EXECUTIVE OFFICES

INTERMOUNTAIN GAS COMPANY

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UTILITIES COMMISSION

August 4, 2003

Randy Lobb
Director – Utilities
Idaho Public Utilities Commission
472 W. Washington St.
P. O. Box 83720
Boise, ID 83720-0074

Dear Randy:

As has been our practice in prior PGA filings, please ask your Staff to review and approve by letter the updated fixed cost collection rates, pursuant to Case No. INT-G-03-1. More specifically, the rates shown on Attachment 1, Line 3, Columns a-e.

The updated fixed cost collection rates represent those amounts now embedded within the Company's prices for fixed cost collection.

If you have any questions, please call me at 377-6168.

Sincerely,

Michael P. McGrath
Director
Market Services & Regulatory Affairs

MPM/slk

Attachments

INTERMOUNTAIN GAS COMPANY
Fixed Cost Workpaper

			RS-1	RS-2	GS-1	T-1	T-2
			(a)	(b)	(c)	(d)	(e)
1	Adjusted Fixed Cost Collection Rate Per INT-G-03-1 (Attachment 2)	(1)	$ 0.10938	$ 0.09539	$ 0.10047	$ 0.04669	$ 0.76688
2	Incremental Fixed Cost Collection Per INT-G-03-1 (Attachment 3)	(2)	0.00177	0.00166	0.00166	0.00075	0.01194
3	Updated Fixed Costs Collected		$ 0.11115	$ 0.09705	$ 0.10213	$ 0.04744	$ 0.77882

(1) INT-G-03-1 Exhibit No. 6 Line 22

(2) INT-G-03-1 Exhibit No. 4 Line 31 (excludes WACOG change)

Attachment 1

INTERMOUNTAIN GAS COMPANY
Summary of Fixed Gas Cost Charges

Line No.	Description	Annual Therms/ Billing Determinants INT-G-02-3	7/1/2002 Prices INT-G-02-3	Annual Cost INT-G-02-3	Cost of Service Allocation of Gas Cost Adjustment (1) RS-1	RS-2	GS-1	T-1	T-2
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	**DEMAND CHARGES:**								
2	**Transportation:**								
3	NWP TF-1 Demand 1 (Full Rate)	534,630,100	$ 0.02862	$ 15,301,113	$ 2,038,570	$ 7,051,765	$ 5,015,827	$ 936,570	$ 258,381
4	NWP TF-1 Demand 1 (Discounted)	145,624,400	0.01699	2,473,873	329,595	1,140,124	810,955	151,424	41,775
5	Upstream Capacity	475,103,661	0.01079	5,127,338	683,116	2,363,017	1,680,782	313,841	86,582
6	**Storage:**								
7	SGS-1								
8	Demand	303,370	0.00169	187,023 (2)	24,917	86,192	61,308	11,448	3,158
9	Capacity Demand	10,920,990	0.00006	247,142 (2)	32,927	113,900	81,015	15,127	4,173
10	TF-2 Reservation	10,920,990	0.02776	303,167	40,391	139,719	99,381	18,557	5,119
11	TF-2 Redelivery Charge	10,920,990	0.00300	32,763	4,476	16,507	11,780	-	-
12	LS-1								
13	Demand	720,000	0.00260	683,280 (2)	91,034	314,900	223,985	41,823	11,538
14	Capacity	7,705,200	0.00033	928,091 (2)	123,650	427,725	304,236	56,808	15,672
15	Liquefaction	7,705,200	0.05569	429,103	57,169	197,760	140,663	26,265	7,246
16	Vaporization	7,705,200	0.00303	23,347	3,111	10,760	7,653	1,429	394
17	TF-2 Reservation	7,705,150	0.02776	213,895	28,497	98,578	70,116	13,092	3,612
18	TF-2 Redelivery Charge	7,705,200	0.00300	23,116	3,158	11,647	8,311	-	-
19	Other Storage Facilities			4,094,031	545,449	1,886,800	1,342,056	250,593	69,133
20	Total Fixed Gas Cost Charges			$ 30,067,282	$ 4,006,060	$ 13,859,394	$ 9,858,068	$ 1,836,977	$ 506,783
21	Normalized Sales/CD Vols. (INT-G-03- Estimated Volumes)				36,625,862	145,287,154	98,122,337	39,347,069	660,840
22	Fixed Cost Collection per Therm (Row 20/ Row 21)				$ 0.10938	$ 0.09539	$ 0.10047	$ 0.04669	$ 0.76688
23	Current Fixed Cost Collection per Therm				$ 0.11099	$ 0.09937	$ 0.10209	$ 0.05399	$ 0.79223
24	Difference (Row 22 - Row 23)				$ (0.00161)	$ (0.00398)	$ (0.00162)	$ (0.00730)	$ (0.02535)

