

EXECUTIVE OFFICES

**INTERMOUNTAIN GAS COMPANY**

555 SOUTH COLE ROAD • P.O. BOX 7608 • BOISE, IDAHO 83707 • (208) 377-6000 • FAX 377-6097

RECEIVED

FILED



2003 JAN 15 PM 4: 23

IDAHO PUBLIC UTILITIES COMMISSION

January 15, 2003

Ms. Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington St.  
P.O. Box 83720  
Boise, Idaho 83720-0074

Re: COMMENTS OF THE COMMISSION STAFF  
IPUC Case No. INT-G-02-4

Dear Ms. Jewell:

Intermountain Gas Company respectfully submits the following remarks in response to the Comments of the Commission Staff filed as part of the above referenced Case.

The purpose of the Company's Application submitted to the Commission as part of the above referenced Case was to update the depreciation parameters and rates established in Case No. INT-G-99-2. The depreciation rates proposed by the Company are those appropriate to be applied to the Company's plant in service to enable recovery of its investment, adjusted for net salvage, over the plants useful life.

While the Company believes that its proposed depreciation parameters are supported by the study filed as part of the above referenced Case, the Company also acknowledges the concerns raised by the Staff in their Comments. Pursuant to Commission Order No. 28311, Intermountain Gas Company files an updated depreciation study with this Commission on a three (3) year cycle. Intermountain believes the next filed study will not only shore up many of the parameters filed with this Case, but will also provide the Staff with an added measure of confidence in the Company's recommendations. Therefore, Intermountain respectfully suggests that the Commission adopt the changes as proposed by the Staff.

Intermountain Gas Company appreciates the opportunity to respond to the Comments of the Commission Staff and requests that the Commission considers the Company's remarks when making their final decision in this Case. We would like to thank the Commission Staff for their insightful dialog with the Company in dealing with such a technically challenging aspect of our business.

Sincerely,

Michael P. McGrath  
Director  
Market Services & Regulatory Affairs