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INTERMOUNTAIN GAS COMPANY

IDAHO PUBLIC
UTILITIES COMMISSION

CASE NO. INT-G-05-2

**APPLICATION,
EXHIBITS,
AND
WORKPAPERS**

**In the Matter of the Application of INTERMOUNTAIN GAS COMPANY
for Authority to Change Its Prices on October 1, 2005**

(October 1, 2005 Purchased Gas Cost Adjustment Filing)

Morgan W. Richards, Jr.
ISB # 1913
804 East Pennsylvania Lane
Boise, Idaho 83706
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Attorney for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of
INTERMOUNTAIN GAS COMPANY
for Authority to Change Its Prices

Case No. INT-G-05-2
APPLICATION

Intermountain Gas Company ("Intermountain"), an Idaho corporation with general offices located at 555 South Cole Road, Boise, Idaho, hereby requests authority, pursuant to Idaho Code Sections 61-307 and 61-622, to place in effect October 1, 2005 new rate schedules which will increase its annualized revenues by \$67.6 million, pursuant to the Rules of Procedure of the Idaho Public Utilities Commission ("Commission"). Because of changes in Intermountain's gas related costs, as described more fully in this Application, Intermountain's earnings will not be increased as a result of the proposed changes in prices and revenues. Intermountain's current rate schedules showing proposed changes are attached hereto as Exhibit No. 1 and are incorporated herein by reference. Intermountain's proposed rate schedules are attached hereto as Exhibit No. 2 and are incorporated herein by reference.

Communications in reference to this Application should be addressed to:

Paul R. Powell
Executive Vice President & Chief Financial Officer
Intermountain Gas Company
Post Office Box 7608, Boise, ID 83707
and
Morgan W. Richards, Jr.
Attorney
804 East Pennsylvania Lane, Boise, ID 83706

In support of this Application, Intermountain does allege and state as follows:

I.

Intermountain is a gas utility, subject to the jurisdiction of the Idaho Public Utilities Commission, engaged in the sale of and distribution of natural gas within the State of Idaho under authority of Commission Certificate No. 219 issued December 2, 1955, as amended and supplemented by Order No. 6564, dated October 3, 1962.

Intermountain provides natural gas service to the following Idaho communities and counties and adjoining areas:

Ada County - Boise, Eagle, Garden City, Kuna, Meridian, and Star;
Bannock County - Chubbuck, Inkom, Lava Hot Springs, McCammon, and Pocatello;
Bear Lake County - Georgetown, and Montpelier;
Bingham County - Aberdeen, Basalt, Blackfoot, Firth, Fort Hall, Moreland/Riverside, and Shelly;
Blaine County - Bellevue, Hailey, Ketchum, and Sun Valley;
Bonneville County - Ammon, Idaho Falls, Iona, and Ucon;
Canyon County - Caldwell, Greenleaf, Middleton, Nampa, Parma, and Wilder;
Caribou County - Bancroft, Conda, Grace, and Soda Springs;
Cassia County - Burley, Declo, Malta, and Raft River;
Elmore County - Glens Ferry, Hammett, and Mountain Home;
Fremont County - Parker, and St. Anthony;
Gem County - Emmett;
Gooding County - Gooding, and Wendell;
Jefferson County - Lewisville, Menan, Rigby, and Ririe;
Jerome County - Jerome;
Lincoln County - Shoshone;
Madison County - Rexburg, and Sugar City;
Minidoka County - Heyburn, Paul, and Rupert;
Owyhee County - Bruneau, Homedale;
Payette County - Fruitland, New Plymouth, and Payette;
Power County - American Falls;
Twin Falls County - Buhl, Filer, Hansen, Kimberly, Murtaugh, and Twin Falls;
Washington County - Weiser.

Intermountain's properties in these locations consist of transmission pipelines, a compressor station, a liquefied natural gas storage facility, distribution mains, services, meters and regulators, and general plant and equipment.

II.

Intermountain seeks with this Application to pass through to each of its customer classes a change in gas related costs resulting from: 1) changes in Intermountain's firm transportation and storage costs resulting from Intermountain's management of its storage and firm capacity rights on pipeline systems including the Williams Northwest Pipeline ("Williams" or "Northwest"), 2) an

increase in Intermountain's Weighted Average Cost of Gas ("WACOG"), 3) an updated customer allocation of gas related costs pursuant to the Company's Purchased Gas Cost Adjustment provision, and 4) the inclusion of temporary surcharges and credits for one year relating to gas and interstate transportation costs from Intermountain's deferred gas cost account. Exhibit No. 3 contains pertinent excerpts from pipeline and related facilities' tariffs. Intermountain also seeks with this Application to eliminate the temporary surcharges and credits included in its current prices during the past 15 months, pursuant to Case No. INT-G-04-2. The aforementioned changes would result in an overall price increase to Intermountain's RS-1, RS-2, GS-1, LV-1, and T-2 customers and a price decrease to Intermountain's T-1 customers.

These price changes are applicable to service rendered under rate schedules affected by and subject to Intermountain's Purchased Gas Cost Adjustment ("PGA"), initially approved by this Commission in Order No. 26109, Case No. INT-G-95-1, and additionally approved through subsequent proceedings.

Exhibit No. 4 summarizes the price changes in: 1) Intermountain's base rate gas costs and its rate class allocation, and 2) adjusting temporary surcharges or credits flowing through to Intermountain's direct sales and transportation customers. Exhibit No.'s 3 and 4 are attached hereto and incorporated herein by reference.

III.

The current prices of Intermountain are those approved by this Commission in Order No. 29540, Case No. INT-G-04-2.

IV.

Intermountain's proposed prices incorporate all price changes impacting Intermountain's interstate capacity including, but not limited to, any such changes implemented by Northwest which have occurred since Intermountain's last PGA filing in Case No. INT-G-04-2. Exhibit No. 4, Lines 1 through 19, details the proposed changes in Intermountain's prices resulting from adjustments to Intermountain's cost of interstate and upstream capacity and storage from its various suppliers.

Intermountain's review of the adequacy of its interstate transportation and storage services is performed on an annual basis under design weather and certain load growth assumptions. A summary of the methodology incorporated within this annual review was

included in the Company's Integrated Resource Plan, which is currently on file with this Commission. Intermountain's interstate pipeline capacity was forecast to be approaching a deficit position thereby potentially jeopardizing the Company's ability to deliver an uninterrupted supply of natural gas to its firm sales customers during the coming winter heating seasons. In order to help meet the needs of this forecast deficit, Case No. INT-G-04-2 included the acquisition of incremental interstate transportation that was contractually in effect for less than a full year for the twelve month period ended June 30, 2005. Row 3 of Exhibit No. 4 reflects the incremental costs for that same interstate transportation being utilized during a full twelve month PGA period.

Intermountain's adequacy review also includes analyzing upstream pipeline capacity. The latest study indicated a need to procure additional upstream capacity in order to more closely align deliveries from those upstream contracts with Intermountain's take-away rights on Northwest at its Stanfield interconnect with Gas Transmission Northwest ("GTN"). Row 5 of Exhibit No. 4 reflects the costs for this incremental upstream capacity.

Intermountain continues to take the necessary steps to manage its natural gas storage and has procured an incremental amount of economically priced storage to enhance Intermountain's overall storage portfolio. Exhibit No. 4, Row 19, includes the costs for this incremental storage.

V.

The WACOG reflected in Intermountain's proposed prices is \$0.73219 per therm, as shown on Exhibit No. 4, Lines 25 through 28, Column (f). This compares to \$0.55492 per therm currently included in the Company's tariffs.

As stated in the Company's Customer Notice, natural gas prices are influenced by a number of factors including the cost of other energy sources, increased demand for natural gas including that used for electric power generation, producers ability to drill for additional supplies of natural gas and their ability to sell natural gas to other North American markets, as well as speculation in commodity markets. Over the past year, natural gas has more closely followed the price of crude oil as hedge funds and traders have become increasingly indifferent as to which commodity provides Btu's to the marketplace. Both crude oil and natural gas prices are at historic high levels. Exhibit No. 5 demonstrates the historic correlation or relationship between natural gas prices and crude oil traded on the NYMEX. The Company's Customer Notice and Exhibit No. 5 are attached hereto and

incorporated herein by reference.

Intermountain believes that current futures prices, subject to the laws of supply and demand, may indeed soften. However, liquidity in the market is sustained by contrary opinions and natural gas prices could indeed realize the levels included in this Application, which are the forward prices currently available through the use of financial derivatives as of July 29, 2005. Although current commodity futures prices dictate the use of this \$0.73219 per therm WACOG, Intermountain continues to remain vigilant in monitoring natural gas prices and is committed to come before this Commission prior to this winters heating season with an Application to further amend these proposed prices, should these forward prices materially deviate from the \$0.73219 per therm.

Timely natural gas price signals and the accounting for any cost differences brought about by these volatile markets, facilitated through the use of the PGA mechanism, enhances our customers ability to make timely and informed energy use decisions and ensures they only pay the actual cost of such supplies. It is important to continue to alert our customers in a timely manner to these impending increases before their higher natural gas usage is before them. By employing the use of customer mailings and various media resources, Intermountain will continue to educate its customers regarding the wise and efficient use of natural gas, billing options available to help our customers manage their energy budget, and pending natural gas unit price changes.

VI.

