



IDAHO PUBLIC UTILITIES COMMISSION

Case No. INT-G-~~02-5~~, Order No. 29242

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Workshops, hearings set in Intermountain Gas case

BOISE – Staff from the Idaho Public Utilities Commission will be conducting workshops and hearings in southern Idaho regarding Intermountain Gas' request to raise rates for its 200,000 southern Idaho customers an average of 37.7 percent. The commission has also established a written comment deadline of June 13.

Workshops and hearings will be held at the following locations. Informal workshops begin and 6 p.m., followed by the formal hearings at 7 p.m.

- **Boise.** Wednesday, May 28, at the Idaho Public Utilities Commission hearing room at 472 W. Washington St. in Boise.
- **Idaho Falls.** Wednesday, June 4, at the Idaho Falls City Council chambers at 140 Capital.
- **Twin Falls.** Thursday, June 5, at the Twin Falls City Council chambers at 305 Third Avenue East.

The purchased gas cost adjustment (PGA) comprises about half the rate paid by Intermountain Gas customers. It is adjusted upward or downward, usually on a yearly basis, depending largely on the market price of wholesale gas.

If granted, Intermountain Gas' proposed PGA would raise an additional \$61 million in revenue, all of which must go toward recovering expenses related to purchasing gas for its Idaho customers. Because all of the revenue goes toward purchased gas expenses, the company's earnings would not be enhanced as a result of the proposed increase.

Last year, Intermountain Gas customers received a 28 percent decrease, based on a weighted average cost of wholesale gas that was at about \$3.20 per million BTUs (32 cents a therm). Since then, wholesale prices have increased to at or above \$5 at the Canadian and Rocky Mountain hubs from which the company buys gas. The company projects prices will stay at or above that level through the winter heating season. Until a rate change is approved, Intermountain Gas customers continue to pay the \$3.20 per million BTUs rate.

The company has indicated that if prices do not stay at the \$5 level, it will come to the Commission for a downward adjustment before the winter heating season.

If Intermountain Gas' request is approved, the average residential bill for a customer using natural gas for heating and water heating (at about 76 therms a month) would see a monthly increase of about \$18, or 38 percent. A residential customer

using natural gas for space heating only (at about 50 therms a month) would experience an average monthly increase of \$12, or 33 percent. Commercial customers, using about 325 therms a month, would see a monthly increase of \$78, or 43 percent.

The workshops to be held before the formal hearings start will allow customers to ask questions of commission staff. The public hearing to follow will be conducted before a hearing examiner, who will take sworn testimony from anyone wishing to testify.

The commission is also accepting written comments. Comments can be sent via e-mail by accessing the commission's Website at www.puc.state.id.us and clicking on "Comments & Questions." Fill in the case number (INT-G-03-1) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762. Comments will be accepted through June 13.

A copy of the company's application is also available on the Commission Web site. Click on "File Room," and then on "Gas Cases," and scroll down to the appropriate case number.

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