

EXECUTIVE OFFICES

**INTERMOUNTAIN GAS COMPANY**

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IDAHO PUBLIC  
UTILITIES COMMISSION

July 22, 2004

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-04-2. 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 Collection Workpaper**

	RS-1 (a)	RS-2 (b)	GS-1 (c)	T-1 (d)	T-2 (e)
1 Adjusted Fixed Cost Collection Rate Per INT-G-04-2 (Attachment 2) <sup>(1)</sup>	\$ 0.10781	\$ 0.09446	\$ 0.10206	\$ 0.04942	\$ 0.75473
2 Incremental Fixed Cost Collection Per INT-G-04-2 (Attachment 3) <sup>(2)</sup>	0.02077	0.01984	0.02022	0.01093	0.14082
3 Updated Fixed Costs Collected	\$ 0.12858	\$ 0.11430	\$ 0.12228	\$ 0.06035	\$ 0.89555

<sup>(1)</sup> INT-G-04-2 Exhibit No. 6 Line 22

<sup>(2)</sup> INT-G-04-2 Exhibit No. 4 Line 31 (excludes WACOG change)

**INTERMOUNTAIN GAS COMPANY**  
**Summary of Fixed Gas Cost Charges**

Line No.	Description (a)	Annual Therms/ Billing Determinants		7/1/2003 Prices		Annual Cost		Cost of Service Allocation of Gas Cost Adjustment (1)								
		INT-G-03-1 (b)	INT-G-03-1 (b)	INT-G-03-1 (c)	INT-G-03-1 (c)	INT-G-03-1 (d)	INT-G-03-1 (d)	RS-1 (e)	RS-2 (f)	GS-1 (g)	T-1 (h)	T-2 (i)				
1	<b>DEMAND CHARGES:</b>															
2	<b>Transportation:</b>															
3	NWP TF-1 Demand 1 (Full Rate)	546,730,100		0.02862	\$	15,647,415	\$	2,046,352	\$	7,482,549	\$	5,130,966	\$	731,492	\$	256,056
4	NWP TF-1 Demand 1 (Discounted)	148,404,400		0.01883		2,795,152		365,547		1,336,634		916,562		130,669		45,740
5	Upstream Capacity	511,363,090		0.00970		4,961,181		648,818		2,372,423		1,626,828		231,927		81,185
6	<b>Storage:</b>															
7	SGS-1															
8	Demand	303,370		0.00169		187,023 (2)		24,459		89,434		61,327		8,743		3,060
9	Capacity Demand	10,920,990		0.00006		247,142 (2)		32,321		118,183		81,041		11,553		4,044
10	TF-2 Reservation	10,920,990		0.02776		303,167		39,648		144,973		99,412		14,173		4,961
11	TF-2 Redelivery Charge	10,920,990		0.00300		32,763		4,425		16,941		11,397		-		-
12	LS-1															
13	Demand	720,000		0.00260		683,280 (2)		89,359		326,743		224,055		31,942		11,181
14	Capacity	7,705,200		0.00033		928,091 (2)		121,375		443,810		304,332		43,387		15,187
15	Liquefaction	7,705,200		0.05569		429,103		56,118		205,195		140,708		20,060		7,022
16	Vaporization	7,705,200		0.00303		23,347		3,053		11,165		7,656		1,091		382
17	TF-2 Reservation	7,705,150		0.02776		213,895		27,973		102,284		70,139		9,999		3,500
18	TF-2 Redelivery Charge	7,705,200		0.00300		23,116		3,122		11,953		8,041		-		-
19	Other Storage Facilities					4,059,932		530,953		1,941,449		1,331,298		189,795		66,437
20	Total Fixed Gas Cost Charges					\$ 30,534,607		\$ 3,993,523		\$ 14,603,736		\$ 10,013,762		\$ 1,424,831		\$ 498,755
21	Normalized Sales/CD Vols. (INT-G-04- Estimated Volumes)							37,041,533		154,606,679		98,120,508		28,829,861		660,840
22	Fixed Cost Collection per Therm (Row 20/Row 21)							\$ 0.10781		\$ 0.09446		\$ 0.10206		\$ 0.04942		\$ 0.75473
23	Current Fixed Cost Collection per Therm							\$ 0.11115		\$ 0.09705		\$ 0.10213		\$ 0.04744		\$ 0.77882
24	Difference (Row 22 - Row 23)							\$ (0.00334)		\$ (0.00259)		\$ (0.00007)		\$ 0.00188		\$ (0.02409)

(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)