Pursuant to Case No. INT-G-04-2, Intermountain has included temporary surcharges and credits in its July 1, 2004 prices for the principal reason of collecting or passing back to its customers deferred gas cost charges and benefits, as outlined in Case No. INT-G-04-2. Line 33 of Exhibit No. 4 reflects the elimination of these temporary surcharges and credits.

VII.

Intermountain's PGA tariff includes provisions whereby Intermountain's proposed prices will be adjusted for updated customer class sales volumes and purchased gas cost allocations, pursuant to the Company's approved cost of service methodology. Intermountain's proposed prices include a fixed cost collection adjustment pursuant to these PGA provisions, as outlined on Exhibit No. 6, Line 24. The price impact of this adjustment is included on Exhibit No. 4, Line No. 34. Exhibit No. 6 is attached hereto and incorporated herein by reference.

VIII.

Intermountain is party to certain agreements whereby Intermountain has released segmented portions of its firm capacity rights when not needed to meet its customer needs. Intermountain proposes to pass back to its customers the benefits generated from the capacity release agreements, totaling \$2.3 million. Exhibit No. 7, Line 1, reflects the inclusion of the \$2.3 million credit. Intermountain proposes to pass back this amount via the per therm credit as detailed on Exhibit No. 8. Exhibit No.'s 7 and 8 are attached hereto and incorporated herein by reference.

IX.

Intermountain proposes to allocate deferred gas costs from its Account No. 186 balance to its customers through temporary price adjustments to be effective during the 12-month period ending September 30, 2006, as follows:

1) Intermountain has been deferring in its Account No. 186 fixed gas costs. The debit amount shown on Exhibit No. 9, Line 9, Col. (b) of \$7.5 million is predominantly attributable to the collection of interstate pipeline capacity costs and the true-up of expense issues previously ruled on by this Commission. Intermountain proposes to collect or pass back these balances via the per therm surcharges and credits, as detailed on Exhibit No. 9 and included on Exhibit No. 7, Line 2. Exhibit No. 9 is attached hereto and incorporated herein by reference.

2) Intermountain has been deferring in its Account No. 186 deferred gas cost debits of \$8.7 million, as shown on Exhibit No. 10, Line 2, Col. (b), attributable to Intermountain's variable gas costs since July 1, 2004. Intermountain proposes to collect this debit balance via a per therm surcharge, as shown on Exhibit No. 10, Line 4, Col. (b) and included on Exhibit No. 7, Line 3. Exhibit No. 10 is attached hereto and incorporated herein by reference.

X.

Intermountain has allocated the proposed price changes to each of its customer classes based upon Intermountain's PGA provision. A straight cents per therm price decrease was not utilized for the T-1 tariff. No fixed costs are currently recovered in the tail block of Intermountain's T-1 tariff. Absent Williams' firm transportation TF-1 Commodity Charge, the proposed decrease in the T-1 tariff is fixed cost related, and therefore, a cents per therm decrease was made only to the first two blocks of the tariff for these fixed costs.

XI.

The proposed increase to the T-2 tariff Demand Charge is fixed cost related, and therefore, a cents per therm increase was made to the T-2 Demand Charge for these fixed costs. Additionally, the proposed decrease to the T-2 Commodity Charge incorporates the decrease in the Williams' firm transportation TF-1 Commodity Charge.

XII.

Exhibit No. 11 is an analysis of the overall price changes by class of customer. Exhibit No. 11 is attached hereto and incorporated herein by reference.

XIII.

The proposed overall price change herein requested among the classes of service of Intermountain will not affect Intermountain's earnings, and is just, fair, and equitable.

XIV.

This Application is filed pursuant to the applicable statutes and the Rules and Regulations of the Commission. This Application has been brought to the attention of Intermountain's customers through a Customer Notice and by a Press Release sent to daily and weekly newspapers, and major radio and television stations in Intermountain's service area. The Press Release and Customer Notice are attached hereto and incorporated herein by reference. Copies of this Application, its Exhibits, and Workpapers have been provided to those parties regularly intervening in Intermountain's rate proceedings.

XV.

Intermountain requests that this matter be handled under modified procedure pursuant to Rules 201-204 of the Commission's Rules of Procedure. Intermountain stands ready for immediate consideration of this matter.

WHEREFORE, Intermountain respectfully petitions the Idaho Public Utilities Commission as follows:

a. That the proposed rate schedules herewith submitted as Exhibit No. 2 be approved without suspension and made effective as of October 1, 2005 in the manner shown on Exhibit No. 2.

b. That this Application be heard and acted upon without hearing under modified procedure, and

c. For such other relief as this Commission may determine proper herein.

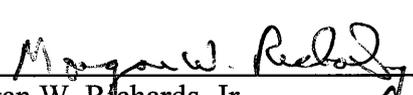
DATED at Boise, Idaho, this 8th day of August, 2005.

INTERMOUNTAIN GAS COMPANY

Morgan W. Richards, Jr.

By 

Paul R. Powell
Executive Vice President & CFO

By 

Morgan W. Richards, Jr.
Attorney for Intermountain Gas Company

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 8th day of August, 2005, I served a copy of the foregoing Case No. INT-G-05-2 upon:

Paula Pyron
Northwest Industrial Gas Users
4113 Wolf Berry Court
Lake Oswego, OR 97035

Edward A. Finklea
Paula E. Pyron
Energy Advocates LLP
526 NW 18th Avenue
Portland, OR 97209

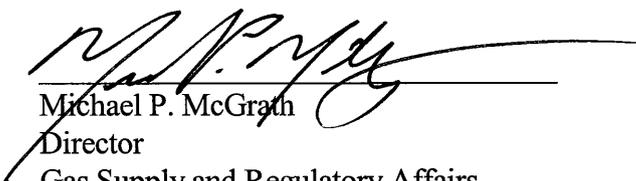
R. Scott Pasley
J. R. Simplot Company
PO Box 27
Boise, ID 83707

David Hawk
J. R. Simplot Company
PO Box 27
Boise, ID 83707

Conley E. Ward, Jr.
Givens, Pursley, Webb & Huntley
277 N. 6th St., Suite 200
PO Box 2720
Boise, ID 83701

Wendell M. Phillips
615 South Phillippi Street
Boise, ID 83705

by depositing true copies thereof in the United States Mail, postage prepaid, in envelopes addressed to said persons at the above addresses.



Michael P. McGrath

Director

Gas Supply and Regulatory Affairs

EXHIBIT NO. 1

CASE NO. INT-G-05-2

INTERMOUNTAIN GAS COMPANY

CURRENT TARIFFS

Showing Proposed Price Changes

(8 pages)

**COMPARISON OF PROPOSED OCTOBER 1, 2005 PRICES
TO JULY 1, 2004 PRICES**

| <u>Line No.</u> | <u>Rate Class</u> | <u>July 1, 2004 Prices per INT-G-04-2</u> | <u>Proposed Adjustment</u> | <u>Proposed October 1, 2005 Prices</u> |
|-----------------|----------------------------|---|--------------------------------|--|
| | (a) | (b) | (c) | (d) |
| 1 | RS-1 | | | |
| 2 | April - November | \$ 0.99929 | \$ 0.25572 | \$ 1.25501 |
| 3 | December - March | 0.88673 | 0.25572 | 1.14245 |
| 4 | RS-2 | | | |
| 5 | April - November | 0.86105 | 0.24543 | 1.10648 |
| 6 | December - March | 0.82742 | 0.24543 | 1.07285 |
| 7 | GS-1 | | | |
| 8 | April - November | | | |
| 9 | Block 1 | 0.89292 | 0.24223 | 1.13515 |
| 10 | Block 2 | 0.87119 | 0.24223 | 1.11342 |
| 11 | Block 3 | 0.85017 | 0.24223 | 1.09240 |
| 12 | December - March | | | |
| 13 | Block 1 | 0.84207 | 0.24223 | 1.08430 |
| 14 | Block 2 | 0.82087 | 0.24223 | 1.06310 |
| 15 | Block 3 | 0.80041 | 0.24223 | 1.04264 |
| 16 | CNG Fuel | 0.80041 | 0.24223 | 1.04264 |
| 17 | LV-1 ⁽¹⁾ | | | |
| 18 | Block 1 | 0.67611 | 0.21301 ⁽²⁾ | 0.88912 |
| 19 | Block 2 | 0.63762 | 0.21301 ⁽³⁾ | 0.85063 |
| 20 | Block 3 | 0.55744 | 0.21307 ⁽⁴⁾ | 0.77051 |
| 21 | T-1 | | | |
| 22 | Block 1 | 0.12938 | (0.00009) ⁽²⁾ | 0.12929 |
| 23 | Block 2 | 0.09089 | (0.00009) ⁽³⁾ | 0.09080 |
| 24 | Block 3 | 0.01071 | (0.00003) ⁽⁴⁾ | 0.01068 |
| 25 | T-2 | | | |
| 26 | Demand Block 1 | 1.69646 | 0.01285 | 1.70931 |
| 27 | Demand Block 2 | 0.89488 | 0.01285 | 0.90773 |
| 28 | Commodity Charge | 0.00656 | (0.00003) | 0.00653 |
| 29 | Over-Run Service | 0.04915 | (0.00003) | 0.04912 |

⁽¹⁾The LV-1 Adjustment is calculated by taking Line 22 - 24, Col (c), plus removal of the TF-1 Commodity Charge change, plus the change in the WACOG, plus removal of the temporary variable surcharge from INT-G-04-2 of \$0.00409, plus the temporary variable debit on Exhibit 10, Line 4, Col (b)

⁽²⁾ See Workpaper No. 7, Line 13, Col (e)

⁽³⁾ See Workpaper No. 7, Line 20, Col (e)

⁽⁴⁾ See Workpaper No. 7, Line 21, Col (e)

Name of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVE

JUN 30 '04 JUL 1 - '04
Per. O.W. 29540
Jan A. Powell SECRETARY

Rate Schedule RS-1 RESIDENTIAL SERVICE

AVAILABILITY:

Available to individually metered consumers not otherwise specifically provided for, using natural gas for residential purposes.

