

EXECUTIVE OFFICES

**INTERMOUNTAIN GAS COMPANY**

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IDAHO PUBLIC  
UTILITIES COMMISSION

February 10, 2003

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

RE: Case No. INT-G-02-4  
Order No. 29187

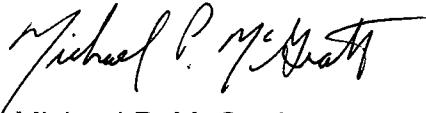
Dear Jean:

Pursuant to Idaho Public Utilities Commission Order No. 29187, attached is an original and seven (7) copies of Intermountain Gas Company's new Summary of Depreciation Accrual Parameters and Expenses.

Please acknowledge receipt of this filing by returning a stamped copy of this letter to our Company files. Also, please provide an acknowledgement by the Commission Staff that the attached rates are to be applied on an account by account basis. — Randy will respond.

If you have any questions regarding the attached, please contact me at 377-6168. JJ

Very truly yours,



Michael P. McGrath  
Director, Market Services &  
Regulatory Affairs

MPM/slk

cc: Michael Huntington

Intermountain Gas Company  
 Summary of Present and Proposed  
 Depreciation Accrual Parameters and Expenses  
 Study Date September 30, 2001

Depreciation Parameters

**Net Change in Annual Accruals**  
 (Vintage Life Group Procedures)

Line Number	Account Number	Study Category	Account Name	9/30/2001	9/30/2001	9/30/2001	Present		IPUC Order No. 29187		Net Change (k)-(j)-(h)
				Investment Balance	Reserved Investment Balance	Percent Reserved (e)/(d)	Annual Accrual Rate (g)	Annual Accruals (h)(d)*(g)	Annual Accrual Rate (i)	Annual Accruals (j)*(i)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	363.00	LNG	LNG Plant	7,664,624	7,778,807	101.5%	1.10%	84,311	1.29%	98,874	14,563
2			Subtotal Storage Plant	7,664,624	7,778,807	101.5%	1.10%	84,311	1.29%	98,874	14,563
3	365.00	ROW	Right of Way	600,059	130,946	21.8%	3.67%	22,022	3.00%	18,002	(4,020)
4	367.00	TMN	Transmission Mains	30,310,725	21,430,466	70.7%	3.57%	1,082,093	2.96%	897,197	(184,896)
5	368.00	TCS	Compressor Equipment	1,965,570	913,413	46.5%	3.63%	71,350	3.67%	72,136	786
6	370.00	TCE	Communication Equipment	714,440	715,542	100.2%	0.89%	6,359	0.84%	6,001	(358)
7			Subtotal Transmission Plant	33,590,794	23,190,367	69.0%	3.52%	1,181,824	2.96%	993,336	(188,488)
8	374.00	LRT	Land Rights	278,845	169,003	60.6%	2.12%	5,912	2.05%	5,716	(196)
9	375.00	STR	Structures and Improvements	18,864	17,766	94.2%	1.95%	368	1.04%	196	(172)
10	376.00	MNS	Mains	102,444,877	51,037,284	49.8%	3.60%	3,688,016	4.02%	4,118,284	430,268
11	378.00	MARG	Regulator Station Equipment	3,199,286	1,570,916	49.1%	3.44%	110,055	3.35%	107,176	(2,879)
12	380.00	SVC	Services	86,451,686	41,025,143	47.5%	4.64%	4,011,358	4.54%	3,924,907	(86,451)
13	381.10	MTR	Meters	13,497,207	5,384,906	39.9%	3.29%	444,058	2.81%	379,272	(64,786)
14	381.20	ERT	Electronic Meter Reading (ER)	292,324	54,197	18.5%	3.29%	9,617	6.63%	19,381	9,764
15	382.10	MTI	Meter Installations	6,568,374	2,228,376	33.9%	3.21%	210,845	2.80%	183,914	(26,931)
16	382.20	ERI	ERT Installations	54,519	10,108	18.5%	3.21%	1,750	6.63%	3,615	1,865
17	383.00	HRG	House Regulators	3,407,119	1,421,175	41.7%	3.03%	103,236	2.67%	90,970	(12,266)
18	384.00	HRI	House Regulators - Installatio	2,235,190	589,466	26.4%	3.18%	71,079	2.85%	63,703	(7,376)
19	385.00	IMR	Regulator Station - Industrial	7,023,231	3,044,266	43.3%	4.15%	291,464	4.01%	281,632	(9,832)
20			Subtotal Distribution Plant	225,471,522	106,552,606	47.3%	3.97%	8,947,758	4.07%	9,178,766	231,008
21	390.00	GSI	Structures and Improvements	7,764,358	3,662,084	47.2%	2.80%	217,402	2.83%	219,731	2,329
22	392.00	GTR	Transportation Equipment	5,650,389	2,330,949	41.3%	10.08%	569,559	9.10%	514,185	(55,374)
23	396.00	GPE	Power Operated Equipment	848,395	477,369	56.3%	3.96%	33,596	3.93%	33,342	(254)
24			Subtotal General Plant	14,263,142	6,470,402	45.4%	5.75%	820,557	5.38%	767,258	(53,299)
25			Total Depreciable Plant	280,990,082	143,992,182	51.2%	3.93%	11,034,450	3.93%	11,038,234	3,784