**INTERMOUNTAIN GAS COMPANY**  
**Summary of Gas Cost Changes**

Line No.	Description (a)	Cost of Service Allocation of Gas Cost Adjustment <sup>(1)</sup>												
		Annual Thems/ Billing Determinants INT-G-03-1 (b)	7/1/2003 Prices INT-G-03-1 (c)	Total Annual Cost INT-G-03-1 (d)	Annual Thems/ Billing Determinants INT-G-04 (e)	7/1/2004 Prices INT-G-04 (f)	Total Annual Cost INT-G-04 (g)	Annual Difference (h)	RS-1 (i)	RS-2 (j)	GS-1 (k)	T-1 (l)	T-2 Demand (m)	T-2 Commodity (n)
1	<b>DEMAND CHARGES:</b>													
2	Transportation:													
3	NWP TF-1 Demand 1 (Full Rate) <sup>(2)</sup>	546,730,100	\$ 0.02862	\$ 15,647,415	597,140,100	\$ 0.02854	\$ 17,045,364	\$ 1,397,949	182,822	\$ 668,486	\$ 458,403	\$ 65,352	\$ 22,876	\$ -
4	NWP TF-1 Demand 1 (Discounted) <sup>(3)</sup>	148,404,400	0.01883	2,795,152	197,204,400	0.02068	4,078,297	1,283,145	167,808	613,396	420,758	59,985	20,998	-
5	Upstream Capacity <sup>(4)</sup>	511,363,080	0.00970	4,951,181	904,444,200	0.00985	8,911,188	3,950,007	516,578	1,888,882	1,295,252	184,657	64,638	-
6	Storage:													
7	SGS-1													
8	Demand	303,370 <sup>(5)</sup>	0.00169	187,023 <sup>(6)</sup>	303,370 <sup>(5)</sup>	0.00169	187,023 <sup>(6)</sup>	-	-	-	-	-	-	-
9	Capacity Demand	10,920,990 <sup>(5)</sup>	0.00006	247,142 <sup>(6)</sup>	10,920,990 <sup>(5)</sup>	0.00006	247,142 <sup>(6)</sup>	-	-	-	-	-	-	-
10	TF-2 Reservation	10,920,990 <sup>(5)</sup>	0.02776	303,167	10,920,990 <sup>(5)</sup>	0.02776	303,167	-	-	-	-	-	-	-
11	TF-2 Re-delivery Charge	10,920,990 <sup>(5)</sup>	0.00300	32,763	10,920,990 <sup>(5)</sup>	0.00300	32,763	-	-	-	-	-	-	-
12	LS-1													
13	Demand	720,000 <sup>(5)</sup>	0.00260	683,280 <sup>(6)</sup>	720,000 <sup>(5)</sup>	0.00260	683,280 <sup>(6)</sup>	-	-	-	-	-	-	-
14	Capacity	7,705,200 <sup>(5)</sup>	0.00033	928,091 <sup>(6)</sup>	7,705,200 <sup>(5)</sup>	0.00033	928,091 <sup>(6)</sup>	-	-	-	-	-	-	-
15	Liquefaction	7,705,200 <sup>(5)</sup>	0.05569	429,103	7,705,200 <sup>(5)</sup>	0.05569	429,103	-	-	-	-	-	-	-
16	Vaporization	7,705,200 <sup>(5)</sup>	0.00303	23,347	7,705,200 <sup>(5)</sup>	0.00303	23,347	-	-	-	-	-	-	-
17	TF-2 Reservation	7,705,150 <sup>(5)</sup>	0.02776	213,895	7,705,150 <sup>(5)</sup>	0.02776	213,895	-	-	-	-	-	-	-
18	TF-2 Re-delivery Charge	7,705,200 <sup>(5)</sup>	0.00300	23,116	7,705,200 <sup>(5)</sup>	0.00300	23,116	-	-	-	-	-	-	-
19	Other Storage Facilities													
20	<b>COMMODITY CHARGES:</b>													
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			\$ 5,686,865	\$ 743,722	\$ 2,719,444	\$ 1,864,787	\$ 265,852	\$ 93,060	\$ -
30	Normalized Sales/CD Vols. (10/1/03 - 9/30/03)							35,805,924	137,078,454	92,222,466	24,312,160	660,840	21,041,725	-
31	Average Base Rate Change							0.02077	0.01984	0.02022	0.01093	0.14082	-	-

<sup>(1)</sup> See Workpaper No. 5, Line 10

<sup>(2)</sup> See Workpaper No. 1

<sup>(3)</sup> See Workpaper No. 2

<sup>(4)</sup> See Workpaper No. 3

<sup>(5)</sup> Represents Non-Additive Demand Charge Determinants

<sup>(6)</sup> Price Reflects Daily Charge, Price (Col cdf) times Annual Thems/Billing Determinants (Col b&e) times 365 equals annual charge

<sup>(7)</sup> See Workpaper No. 4, Line 29, Column (d)