RATE:

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.50 per bill
\$1.25501

Commodity Charge - \$0.99929 per therm*

For billing periods ending December through March

Customer Charge - \$6.50 per bill
\$1.14245

Commodity Charge - \$0.88673 per therm*

*Includes:

Temporary purchased gas cost adjustment of \$(0.00099) \$0.06562
Weighted average cost of gas of \$0.55492 \$0.73219

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**
By: Michael E. Huntington Paul R. Powell Title: Vice President—Marketing and External Affairs
Executive Vice President & Chief Financial Officer
Effective: July 1, 2004 October 1, 2005

Name of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVE

JUN 30 '04 JUL 1 - '04
Per. O.W. 29540
Paul Powell SECRETARY

**Rate Schedule RS-2
MULTIPLE USE RESIDENTIAL SERVICE**

AVAILABILITY:

Available to individually metered consumers using gas for several residential purposes including both water heating and space heating.

RATE:

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.50 per bill
\$1.10648
Commodity Charge - \$0.86405 per therm*

For billing periods ending December through March

Customer Charge - \$6.50 per bill
\$1.07285
Commodity Charge \$0.82742 per therm*

*Includes:

Temporary purchased gas cost adjustment of ~~\$(0.00417)~~ \$0.04838
Weighted average cost of gas of \$0.55492 \$0.73219

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**
By: Michael E. Huntington Paul R. Powell Title: Vice President—Marketing and External Affairs
Effective: July 1, 2004 October 1, 2005 Executive Vice President & Chief Financial Officer

Name
of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVE

JUN 30 '04 JUL 1 - '04
Per. O.W. 29540
Janet Powell SECRETARY

Rate Schedule GS-1 GENERAL SERVICE

AVAILABILITY:

Available to individually metered customers whose requirements for natural gas do not exceed 2,000 therms per day, at any point on Company's distribution system. Requirements in excess of 2,000 therms per day may be served under this rate schedule upon execution of a one-year written service contract.

RATE:

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.00 per bill

Commodity Charge - First 200 therms per bill @ \$0.89292* \$1.13515*
Next 1,800 therms per bill @ \$0.87419* \$1.11342*
Over 2,000 therms per bill @ \$0.85047* \$1.09240*

For billing periods ending December through March

Customer Charge - \$9.50 per bill

Commodity Charge - First 200 therms per bill @ \$0.84207* \$1.08430*
Next 1,800 therms per bill @ \$0.82087* \$1.06310*
Over 2,000 therms per bill @ \$0.80041* \$1.04264*

*Includes:

Temporary purchased gas cost adjustment of \$(0.00179) \$0.04984
Weighted average cost of gas of \$0.55492 \$0.73219

Issued by: **Intermountain Gas Company**
By: Michael E. Huntington Paul R. Powell Title: Vice President - Marketing and External Affairs
Effective: July 1, 2004 - October 1, 2005 Executive Vice President & Chief Financial Officer

Name of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVE

JUN 30 '04 JUL 1 - '04
Per. O.N. 29540
Jan A. Powell SECRETARY

Rate Schedule GS-1 GENERAL SERVICE (Continued)

For separately metered deliveries of gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines.

Customer Charge - \$9.50 per bill
\$1.04264
Commodity Charge - \$0.80041 per therm*

***Includes:**

Temporary purchased gas cost adjustment of \$(0.00479) \$0.04984
Weighted average cost of gas of \$0.55492 \$0.73219

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. Any GS-1 customer who leaves the GS-1 service will pay to Intermountain Gas Company, upon exiting the GS-1 service, all gas and transportation related costs incurred to serve the customer during the GS-1 service period not borne by the customer during the time the customer was using GS-1 service. Any GS-1 customer who leaves the GS-1 service will have refunded to them, upon exiting the GS-1 service, any excess gas commodity or transportation payments made by the customer during the time they were a GS-1 customer.
2. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**
By: Michael E. Huntington Paul R. Powell Title: Vice President—Marketing and External Affairs
Executive Vice President & Chief Financial Officer
Effective: July 1, 2004–October 1, 2005

Name of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVE

JUN 30 '04 JUL 1 - '04
Per. O.W. 29540
Ann Powell SECRETARY

Rate Schedule LV-1 LARGE VOLUME FIRM SALES SERVICE

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedules LV-1, T-1, or T-2, or any new customer whose usage does not exceed 500,000 therms annually, upon execution of a one-year minimum written service contract for firm sales service in excess of 200,000 therms per year.

MONTHLY RATE:

Commodity Charge:

First 250,000 therms per bill @ ~~\$0.67611~~* \$0.88912*
Next 500,000 therms per bill @ ~~\$0.63762~~* \$0.85063*
Amount Over 750,000 therms per bill @ ~~\$0.55744~~** \$0.77051**

The above prices include weighted average cost of gas of ~~\$0.55492~~ \$0.73219

* Includes temporary purchased gas cost adjustment of ~~\$(0.00372)~~ \$0.03032

** Includes temporary purchased gas cost adjustment of ~~\$(0.00409)~~ \$0.03171

PURCHASED GAS COST ADJUSTMENT (PGA):

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. Any LV-1 customer who exits the LV-1 service at any time (including, but not limited to, the expiration of the contract term) will pay to Intermountain Gas Company, upon exiting the LV-1 service, all gas and/or interstate transportation related costs to serve the customer during the LV-1 contract period not borne by the customer during the LV-1 contract period. Any LV-1 customer will have refunded to them, upon exiting the LV-1 service, any excess gas and/or interstate transportation related payments made by the customer during the LV-1 contract period.
3. In the event that total deliveries to any customer within the last three contract periods met or exceeded the 200,000 therm threshold, but the customer during the current contract period used less than the contract minimum of 200,000 therms, an additional amount shall be billed. The additional amount shall be calculated by billing the deficit usage below 200,000 therms at the T-1 Block 1 rate. The customer's future eligibility for the LV-1 Rate Schedule will be renegotiated with the Company.

Issued by: **Intermountain Gas Company**

By: **Michael E. Huntington Paul R. Powell**

Title: **Vice President - Marketing and External Affairs**

Effective: **July 1, 2004 - October 1, 2005**

Executive Vice President & Chief Financial Officer

Name of Utility **Intermountain Gas Company**

IDAHO PUBLIC UTILITIES COMMISSION
APPROVED EFFECTIVE

JUL 30 04 JUL 1 - 04
Per. O.W. 29540
Paul R. Powell SECRETARY

Rate Schedule T-1 FIRM TRANSPORTATION SERVICE

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedules LV-1, T-1, or T-2, upon execution of a one year minimum written service contract for firm transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

Commodity Charge:

| | |
|--------------|--|
| Block One: | First 250,000 therms transported @ \$0.12938* \$0.12929* |
| Block Two: | Next 500,000 therms transported @ \$0.09089* \$0.09080* |
| Block Three: | Amount over 750,000 therms transported @ \$0.04074 \$0.01068 |

*Includes temporary purchased gas cost adjustment of \$0.00037 \$(0.00139)

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. The customer shall negotiate a Maximum Daily Firm Quantity (MDFQ) amount, which will be stated in and will be in effect throughout the term of the service contract. The MDFQ shall not exceed the customer's historical maximum daily usage, as agreed to by the Company.

In the event the Customer requires daily usage in excess of the MDFQ, and subject to the availability of firm interstate transportation to service Intermountain's system, all such usage may be transported and billed under either secondary rate schedule T-3 or T-4. The secondary rate schedule to be used shall be predetermined by negotiation between the Customer and Company, and shall be included in the service contract. All volumes transported under the secondary rate schedule are subject to the provisions of the applicable rate schedule T-3 or T-4.

Issued by: **Intermountain Gas Company**

By: ~~Michael E. Huntington~~ Paul R. Powell
Effective: July 1, 2004 October 1, 2005

Title: ~~Vice President—Marketing and External Affairs~~
Executive Vice President & Chief Financial Officer

JUN 30 '04 JUL 1 - '04
Per. O.N. 29540
Janell Powell SECRETARY

**Rate Schedule T-2
FIRM TRANSPORTATION SERVICE WITH MAXIMUM DAILY DEMANDS**

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing T-2 customer whose daily contract demand for nonammonia therms on any given day meets or exceeds a predetermined level agreed to by the customer and the Company upon execution of a one-year minimum written service contract for firm transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

| <u>Firm Service</u> | <u>Rate Per Therm</u> |
|--|------------------------------|
| Demand Charge: | |
| Firm Daily Demand - | |
| First 15,000 therms | \$1.69646* \$1.70931* |
| Amount over 15,000 therms | \$0.89488* \$0.90773* |
| Commodity Charge: | |
| For Firm Therms Transported | \$0.00656 \$0.00653 |
| <u>Over-Run Service</u> | |
| Commodity Charge: | |
| For Therms Transported In Excess Of MDFQ: | \$0.04915 \$0.04912 |

*Includes temporary purchased gas cost adjustment of ~~\$(0.04162)~~ \$(0.08920)

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

- 1 All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
- 2 The customer shall nominate a Maximum Daily Firm Quantity (MDFQ), which will be stated in and will be in effect throughout the term of the service contract.
- 3 The monthly Demand Charge will be equal to the MDFQ times the Firm Daily Demand rate. Firm demand relief will be afforded to those T-2 customers paying both demand and commodity charges for gas when, in the Company's judgment, such relief is warranted.
- 4 The actual therm usage for the month or the MDFQ times the number of days in the billing month, whichever is less, will be billed at the applicable commodity charge for firm therms.

