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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF INTERMOUNTAIN GAS COMPANY
FOR AUTHORITY TO INCREASE ITS
RATES FOR SERVICE

CASE NO: INT-G-03-01

REBUTTAL OF INTERMOUNTAIN GAS
REPLY COMMENTS TO
JEFFREY C. BROOKS
ADVANCED ENERGY STRATEGIES, INC.

Comes now Intervenor, Advanced Energy Strategies (AES) by and through Jeffrey C. Brooks, to rebut the reply comments offered by Mr. Mike McGrath of Intermountain Gas Company.

Rebuttal

Incremental Rate Increase and Accounting

AES is gratified to hear IGC's assurances that no one has overlooked the simple matter of applying profit percentages to the cost of energy. AES trusts that Commission Staff and IGC have thoroughly reviewed WACOG computations and, rather than simply check their math, AES seeks to explore other, perhaps overlooked, areas of concern. Thus, AES believes it is valuable and worthwhile that this Commission and its Staff be made aware of those areas of accounting that may have eluded earlier scrutiny, such as the stored natural gas costs versus sales values, and allocation of incremental revenues.

Conservation

AES stands by its earlier assertion that IGC gives short shrift to the wise and efficient use of natural gas, but Mr. McGrath raises a good point. At the time IGC produced its current Integrated Resource Plan for submission to the Commission, Mr. Brooks was employed by IGC as a Marketing Representative, and thus, AES did not review or provide comment regarding IGC's IRP. However, now that Mr. Brooks is no longer constrained by employment at IGC, AES will expend additional energy reviewing future Intermountain IRP's to assist the process and provide alternative perspectives and expertise. Therefore, AES hereby requests that IGC provide future IRP copies and drafts to it by mail service, so AES may provide additional scrutiny and rigor to the IRP process.

Mr. McGrath did not respond to AES' assertion regarding the accounting treatment and implementation strategy applied to its high efficiency furnace rebate program. Thus, these issues remain as areas for additional scrutiny and consideration.

Moreover, to the degree that the comments and assertions provided by AES are unsubstantiated, AES believes that this is the purpose of the comment process. Because IGC requested modified procedure in this case, evidentiary proceedings are replaced with comments, which are not legally equivalent to testimony or evidentiary submissions. However, Mr. Brooks' comments are the direct result of his personal knowledge and twenty-plus years of experience in the energy efficiency industry, as an engineer, Energy Services Department supervisor and department director at two major electric utilities (Southern California Edison Company, and Idaho Power Company), and his observance of practices and programs at Intermountain Gas. AES regrets the hostile tone IGC brings to the comment process, and finds it inappropriate and not constructive.

Building Practices

AES welcomes IGC's challenge to document its assertion of widespread poor building practices and the complicit facilitation of same by IGC. AES believes that any investigation should be conducted by an appropriate party, and asserts that the Department of Water Resources

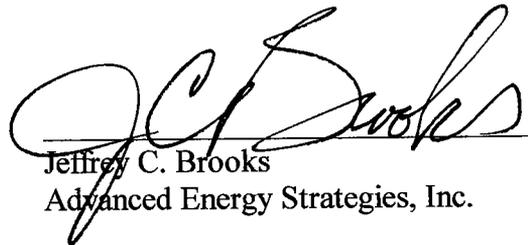
Energy Division, or Commission Staff, may be the correct group to either conduct or contract such a study. AES is willing to supply advice, assistance and guidance if so desired by the Commission. The key, of course, is knowing where to look and how to interpret the findings and AES has a great deal of experience in this area that may be useful, and stands ready to bring these issues forth for the benefit of all.

Slander

For clarity, it should be noted that slander describes the utterance of defamatory or injurious statements. When such statements are written, the appropriate term is libel. In this case, the comments provided by AES are not libelous, but AES asserts they do shed new light into the practices and the attitudes prevalent at Intermountain Gas. This process of advice and comment is part and parcel of public policy law, and AES is practicing good citizenship by its participation and efforts in the regulatory decision-making process. The tone of rancor expressed by IGC is of itself curious, and should flag additional attention. One can only wonder why IGC has initiated and introduced such inappropriate character assassination into these proceedings. If IGC desires, AES will gladly provide evidentiary testimony regarding its comments and the basis for same, however, any such proceedings will, by necessity, delay a decision by the Commission in this matter. AES trusts the ability of this Commission to observe, understand, and reach wise and appropriate consensus decisions in this matter.

Conclusion

AES has attempted to raise some of the issues that impact the cost of natural gas and practices Intermountain Gas employs that may not represent the best interests of its captive customers. AES believes that this comment, reply and rebuttal process has provided sufficient cause to warrant closer examination of certain aspects of IGC's business practices, and asserts the result of such additional scrutiny will ultimately benefit the energy consumers of Idaho. Respectfully submitted this 19th day of June 2003.



Jeffrey C. Brooks
Advanced Energy Strategies, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 19th day of June 2003, I caused to be served a true and correct copy of the forgoing by the method indicated below, and addressed to the following:

John Hammond ✓
Deputy Attorney General
Idaho Public Utilities Commission
472 W. Washington Street (83702)
P.O. Box 83720
Boise, ID 83720-0074

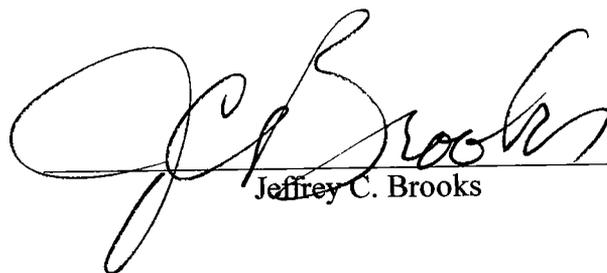
7 copies
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