT-G-01-3 be recovered with interest at the current authorized rates and methodology.

IT IS FURTHER ORDERED that Intermountain Gas continue to record and retain copies of information used to make important decisions regarding the purchase of gas and financial transactions.

IT IS FURTHER ORDERED that Intermountain Gas continue to file updated WACOG projections monthly through September 2002 and quarterly thereafter.

IT IS FURTHER ORDERED that Intermountain Gas continue to file monthly summaries of its purchased gas transactions and related deferred balances.

IT IS FURTHER ORDERED that Intermountain Gas maintain its education efforts and continue providing customers with conservation information in an ongoing effort to help customers reduce their energy needs.

IT IS FURTHER ORDERED that Intermountain Gas provide its final plan for adjusting level pay amounts for customers who participate in the level pay program to the Commission for review prior to its implementation.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. INT-G-02-03 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this order or in interlocutory Orders previously issued in this Case No. INT-G-02-03. For purposes of filing a petition for reconsideration, this order shall become effective as of the service date. *Idaho Code* § 61-626. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

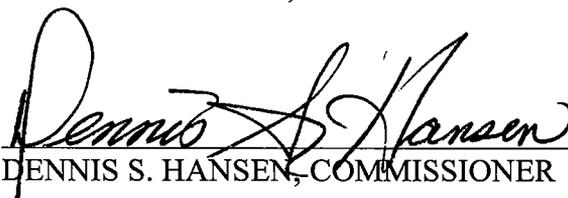
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this / 5th
day of July 2002.



PAUL KJELLANDER, PRESIDENT

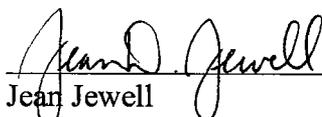


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean Jewell
Commission Secretary

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