Issued by: **Intermountain Gas Company**

By: ~~Michael E. Huntington~~ Paul R. Powell
Effective: ~~July 1, 2004~~ October 1, 2005

Title: ~~Vice President - Marketing and External Affairs~~
Executive Vice President & Chief Financial Officer

EXHIBIT NO. 2

CASE NO. INT-G-05-2

INTERMOUNTAIN GAS COMPANY

PROPOSED TARIFFS

(7 pages)

Name
of Utility **Intermountain Gas Company**

Rate Schedule RS-1 RESIDENTIAL SERVICE

AVAILABILITY:

Available to individually metered consumers not otherwise specifically provided for, using natural gas for residential purposes.

RATE:

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.50 per bill

Commodity Charge - \$1.25501 per therm*

For billing periods ending December through March

Customer Charge - \$6.50 per bill

Commodity Charge - \$1.14245 per therm*

*Includes:

Temporary purchased gas cost adjustment of \$0.06562
Weighted average cost of gas of \$0.73219

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**
By: Paul R. Powell Title: Executive Vice President & Chief Financial Officer
Effective: October 1, 2005

Name of Utility **Intermountain Gas Company**

**Rate Schedule RS-2
MULTIPLE USE RESIDENTIAL SERVICE**

AVAILABILITY:

Available to individually metered consumers using gas for several residential purposes including both water heating and space heating.

RATE:

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.50 per bill

Commodity Charge - \$1.10648 per therm*

For billing periods ending December through March

Customer Charge - \$6.50 per bill

Commodity Charge \$1.07285 per therm*

***Includes:**

Temporary purchased gas cost adjustment of \$0.04838
Weighted average cost of gas of \$0.73219

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**
By: Paul R. Powell Title: Executive Vice President & Chief Financial Officer
Effective: October 1, 2005

Name
of Utility

Intermountain Gas Company

**Rate Schedule GS-1
GENERAL SERVICE**

AVAILABILITY:

Available to individually metered customers whose requirements for natural gas do not exceed 2,000 therms per day, at any point on Company's distribution system. Requirements in excess of 2,000 therms per day may be served under this rate schedule upon execution of a one-year written service contract.

RATE:

Monthly minimum charge is the customer charge.

For billing periods ending April through November

Customer Charge - \$2.00 per bill

Commodity Charge - First 200 therms per bill @ \$1.13515*
Next 1,800 therms per bill @ \$1.11342*
Over 2,000 therms per bill @ \$1.09240*

For billing periods ending December through March

Customer Charge - \$9.50 per bill

Commodity Charge - First 200 therms per bill @ \$1.08430*
Next 1,800 therms per bill @ \$1.06310*
Over 2,000 therms per bill @ \$1.04264*

***Includes:**

Temporary purchased gas cost adjustment of \$0.04984
Weighted average cost of gas of \$0.73219

Issued by: **Intermountain Gas Company**

By: Paul R. Powell

Title: Executive Vice President & Chief Financial Officer

Effective: October 1, 2005

Name
of Utility

Intermountain Gas Company

**Rate Schedule GS-1
GENERAL SERVICE (Continued)**

For separately metered deliveries of gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines.

Customer Charge - \$9.50 per bill

Commodity Charge - \$1.04264 per therm*

***Includes:**

**Temporary purchased gas cost adjustment of \$0.04984
Weighted average cost of gas of \$0.73219**

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

- 1. Any GS-1 customer who leaves the GS-1 service will pay to Intermountain Gas Company, upon exiting the GS-1 service, all gas and transportation related costs incurred to serve the customer during the GS-1 service period not borne by the customer during the time the customer was using GS-1 service. Any GS-1 customer who leaves the GS-1 service will have refunded to them, upon exiting the GS-1 service, any excess gas commodity or transportation payments made by the customer during the time they were a GS-1 customer.**
- 2. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.**

Issued by: **Intermountain Gas Company**

By: Paul R. Powell
Effective: October 1, 2005

Title: Executive Vice President & Chief Financial Officer

Name of Utility **Intermountain Gas Company**

Rate Schedule LV-1 LARGE VOLUME FIRM SALES SERVICE

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedules LV-1, T-1, or T-2, or any new customer whose usage does not exceed 500,000 therms annually, upon execution of a one-year minimum written service contract for firm sales service in excess of 200,000 therms per year.

MONTHLY RATE:

Commodity Charge:

First 250,000 therms per bill @ \$0.88912*
Next 500,000 therms per bill @ \$0.85063*
Amount Over 750,000 therms per bill @ \$0.77051**

The above prices include weighted average cost of gas of \$0.73219

* Includes temporary purchased gas cost adjustment of \$0.03032

** Includes temporary purchased gas cost adjustment of \$0.03171

PURCHASED GAS COST ADJUSTMENT (PGA):

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. Any LV-1 customer who exits the LV-1 service at any time (including, but not limited to, the expiration of the contract term) will pay to Intermountain Gas Company, upon exiting the LV-1 service, all gas and/or interstate transportation related costs to serve the customer during the LV-1 contract period not borne by the customer during the LV-1 contract period. Any LV-1 customer will have refunded to them, upon exiting the LV-1 service, any excess gas and/or interstate transportation related payments made by the customer during the LV-1 contract period.
3. In the event that total deliveries to any customer within the last three contract periods met or exceeded the 200,000 therm threshold, but the customer during the current contract period used less than the contract minimum of 200,000 therms, an additional amount shall be billed. The additional amount shall be calculated by billing the deficit usage below 200,000 therms at the T-1 Block 1 rate. The customer's future eligibility for the LV-1 Rate Schedule will be renegotiated with the Company.

Issued by: **Intermountain Gas Company**

By: Paul R. Powell
Effective: October 1, 2005

Title: Executive Vice President & Chief Financial Officer

Name of Utility **Intermountain Gas Company**

**Rate Schedule T-1
FIRM TRANSPORTATION SERVICE**

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedules LV-1, T-1, or T-2, upon execution of a one year minimum written service contract for firm transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

Commodity Charge:

| | |
|--------------|--|
| Block One: | First 250,000 therms transported @ \$0.12929* |
| Block Two: | Next 500,000 therms transported @ \$0.09080* |
| Block Three: | Amount over 750,000 therms transported @ \$0.01068 |

*Includes temporary purchased gas cost adjustment of \$(0.00139)

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. The customer shall negotiate a Maximum Daily Firm Quantity (MDFQ) amount, which will be stated in and will be in effect throughout the term of the service contract. The MDFQ shall not exceed the customer's historical maximum daily usage, as agreed to by the Company.

In the event the Customer requires daily usage in excess of the MDFQ, and subject to the availability of firm interstate transportation to service Intermountain's system, all such usage may be transported and billed under either secondary rate schedule T-3 or T-4. The secondary rate schedule to be used shall be predetermined by negotiation between the Customer and Company, and shall be included in the service contract. All volumes transported under the secondary rate schedule are subject to the provisions of the applicable rate schedule T-3 or T-4.

Issued by: **Intermountain Gas Company**

By: Paul R. Powell

Title: Executive Vice President & Chief Financial Officer

Effective: October 1, 2005

Name
of Utility

Intermountain Gas Company

**Rate Schedule T-2
FIRM TRANSPORTATION SERVICE WITH MAXIMUM DAILY DEMANDS**

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing T-2 customer whose daily contract demand for nonammonia therms on any given day meets or exceeds a predetermined level agreed to by the customer and the Company upon execution of a one-year minimum written service contract for firm transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

| <u>Firm Service</u> | <u>Rate Per Therm</u> |
|---|-----------------------|
| Demand Charge: | |
| Firm Daily Demand - | |
| First 15,000 therms | \$1.70931* |
| Amount over 15,000 therms | \$0.90773* |
| Commodity Charge: | |
| For Firm Therms Transported | \$0.00653 |
| <u>Over-Run Service</u> | |
| Commodity Charge: | |
| For Therms Transported In Excess Of MDFQ: | \$0.04912 |

*Includes temporary purchased gas cost adjustment of \$(0.08920)

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for cost of purchased gas as provided for in the Company's Purchased Gas Cost Adjustment Provision.

SERVICE CONDITIONS:

- 1 All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
- 2 The customer shall nominate a Maximum Daily Firm Quantity (MDFQ), which will be stated in and will be in effect throughout the term of the service contract.
- 3 The monthly Demand Charge will be equal to the MDFQ times the Firm Daily Demand rate. Firm demand relief will be afforded to those T-2 customers paying both demand and commodity charges for gas when, in the Company's judgment, such relief is warranted.
- 4 The actual therm usage for the month or the MDFQ times the number of days in the billing month, whichever is less, will be billed at the applicable commodity charge for firm therms.