(1) See Workpaper No. 5, Line 10

(2) Price Reflects Daily Charge; Price (Col c) times Annual Therms (Col b) times 365 equals annual charge (Col d)

Attachment 2

INTERMOUNTAIN GAS COMPANY
Summary of Gas Cost Changes

Line No.	Description	Annual Therms/ Billing Determinants INT-G-02-3	7/1/2002 Prices INT-G-02-3	Total Annual Cost INT-G-02-3	Annual Therms/ Billing Determinants INT-G-03-	7/1/2003 Prices INT-G-03-	Total Annual Cost INT-G-03-	Annual Difference	Cost of Service Allocation of Gas Cost Adjustment [1] RS-1	RS-2	GS-1	T-1	T-2 Demand	T-2 Commodity
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
1	**DEMAND CHARGES:**													
2	**Transportation:**													
3	NWP TF-1 Demand 1 (Full Rate) [2]	534,630,100	$ 0.02862	$ 15,301,113	546,730,100	$ 0.02862	$ 15,647,415	$ 346,302	$ 46,138	$ 159,598	$ 113,521	$ 21,197	$ 5,848	$ -
4	NWP TF-1 Demand 1 (Discounted) [2]	145,624,400	0.01699	2,473,873	148,404,400	0.01883	2,795,152	321,279	42,804	148,067	105,318	19,665	5,425	-
5	Upstream Capacity [4]	475,103,661	0.01079	5,127,338	511,363,090	0.00970	4,961,181	(166,157)	(22,137)	(76,576)	(54,468)	(10,170)	(2,806)	-
6	**Storage:**													
7	SGS-1													
8	Demand	303,370 (5)	0.00169	187,023 (6)	303,370 (5)	0.00169	187,023 (6)	-	-	-	-	-	-	-
9	Capacity Demand	10,920,990 (5)	0.00006	247,142 (6)	10,920,990 (5)	0.00006	247,142 (6)	-	-	-	-	-	-	-
10	TF-2 Reservation	10,920,990 (5)	0.02776	303,167	10,920,990 (5)	0.02776	303,167	-	-	-	-	-	-	-
11	TF-2 Redelivery Charge	10,920,990 (5)	0.00300	32,763	10,920,990 (5)	0.00300	32,763	-	-	-	-	-	-	-
12	LS-1													
13	Demand	720,000 (5)	0.00260	683,280 (6)	720,000 (5)	0.00260	683,280 (6)	-	-	-	-	-	-	-
14	Capacity	7,705,200 (5)	0.00033	928,091 (6)	7,705,200 (5)	0.00033	928,091 (6)	-	-	-	-	-	-	-
15	Liquefaction	7,705,200 (5)	0.05569	429,103	7,705,200 (5)	0.05569	429,103	-	-	-	-	-	-	-
16	Vaporization	7,705,200 (5)	0.00303	23,347	7,705,200 (5)	0.00303	23,347	-	-	-	-	-	-	-
17	TF-2 Reservation	7,705,150 (5)	0.02776	213,895	7,705,150 (5)	0.02776	213,895	-	-	-	-	-	-	-
18	TF-2 Redelivery Charge	7,705,200 (5)	0.00300	23,116	7,705,200 (5)	0.00300	23,116	-	-	-	-	-	-	-
19	Other Storage Facilities							(34,099) (7)	(4,543)	(15,715)	(11,178)	(2,087)	(576)	-
20	**COMMODITY CHARGES:**													
21	**Transportation:**													
22	T-1 Industrial Transportation													
23	T-2 Industrial Transportation													
24	**Storage:**													
25	LNG													
26	LS													
27	SGS													
28	**Producer/Supplier Purchases:**													
29	**TOTAL RS-1,RS-2, and GS-1 SALES VOLUMES**	0			0			$ 467,325	$ 62,262	$ 215,374	$ 153,193	$ 28,605	$ 7,891	$ -
30	**Normalized Sales/CD Vols. (10/1/01 - 9/30/02)**								35,113,401	129,500,594	92,416,372	38,255,671	660,840	22,540,411
31	**Average Base Rate Change**								0.00177	0.00166	0.00166	0.00075	0.01194	-

Attachment 3