Intermountain Gas Company  
 Summary of Present and Proposed  
 Depreciation Accrual Parameters and Expenses  
 Study Date September 30, 2001

Depreciation Parameters **Present Depreciation Parameters (Vintage Life Group Procedures)**

Line Number	Account Number	Study Category	Account Name	9/30/2001 Investment Balance	9/30/2001 Reserved Investment Balance	9/30/2001 Percent Reserved	Retirement Dispersion	Average Service Life	Average Age	Average Remaining Life	Net Salvage	Annual Accrual Rate	Annual Accruals
(a)	(b)	(c)	(d)	(e)	(f)	(e)/(d)	(g)	(h)	(i)	(j)	(k)	(l)	(m) (l)*(d)
1	363.00	LNG	LNG Plant	7,664,624	7,778,807	101.5%	R5.0	30.1	20.5	9.8	-15.00%	1.10%	84,311
2			Subtotal Storage Plant	7,664,624	7,778,807	101.5%		30.1	20.5	9.8	-15.00%	1.10%	84,311
3	365.00	ROW	Right of Way	600,059	130,946	21.8%	R5.0	23.3	4.7	18.8	0.00%	3.67%	22,022
4	367.00	TMN	Transmission Mains	30,310,725	21,430,466	70.7%	R4.0	44.4	26.4	19.3	-32.00%	3.57%	1,082,093
5	368.00	TCS	Compressor Equipment	1,965,570	913,413	46.5%	R3.0	28.3	11.0	18.3	-10.00%	3.63%	71,350
6	370.00	TCE	Communication Equipment	714,440	715,542	100.2%	R3.0	22.5	15.5	8.0	-5.00%	0.89%	6,359
7			Subtotal Transmission Plant	33,590,794	23,190,367	69.0%		41.5	24.9	18.8	-28.04%	3.52%	1,181,824
8	374.00	LRT	Land Rights	278,845	169,003	60.6%	R5.0	48.0	27.9	20.7	0.00%	2.12%	5,912
9	375.00	STR	Structures and Improvements	18,864	17,766	94.2%	R5.0	40.7	29.7	11.0	-5.00%	1.95%	368
10	376.00	MNS	Mains	102,444,877	51,037,284	49.8%	R4.0	42.5	17.5	25.7	-37.00%	3.60%	3,688,016
11	378.00	MRG	Regulator Station Equipment	3,199,286	1,570,916	49.1%	R3.0	32.0	18.2	16.3	-10.00%	3.44%	110,055
12	380.00	SVC	Services	86,451,686	41,025,143	47.5%	R2.0	36.9	12.8	26.1	-60.00%	4.64%	4,011,358
13	381.10	MTR	Meters	13,497,207	5,384,906	39.9%	R3.0	31.4	14.6	18.4	3.00%	3.29%	444,058
14	381.20	ERT	Electronic Meter Reading (ER)	292,324	54,197	18.5%	R3.0	31.4	14.6	18.4	3.00%	3.29%	9,617
15	382.10	MTI	Meter Installations	6,568,374	2,228,376	33.9%	R3.0	31.2	11.1	21.3	0.00%	3.21%	210,845
16	382.20	ERI	ERT Installations	54,519	10,108	18.5%	R3.0	31.2	11.1	21.3	0.00%	3.21%	1,750
17	383.00	HRG	House Regulators	3,407,119	1,421,175	41.7%	R3.0	31.4	14.1	18.8	0.00%	3.03%	103,236
18	384.00	HRI	House Regulators - Installatio	2,235,190	589,466	26.4%	R3.0	30.8	10.3	21.5	0.00%	3.18%	71,079
19	385.00	IMR	Regulator Station - Industrial	7,023,231	3,044,266	43.3%	R2.0	25.6	13.0	15.4	-5.00%	4.15%	291,464
20			Subtotal Distribution Plant	225,471,522	106,552,606	47.3%		37.8	15.1	24.3	-38.69%	3.97%	8,947,758
21	390.00	GSI	Structures and Improvements	7,764,358	3,662,084	47.2%	R2.0	30.9	18.8	15.4	5.00%	2.80%	217,402
22	392.00	GTR	Transportation Equipment	5,650,389	2,330,949	41.3%	L4.0	8.6	4.2	4.8	20.00%	10.08%	569,559
23	396.00	GPE	Power Operated Equipment	848,395	477,369	56.3%	R4.0	14.9	6.0	9.3	10.00%	3.96%	33,596
24			Subtotal General Plant	14,263,142	6,470,402	45.4%		14.8	12.3	7.8	15.51%	5.75%	820,557
25			Total Depreciable Plant	280,990,082	143,992,182	51.2%		35.1	16.3	21.3	-30.31%	3.93%	11,034,450