Issued by: **Intermountain Gas Company**

By: Paul R. Powell

Title: Executive Vice President & Chief Financial Officer

Effective: October 1, 2005

EXHIBIT NO. 3

CASE NO. INT-G-05-2

INTERMOUNTAIN GAS COMPANY

**PERTINENT EXCERPTS FROM INTERSTATE PIPELINES AND RELATED
FACILITIES**

(22 pages)

Williams Northwest Pipeline Corporation (“NWP”)

Applicable Tariffs



NORTHWEST PIPELINE
P.O. Box 58900
Salt Lake City, UT 84158-0900
Phone: (801) 584-7117
FAX: (801) 584-7764

January 5, 2005

**TO: ALL HOLDERS OF NORTHWEST PIPELINE CORPORATION'S
FERC GAS TARIFF, THIRD REVISED VOLUME NO. 1**

Please insert the enclosed tariff sheets listed below into your copy of Northwest's FERC Gas Tariff. Also, enclosed is a list of Northwest's currently effective tariff sheets as of January 5, 2005.

Docket No. RP04-612. On September 28, 2004, as supplemented on October 20, 2004, Northwest filed the following tariff sheets to update its tariff to reflect the information required by Order No. 2004. On November 17, 2004, the Commission issued an order accepting the revised tariff sheets, effective October 29, 2004.

Title Page
Thirteenth Revised Sheet No. 200
Substitute Tenth Revised Sheet No. 239
Seventh Revised Sheet No. 280
Substitute Ninth Revised Sheet No. 281
Substitute Fourth Revised Sheet No. 284

Docket No. RP05-23. On October 12, 2004, Northwest filed the following tariff sheets to add a Rate Schedule TF-1 service agreement containing non-conforming provisions to the list of non-conforming service agreements in Northwest's tariff. On November 9, 2004, the Commission issued an order accepting these tariff sheets, effective November 12, 2004.

Ninth Revised Sheet No. 373
Original Sheet No. 374

Docket No. RP04-509. On August 27, 2004, Northwest filed tariff sheets to enhance shipper flexibility to acquire Northwest's available firm capacity on a short-term basis. On September 30, 2004, the Commission issued an order accepting the proposed tariff sheets, subject to Northwest filing revised tariff sheets setting forth specific times of day that Northwest will post prearranged deals subject to one hour bidding. On October 14, 2004, Northwest filed the following tariff sheets in compliance with the September 30 order. On November 19, 2004, the Commission issued an order accepting these tariff sheets, effective October 1, 2004.

Substitute Seventh Revised Sheet No. 275
Original Sheet No. 275-A

All-Holders
January 5, 2005
Page 2 of 2

Docket No. RP05-42. On October 27, 2004, Northwest filed the following tariff sheet to add a restated non-conforming Rate Schedule TF-1 service agreement and a new non-conforming amendment to such restated service agreement to the list of non-conforming service agreements in Northwest's tariff. On November 22, 2004, the Commission issued an order accepting this tariff sheet, effective November 27, 2004.

Sixth Revised Sheet No. 371

Docket No. RP05-83. On November 19, 2004, Northwest filed the following tariff sheets to restate its current leap year daily reservation and demand rates to the same level of rates that were in effect prior to the 2004 leap year rate adjustments. On December 10, 2004, the Commission issued an order accepting these revised tariff sheets, effective January 1, 2005.

Twenty-Ninth Revised Sheet No. 5
Fifth Revised Sheet No. 5-C
Fourteenth Revised Sheet No. 7
Sixteenth Revised Sheet No. 8
Fourteenth Revised Sheet No. 8.1

Other Information. If you have questions concerning Northwest's regulatory issues, please call me or any of the other individuals listed below:

| | | |
|----------------|--|----------------|
| John Woolf | Sr. Regulatory Analyst | (801) 584-6873 |
| Gary Kotter | Manager, Certificates and Tariffs | (801) 584-7117 |
| Jan Caldwell | Manager, Cost of Service and Rate Design | (801) 584-7155 |
| Barbara Odland | Office Administrator | (801) 584-6781 |

Northwest publishes *FERCWatch* to provide customers with information on Northwest's current and pending filings. It may be viewed on Northwest's Internet web site at <http://www.1line.williams.com/webbi/ebb/index.jsp>. You may also view Northwest's tariff on its Internet web site. To view *FERCWatch*, place your mouse on "Regulatory Info" near the top of the main portal page. To view the tariff, place your mouse on "Informational Postings" on the left side of the main portal page and click on Northwest.

Sincerely,



John A. Woolf

Enclosures

Northwest Pipeline Corporation
FERC Gas Tariff
Third Revised Volume No. 1

Twenty-Ninth Revised Sheet No. 5
Superseding
Twenty-Eighth Revised Sheet No. 5

| STATEMENT OF RATES | | | | | |
|--|---------------------|---------|--------|--|---------|
| Effective Rates Applicable to Rate Schedules TF-1, TF-2 and TI-1 | | | | | |
| (Dollars per Dth) | | | | | |
| Rate Schedule and Type of Rate | Base Tariff Rate | | ACA(2) | Currently Effective Tariff Rate(3) | |
| | Minimum | Maximum | | Minimum | Maximum |
| Rate Schedule TF-1 (4) (5) | | | | | |
| Reservation | | | | | |
| (Large Customer) | | | | | |
| System-Wide | .00000 | .27760 | - | .00000 | .27760 |
| 15 Year Evergreen Exp. | .00000 | .39547 | - | .00000 | .39547 |
| 25 Year Evergreen Exp. | .00000 | .37893 | - | .00000 | .37893 |
| Volumetric | | | | | |
| (Large Customer) | | | | | |
| (Small Customer) (6) | .01225 | .03000 | .00190 | .01415 | .03190 |
| (Small Customer) (6) | .01225 | .58521 | .00190 | .01415 | .58711 |
| Scheduled Overrun | .01225 | .30760 | .00190 | .01415 | .30950 |
| Rate Schedule TF-2 (4) (5) | | | | | |
| Reservation | .00000 | .27760 | - | .00000 | .27760 |
| Volumetric | .01225 | .03000 | - | .01225 | .03000 |
| Scheduled Daily Overrun | .01225 | .30760 | - | .01225 | .30760 |
| Annual Overrun | .01225 | .30760 | - | .01225 | .30760 |
| Rate Schedule TI-1 | | | | | |
| Volumetric (7) | .01225 | .30760 | .00190 | .01415 | .30950 |
| Scheduled Overrun | .01225 | .30760 | .00190 | .01415 | .30950 |

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules TF-1, TF-2 and TI-1 (Continued)

(Dollars per Dth)

| Unauthorized Overrun and Underrun (8) | Rate |
|---|----------|
| Unauthorized Daily Overrun | |
| At least the Threshold Percentage; but less than the Threshold Percentage plus 2% | 5.00000 |
| The Threshold Percentage plus 2% or more | 10.00000 |
| Unauthorized Daily Underrun | |
| At least 5%; but less than 10% | 5.00000 |
| 10% or more | 10.00000 |
| Unauthorized Underrun Imbalances not eliminated after 72 hours | 10.00000 |

Footnotes

- (1) Reserved.
- (2) Section 16 of the General Terms and Conditions describes the basis and applicability of the ACA surcharge.

Northwest Pipeline Corporation
FERC Gas Tariff
Third Revised Volume No. 1

Fourteenth Revised Sheet No. 7
Superseding
Thirteenth Revised Sheet No. 7

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules SGS-2F and SGS-2I

(Dollars per Dth)

| Rate Schedule and Type of Rate | Currently Effective Tariff Rate (1) | |
|-----------------------------------|--|---------|
| | Minimum | Maximum |
| Rate Schedule SGS-2F (2) | | |
| Demand Charge | 0.00000 | 0.01689 |
| Capacity Demand Charge | 0.00000 | 0.00062 |
| Volumetric Bid Rates | | |
| Withdrawal Charge | 0.00000 | 0.01689 |
| Storage Charge | 0.00000 | 0.00062 |
| Rate Schedule SGS-2I | | |
| Volumetric | 0.00000 | 0.00134 |

Footnotes

- (1) Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.

Rates are also applicable to capacity release service. (Section 22 of the General Terms and Conditions describes how bids for capacity release will be evaluated.) The Withdrawal Charge and Storage Charge are applicable to Replacement Shippers bidding for capacity released on a one-part volumetric bid basis.

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedule LS-1

(Dollars per Dth)

| <u>Type of Rate</u> | <u>Currently Effective Tariff Rate (1)</u> |
|---------------------|--|
| Demand Charge (2) | 0.02600 |
| Capacity Charge (2) | 0.00332 |
| Liquefaction | 0.55685 |
| Vaporization | 0.03030 |

Footnotes

- (1) Shippers receiving service under this rate schedule are required to furnish fuel reimbursement in-kind at the rate specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.

Northwest Pipeline Corporation
FERC Gas Tariff
Third Revised Volume No. 1

Twenty-Fifth Revised Sheet No. 14
Superseding
Twenty-Fourth Revised Sheet No. 14

STATEMENT OF FUEL USE REQUIREMENTS FACTORS
FOR REIMBURSEMENT OF FUEL USE

Applicable to Transportation Service Rendered Under
Rate Schedules Contained in this Tariff, Third Revised Volume No. 1

The rates set forth on Sheet Nos. 5, 6, 7, 8 and 8.1 are exclusive of fuel use requirements. Shipper shall reimburse Transporter in-kind for its fuel use requirements in accordance with Section 14 of the General Terms and Conditions contained herein.

The fuel use reimbursement furnished by Shippers shall be as follows for the applicable Rate Schedules included in this Tariff:

| | |
|---|-------|
| Rate Schedule TF-1 | 1.63% |
| Rate Schedule TF-1 - Evergreen Expansion Incremental Surcharge (1) | 0.50% |
| Rate Schedule TF-2 | 1.63% |
| Rate Schedule TI-1 | 1.63% |
| Rate Schedule SGS-2F | 0.16% |
| Rate Schedule SGS-2I | 0.16% |
| Rate Schedule LS-1 | 2.66% |
| Rate Schedule LS-2F | 2.66% |
| Rate Schedule LS-2I | 2.66% |
| Rate Schedule DEX-1 | 1.63% |

The fuel use factors set forth above shall be calculated and adjusted as explained in Section 14 of the General Terms and Conditions. Fuel reimbursement quantities to be supplied by Shippers to Transporter shall be determined by applying the factors set forth above to the quantity of gas nominated for receipt by Transporter from Shipper for transportation, for injection into storage, or for deferred exchange, as applicable.

Footnote

- (1) In addition to the Rate Schedule TF-1 fuel use requirements factor, the Evergreen Expansion Incremental Surcharge will apply to the quantity of gas nominated for receipt at the Sumas, SIPI or Pacific Pool receipt points under Evergreen Expansion service agreements.

Gas Transmission Northwest Corporation ("GTN")
- formerly PGT -

Applicable Tariffs

FERC GAS TARIFF
THIRD REVISED VOLUME NO. 1-A
OF
GAS TRANSMISSION NORTHWEST CORPORATION
FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

Communications Concerning This Tariff
Should Be Addressed To:

John A. Roscher, Director
Rates and Regulatory Affairs
Gas Transmission Northwest Corporation
1400 SW Fifth Avenue
Suite 900
Portland, OR 97201

Telephone: (503) 833-4254

Facsimile: (503) 833-4918

Gas Transmission Northwest Corporation
FERC Gas Tariff
Third Revised Volume No. 1-A

Sixth Revised Sheet No. 4
Superseding
Fifth Revised Sheet No. 4

| STATEMENT OF EFFECTIVE RATES AND CHARGES FOR TRANSPORTATION OF NATURAL GAS Rate Schedules FTS-1 and LFS-1 | | | | | | | | |
|---|---------------------------|----------|--------------------------|----------|--------------|----------|----------|---------|
| | RESERVATION | | | | DELIVERY (c) | | FUEL (d) | |
| | MILEAGE (a) (Dth-MILE) | | NON-MILEAGE (b) (Dth) | | (Dth-MILE) | | (Dth) | |
| | MAXIMUM | MINIMUM | MAXIMUM | MINIMUM | MAXIMUM | MINIMUM | MAXIMUM | MINIMUM |
| BASE | 0.011212 | 0.000000 | 0.884028 | 0.000000 | 0.000013 | 0.000013 | 0.0050% | 0.0000% |
| EXTENSION CHARGES | | | | | | | | |
| MEDFORD | | | | | | | | |
| E-1(f) | 0.296969 | 0.000000 | --- | --- | 0.000016 | 0.000016 | --- | --- |
| E-2(g) (WWP) | 0.193579 | 0.000000 | --- | --- | 0.000000 | 0.000000 | --- | --- |
| E-2(h) (Diamond 1) | 0.090388 | 0.000000 | --- | --- | 0.000000 | 0.000000 | --- | --- |
| E-2(h) (Diamond 2) | 0.035477 | 0.000000 | --- | --- | 0.000000 | 0.000000 | --- | --- |
| COYOTE SPRINGS | | | | | | | | |
| E-3(i) | 0.064705 | 0.000000 | --- | --- | 0.000000 | 0.000000 | --- | --- |
| OVERRUN CHARGE (j) | --- | --- | --- | --- | --- | --- | --- | --- |
| SURCHARGES | | | | | | | | |
| ACA (k) | --- | --- | --- | --- | 0.001900 | 0.001900 | --- | --- |

Issued by: John A Roscher, Director of Rates & Regulatory Affairs

Issued on: November 30, 2004

Effective on: January 1, 2005

Point to Point Maximum Unit Rates (\$ per Dth) [1]

| Rate Schedule | Miles of Haul | Non-Mi Res. [2] | Mi Res. x mi [2] | Delivery x mi | Total Unit Base Rate (c+d+e) | ACA | Total Unit Rate (f+g+h+i) |
|------------------|---------------|-----------------|------------------|---------------|------------------------------|------------|---------------------------|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (I) |
| FTS-1 | | | | | | | |
| King-Mali | 612.46 | 0.029064 | 0.225761 | 0.007962 | 0.262787 | 0.0019 | 0.264687 |
| King-Stan | 277.37 | 0.029064 | 0.102242 | 0.003606 | 0.134912 | 0.0019 | 0.136812 |
| King-Spok | 108.29 | 0.029064 | 0.039917 | 0.001408 | 0.070389 | 0.0019 | 0.072289 |
| King-Tusc | 609.80 | 0.029064 | 0.224781 | 0.007927 | 0.261772 | 0.0019 | 0.263672 |
| Stan-Mali | 335.09 | 0.029064 | 0.123519 | 0.004356 | 0.156939 | 0.0019 | 0.158839 |
| ITS-1 | | | | | | | |
| King-Mali | 612.46 | 0.029064 | | 0.233960 | 0.263024 | 0.0019 | 0.264924 |
| King-Stan | 277.37 | 0.029064 | | 0.105955 | 0.135019 | 0.0019 | 0.136919 |
| King-Spok | 108.29 | 0.029064 | | 0.041367 | 0.070431 | 0.0019 | 0.072331 |
| King-Tusc | 609.80 | 0.029064 | | 0.232944 | 0.262008 | 0.0019 | 0.263908 |
| Stan-Mali | 335.09 | 0.029064 | | 0.128004 | 0.157068 | 0.0019 | 0.158968 |
| PS-1 [3] | | | | | 0.029000 | 0.0019 [4] | 0.030900 |
| AIS-1 [3] | | | | | 0.012000 | 0.0019 [4] | 0.013900 |

[1] Point to Point rates for illustrative purposes only. Refer to effective GTN tariff sheets for applicable rates.

[2] Unit rates based on 100% load factor equivalent of applicable reservation charge (monthly reservation charge x 12 / 365).

[3] Total unit base rate billed for each day gas is parked / lent. ACA surcharges billed once for each Dth parked / lent.

[4] ACA surcharges apply only to transportation associated with Parking and Lending Services.

Abbreviations: Annual Charge Adjustment (ACA), Parking Service (PS), Authorized Imbalance Service (AIS).

Fuel: Maximum tariff fuel use rate is 0.0050% per Dth per pipeline mile. Check the info postings section on GTN's website for discounts and surcharges to the tariff rate.

Source: Sixth Revised Sheet No.4 with an effective date of January 1, 2005, Second Revised Sheet No. 5 with an effective date of October 1, 2004, and Second Revised Sheet No. 12, with an effective date of October 1, 2004.

TransCanada Alberta / Nova Gas Transmission ("Nova")

Applicable Tariffs

Interim Rates Order U2004-446

| | |
|--|--|
| MADE at the City of Calgary, in the Province of Alberta, on 14th day of December 2004. |  ALBERTA ENERGY AND UTILITIES BOARD |
| NOVA Gas Transmission Ltd. (NGTL) 2005 Interim Rates, Tolls and Charges | Application No. 1371074 |

1 INTRODUCTION

On November 23, 2004, NOVA Gas Transmission Ltd. (NGTL) filed its application, under Division 3 of the *Public Utilities Board Act* and under Parts 4 and 5 of the *Gas Utilities Act*, for approval of interim rates, tolls and charges for service on the Alberta System effective January 1, 2005 (the Application). The purpose of the application is to establish new tolls on an interim basis pending the Board's disposition of NGTL's 2005 General Rate Application (GRA) – Phase I or negotiated settlement, and NGTL's 2005 GRA – Phase II.

2 BACKGROUND

On December 3, 2004, the Board issued a Notice of the Application to parties on the NGTL 2004 GRA Phase I and Phase II distribution lists and posted this on the EUB website. Interested parties were required to file any submissions or objections to the Application by December 8, 2004. The Board did not receive any objections to the Application.

In a letter dated December 8, 2004, the Consumers' Coalition of Alberta (CCA) submitted that it supports the NGTL proposal reducing the 2004 revenue requirement amount of \$1,244.8 million by \$57.8 million and setting the 2005 interim revenue requirement at \$1,187 million. The CCA also considered it appropriate that the 2004 deferred revenue balance should attract interest.

On December 9, 2004, NGTL acknowledged the CCA's letter wherein the CCA supported NGTL's Application. NGTL noted that no other parties filed comments in respect of its Application. Therefore, NGTL respectfully requested the Board to approve the proposed 2005 Interim Rates effective January 1, 2005.