Intermountain Gas Company  
 Summary of Present and Proposed  
 Depreciation Accrual Parameters and Expenses  
 Study Date September 30, 2001

Depreciation Parameters

**Depreciation Rate Parameters (Depreciation Life & Rate Procedures) per Commission Order No. 29187**

Line Number	Account Number	Study Category	Account Name	9/30/2001 Investment Balance (d)	9/30/2001 Reserved Investment Balance (e)	9/30/2001 Percent Reserved (e)/(d) (f)	Retirement Dispersion (g)	Projection Life (h)	Average Service Life (i)	Average Age (j)	Average Remaining Life (k)	Net Salvage (l)	Annual Accrual Rate (1-(f)-(l))/(k) (m)	Annual Accruals (n) (m)*(d)
1	363.00	LNG	LNG Plant	7,664,624	7,778,807	101.5%	R5.0	37	37.1	24.9	15.0	-20.80%	1.29%	98,874
2			Subtotal Storage Plant	7,664,624	7,778,807	101.5%			37.1	24.9	15.0	-20.80%	1.29%	98,874
3	365.00	ROW	Right of Way	600,059	130,946	21.8%	R5.0	32	32.1	6.1	26.1	0.00%	3.00%	18,002
4	367.00	TMN	Transmission Mains	30,310,725	21,430,466	70.7%	R4.0	43	44.2	25.0	20.7	-32.00%	2.96%	897,197
5	368.00	TCS	Compressor Equipment	1,965,570	913,413	46.5%	R3.0	27	28.7	12.5	17.3	-10.00%	3.67%	72,136
6	370.00	TCE	Communication Equipment	714,440	715,542	100.2%	R3.0	20	24.5	20.4	5.7	-5.00%	0.84%	6,001
7			Subtotal Transmission Plant	33,590,794	23,190,367	69.0%			41.9	23.8	20.0	-28.39%	2.96%	993,336
8	374.00	LRT	Land Rights	278,845	169,003	60.6%	R5.0	48	48.8	30.2	19.2	0.00%	2.05%	5,716
9	375.00	STR	Structures and Improvements	18,864	17,766	94.2%	R5.0	45	46.2	35.8	10.4	-5.00%	1.04%	196
10	376.00	MNS	Mains	102,444,877	51,037,284	49.8%	R4.5	44	44.5	17.8	27.4	-60.00%	4.02%	4,118,284
11	378.00	MRG	Regulator Station Equipment	3,199,286	1,570,916	49.1%	R3.0	32	32.6	17.0	18.2	-10.00%	3.35%	107,176
12	380.00	SVC	Services	86,451,686	41,025,143	47.5%	R3.0	36	36.3	13.1	24.8	-60.00%	4.54%	3,924,907
13	381.10	MTR	Meters	13,497,207	5,384,906	39.9%	R3.0	33	34.4	14.5	21.4	0.00%	2.81%	379,272
14	381.20	ERT	Electronic Meter Reading (ER)	292,324	54,197	18.5%	R3.0	15	15.1	2.8	12.3	0.00%	6.63%	19,381
15	382.10	MTI	Meter Installations	6,568,374	2,228,376	33.9%	R3.0	33	34.1	11.5	23.6	0.00%	2.80%	183,914
16	382.20	ERI	ERT Installations	54,519	10,108	18.5%	R3.0	15	15.1	2.8	12.3	0.00%	6.63%	3,615
17	383.00	HRG	House Regulators	3,407,119	1,421,175	41.7%	R3.0	33	34.4	14.1	21.8	0.00%	2.67%	90,970
18	384.00	HRI	House Regulators - Installatio	2,235,190	589,466	26.4%	R3.0	33	33.6	8.5	25.8	0.00%	2.85%	63,703
19	385.00	IMR	Regulator Station - Industrial	7,023,231	3,044,266	43.3%	R2.0	25	26.0	13.3	15.4	-5.00%	4.01%	281,632
20			Subtotal Distribution Plant	225,471,522	106,552,606	47.3%			38.7	15.3	24.9	-48.59%	4.07%	9,178,766
21	390.00	GSI	Structures and Improvements	7,764,358	3,662,084	47.2%	R2.0	30	31.8	18.0	16.9	5.00%	2.83%	219,731
22	392.00	GTR	Transportation Equipment	5,650,389	2,330,949	41.3%	L4.0	9	9.2	5.3	4.8	15.00%	9.10%	514,185
23	396.00	GPE	Power Operated Equipment	848,395	477,369	56.3%	R4.0	15	15.2	9.2	7.3	15.00%	3.93%	33,342
24			Subtotal General Plant	14,263,142	6,470,402	45.4%							5.38%	767,258
25			Total Depreciable Plant	280,990,082	143,992,182	51.2%							3.93%	11,038,234