3 PARTICULARS OF THE APPLICATION

NGTL is currently operating under 2004 interim rates, tolls and charges approved by the Board in Decision 2003-105 issued on December 16, 2003. The proposed 2005 interim rates are based on the forecast 2005 contract demand quantities and throughput set out in the Application, the 2004 revenue requirement approved by the Board in Decision 2004-102 adjusted by a proposed

reduction of \$57.8 million, and the tolling methodology approved by the Board in Decision 2004-097.

NGTL submitted that the proposed adjustments to revenue requirement were associated with 2003 Non-Routine Adjustments, a reduction of \$32.4 Million, approved by the Board in Decision 2004-069 and collected through the 2004 revenue requirement, and a \$25.4 million reduction representing the estimated balance of the 2004 Revenue Deferral account. The estimated 2004 Revenue Deferral account was based on the assumption that 2004 Interim Rates would remain in place for the remainder of 2004, as NGTL requested in its 2004 GRA – Phase II Compliance Filing (Note - the Board approved NGTL's Phase II Compliance Filing by Decision 2004-108, dated December 14, 2004).

NGTL considered that the proposed 2005 Interim Rates represented a reasonable bridging rate regime that would provide rate stability for customers and financial stability for NGTL until the 2005 final rates, tolls and charges are established.

4 BOARD FINDINGS

The Board is prepared to approve the Application for NGTL's interim rates, tolls, and charges for services on the Alberta System, effective January 1, 2005. The Board notes that no objections to the proposed rates were submitted by interested parties. Further, since any variance between NGTL's 2005 revenue requirement and the interim rates will be addressed during NGTL's 2005 Phase II proceeding, the Board does not anticipate that customers will be unfairly impacted by the 2005 Interim Rates.

The Board emphasizes that the 2005 Interim Rates are being approved on an interim basis. In this regard, the Board directs NGTL to file with the Board in its 2005 Phase II proceeding, details of the mechanism to reimburse or collect any under-collection or over-collection of revenues that occurs while the 2005 Interim Rates are in effect.

5 ORDER

- (1) The 2005 interim rates, tolls, and charges on the Alberta System as described in the Application shall be effective from January 1, 2005 until the same are superseded by a Board decision on NOVA Gas Transmission Ltd.'s 2005 GRA Phase II.
- (2) NOVA Gas Transmission Ltd. shall address in its upcoming 2005 GRA Phase II Application the mechanism to reimburse or collect any under-collection or over-collection of revenues.

END OF DOCUMENT

TransCanada BC / Alberta Natural Gas (“ANG”)

Applicable Tariffs



TransCanada Home ▶ Gas Transmission ▶ BC System

Effective Rates and Charges for 2005

| Commodity Rates at | | | | | Toll Rate |
|---|---------------|---------|-----------|------|------------------|
| Effective Heating Value Forecast of 37.80 MJ | | | | | |
| FS-1 | Firm | Service | Demand | Rate | 1.1523739715 |
| (cents/GJ/Month/Km) | | | | | |
| IS-1 | Interruptible | Service | Commodity | Rate | 0.0416748943 |
| (cents/GJ/km) * | | | | | |

**The IS-1 Interruptible Service Commodity Rate is calculated by taking the FS-1 Firm Service Demand Rate and multiply by 110%.*

Rates Effective January 1, 2005 **Expressed in Canadian Dollars and Cents** **(MMBtu units expressed in US Dollars)**

| | GJ | MMBtu |
|-------------------------------------|---------------|---------------|
| | (Cdn | (US |
| | cents) | cents) |
| Firm Service (FS-1) | | |
| Demand Rate | 6.5 | 5.6 |
| Interruptible Service (IS-1) | | |
| Interruptible Commodity Rate | 7.1 | 6.1 |

1. Tolls are payable in Canadian dollars and GJ units are used for billing puposes.
2. Posted commodity rates are based on Effective Heating Value Forecast or 37.8 GJ/E³m³.
3. Conversion factors \$Cdn to \$U.S. divide by 1.23 (subject to change) cents/GJ to cents/MMBtu multiply by 1.055056.
4. The 2004 average fuel ratio to Kingsgate is forecast at 1.0%.
5. All rates are based on 100% load factor utilization except for interruptible which is at a 90% load factor.
6. All rates do not include a provision for GST.

Questar Pipeline Corporation (“Questar”)

Applicable Tariffs

FERC GAS TARIFF

FIRST REVISED VOLUME NO. 1

(SUPERSEDES ORIGINAL VOLUME NOS. 1, 1-A, 2 AND 2-A)

of

QUESTAR PIPELINE COMPANY

Filed with

FEDERAL ENERGY REGULATORY COMMISSION

Communications regarding this tariff should be addressed to:

**L. G. Wright, Director, Federal Regulation
Questar Pipeline Company
180 East 100 South
P. O. Box 45360
Salt Lake City, Utah 84145-0360
Telephone: (801) 324-2459
FAX: (801) 324-5485**

Questar Pipeline Company
FERC Gas Tariff
First Revised Volume No. 1

Eighteenth Revised Sheet No. 6
Superseding
Seventeenth Revised Sheet No. 6

| STATEMENT OF RATES | | | |
|---|---------------------------------------|---|--------------------------------|
| Base Rate Schedule/ Type of Charge (a) | Annual Tariff Rate (b) \$ | Currently Charge Adjustment 4/ (c) \$ | Effective Rate (d) \$ |
| PEAKING STORAGE | | | |
| Monthly Reservation Charge | | | |
| Maximum | 2.87375 | - | 2.87375/Dch |
| Minimum | 0.00000 | - | 0.00000/Dch |
| Usage Charge | | | |
| Injection | 0.03872 | - | 0.03872/Dch |
| Withdrawal | 0.03872 | - | 0.03872/Dch |
| CLAY BASIN STORAGE | | | |
| Firm Storage Service - FSS | | | |
| Monthly Reservation Charge | | | |
| Deliverability | | | |
| Maximum | 2.85338 | - | 2.85338/Dch |
| Minimum | 0.00000 | - | 0.00000/Dch |
| Capacity | | | |
| Maximum | 0.02378 | - | 0.02378/Dch |
| Minimum | 0.00000 | - | 0.00000/Dch |
| Usage Charge | | | |
| Injection | 0.01049 | 0.00190 | 0.01239/Dch |
| Withdrawal | 0.01781 | - | 0.01781/Dch |
| Authorized Overrun Charge | | | |
| Maximum | 0.30315 | 0.00190 | 0.30505/Dch |
| Minimum | 0.01781 | 0.00190 | 0.01971/Dch |
| Interruptible Storage Service - ISS | | | |
| Usage Charge | | | |
| Inventory 1/ | | | |
| Maximum | 0.05927 | - | 0.05927/Dch |
| Minimum | 0.00000 | - | 0.00000/Dch |
| Injection | 0.01049 | 0.00190 | 0.01239/Dch |
| Withdrawal | 0.01781 | - | 0.01781/Dch |
| OPTIONAL VOLUMETRIC RELEASES 2/ | | | |
| Peaking Storage Service - PKS | | | |
| Maximum | 3.40890 | - | 3.40890/Dch |
| Minimum | 0.00000 | - | 0.00000/Dch |
| Firm Storage Service - FSS | | | |
| Maximum | 0.57068 | - | 0.57068/Dch |
| Minimum | 0.00000 | - | 0.00000/Dch |
| Storage Usage Charges Applicable to Volumetric Releases 1/ | | | |
| Peaking Storage Service - PKS: | | | |
| Injection | | | |
| Withdrawal | 0.03872 | - | 0.03872/Dch |
| Clay Basin Storage Service - FSS: | | | |
| Injection | 0.03872 | - | 0.03872/Dch |
| Withdrawal | 0.01049 | 0.00190 | 0.01239/Dch |
| | 0.01781 | - | 0.01781/Dch |
| PARK AND LOAN SERVICE - PAL1 | | | |
| Daily Charge | | | |
| Maximum | 0.30315 | - | 0.30315/Dch |
| Minimum | 0.00000 | - | 0.00000/Dch |
| Delivery Charge | 0.02830 | 0.00190 | 0.03020/Dch |
| FUEL REIMBURSEMENT - 2.0¢ (0.2¢ utility and 1.8¢ compressor fuel) for Rate Schedule PAL1 | | | |

Issued by: A. K. Allred, President and CEO
Issued on: June 23, 2005

Effective on: July 25, 2005

Questar Pipeline Company
FERC Gas Tariff
First Revised Volume No. 1

Eleventh Revised Sheet No. 6A
Superseding
Tenth Revised Sheet No. 6A

FOOTNOTES

1/Applied to the average monthly working gas balance.

2/Released capacity may be sold at a volumetric rate. Shippers releasing capacity on a volumetric basis must specify a rate between the maximum and minimum volumetric rate stated on this Statement of Rates and notify Questar of the criteria by which bids are to be evaluated.

3/Storage usage charges are applicable to storage services that are released at a volumetric rate and will be billed to the replacement shipper according to § 18.2 of the General Terms and Conditions of Part 1 of this tariff.

4/The annual charge adjustment (ACA) as specified by the Commission will be billed according to §§ 4(f) and 3(d) of Rate Schedule FSS and ISS, respectively, and § 17 of the General Terms and Conditions of Part 1 of this tariff.

NOTE: The monthly rates stated on Questar's Statement of Rates may be converted to a daily rate by multiplying the monthly base tariff rate times the number of months in the rate period and dividing the result by the number of days in the rate period. The result is rounded to the fourth decimal place.

Issued by: A. K. Allred, President and CEO
Issued on: June 23, 2005

Effective on: July 25, 2005

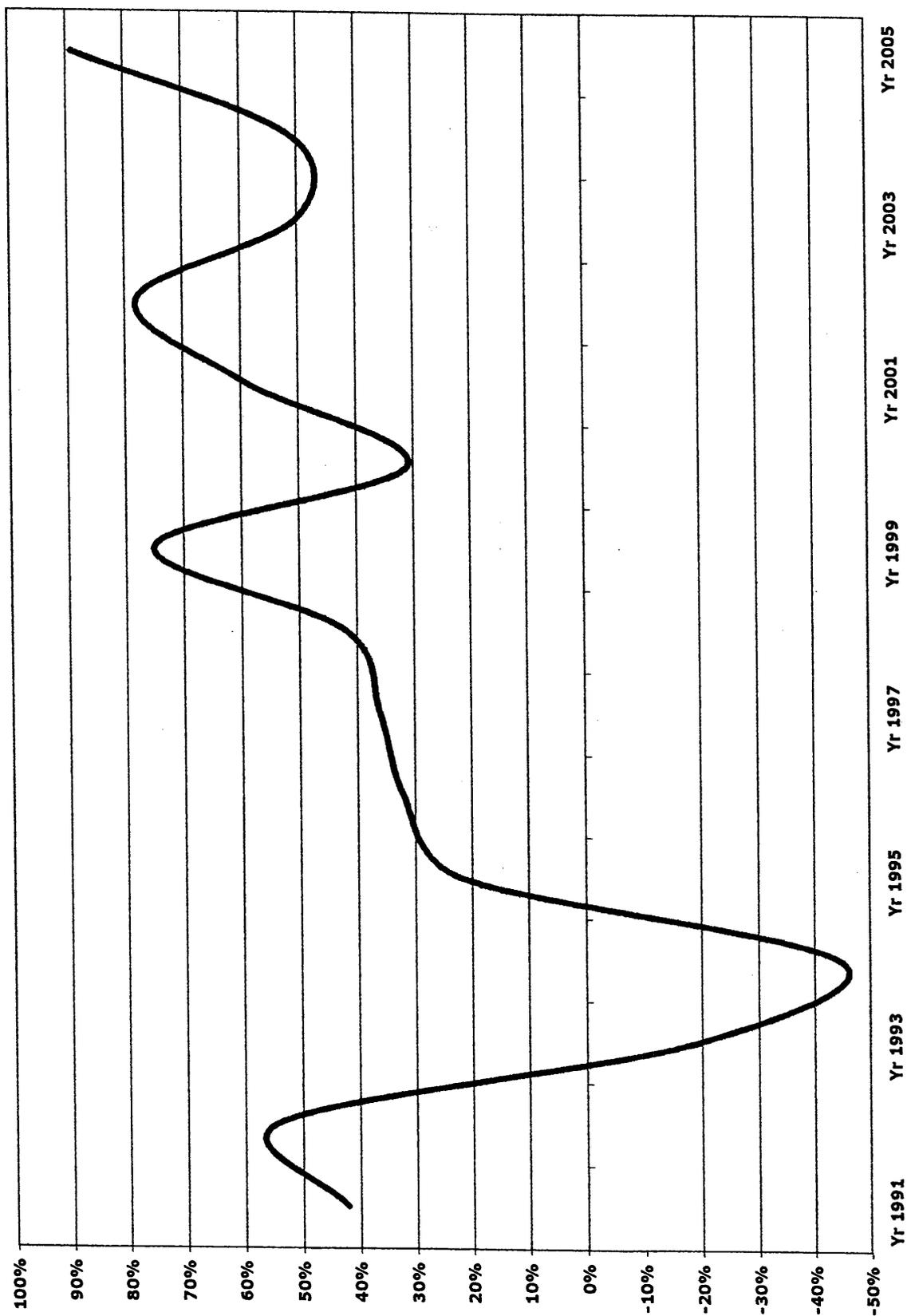
EXHIBIT NOS. 4-11

CASE NO. INT-G-05-2

INTERMOUNTAIN GAS COMPANY

(8 pages)

CRUDE TO NATURAL GAS CORRELATION



INTERMOUNTAIN GAS COMPANY
Summary of Fixed Gas Cost Charges

| Line No. | Description (a) | Annual Therms/ Billing Determinants INT-G-04-2 (b) | 7/1/2004 Prices INT-G-04-2 (c) | Annual Cost INT-G-04-2 (d) | Cost of Service Allocation of Gas Cost Adjustment (1) | | | | | |
|----------|--|---|---|-------------------------------------|---|---------------|---------------|--------------|--------------|--|
| | | | | | RS-1 (e) | RS-2 (f) | GS-1 (g) | T-1 (h) | T-2 (i) | |
| 1 | DEMAND CHARGES: | | | | | | | | | |
| 2 | Transportation: | | | | | | | | | |
| 3 | NWP TF-1 Demand 1 (Full Rate) | 597,140,100 | \$ 0.02855 | \$ 17,045,364 | \$ 2,114,904 | \$ 8,619,267 | \$ 5,452,123 | \$ 598,388 | \$ 260,882 | |
| 4 | NWP TF-1 Demand 1 (Discounted) | 197,204,400 | 0.02058 | 4,078,297 | 506,015 | 2,062,258 | 1,304,482 | 143,171 | 62,371 | |
| 5 | Upstream Capacity | 904,444,200 | 0.00985 | 8,911,188 | 1,105,656 | 4,506,088 | 2,850,329 | 312,833 | 136,282 | |
| 6 | Storage: | | | | | | | | | |
| 7 | SGS-1 | | | | | | | | | |
| 8 | Demand | 303,370 | 0.00169 | 187,023 (2) | 23,205 | 94,571 | 59,821 | 6,566 | 2,860 | |
| 9 | Capacity Demand | 10,920,990 | 0.00006 | 247,142 (2) | 30,864 | 124,971 | 79,051 | 8,676 | 3,780 | |
| 10 | TF-2 Reservation | 10,920,990 | 0.02776 | 303,167 | 37,615 | 153,302 | 96,971 | 10,643 | 4,636 | |
| 11 | TF-2 Redelivery Charge | 10,920,990 | 0.00300 | 32,763 | 4,262 | 17,264 | 11,237 | - | - | |
| 12 | LS-1 | | | | | | | | | |
| 13 | Demand | 720,000 | 0.00260 | 683,280 (2) | 84,778 | 345,511 | 218,554 | 23,987 | 10,450 | |
| 14 | Capacity | 7,705,200 | 0.00033 | 928,091 (2) | 115,153 | 469,304 | 296,859 | 32,581 | 14,194 | |
| 15 | Liquefaction | 7,705,200 | 0.05569 | 429,103 | 53,241 | 216,983 | 137,253 | 15,064 | 6,562 | |
| 16 | Vaporization | 7,705,200 | 0.00303 | 23,347 | 2,897 | 11,805 | 7,468 | 820 | 357 | |
| 17 | TF-2 Reservation | 7,705,150 | 0.02776 | 213,895 | 26,539 | 108,160 | 68,416 | 7,509 | 3,271 | |
| 18 | TF-2 Redelivery Charge | 7,705,200 | 0.00300 | 23,116 | 3,007 | 12,181 | 7,928 | - | - | |
| 19 | Other Storage Facilities | | | 3,115,696 | 386,580 | 1,575,503 | 996,595 | 109,378 | 47,650 | |
| 20 | Total Fixed Gas Cost Charges | | | \$ 36,221,472 | \$ 4,494,516 | \$ 18,317,168 | \$ 11,587,077 | \$ 1,269,616 | \$ 553,095 | |
| 21 | Normalized Sales/CD Vols. (INT-G-05-2 Estimated Volumes) | | | | 36,714,655 | 163,839,727 | 96,183,705 | 23,999,911 | 660,840 | |
| 22 | Fixed Cost Collection per Therm (Row 20/ Row 21) | | | \$ 0.12242 | \$ 0.11180 | \$ 0.11801 | \$ 0.12228 | \$ 0.05290 | \$ 0.83696 | |
| 23 | Current Fixed Cost Collection per Therm | | | \$ 0.12858 | \$ 0.11430 | \$ 0.12228 | \$ 0.12228 | \$ 0.06035 | \$ 0.89555 | |
| 24 | Difference (Row 22 - Row 23) | | | \$ (0.00616) | \$ (0.00250) | \$ (0.00427) | \$ (0.00745) | \$ (0.05839) | \$ (0.05839) | |

(1) See Worksheet 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 Proposed Temporary Surcharges (Credits)

| Line No. | Description (a) | COST OF SERVICE ALLOCATION OF DEFERRED GAS COSTS | | | | | |
|----------|--|--|-------------------|-------------------|---------------------|---------------------|--|
| | | RS-1 (b) | RS-2 (c) | GS-1 (d) | T-1 (e) | T-2 (f) | |
| 1 | Market Segmentation Credit ⁽¹⁾ | \$ (0.00817) | \$ (0.00822) | \$ (0.00799) | \$ (0.00415) | \$ (0.05) | |
| 2 | Proposed Temporary Surcharge (Credit) - Fixed Deferral ⁽²⁾ | 0.04208 | 0.02489 | 0.02612 | 0.00276 | (0.03519) | |
| 3 | Proposed Temporary Surcharge (Credit) - Variable Deferral ⁽³⁾ | 0.03171 | 0.03171 | 0.03171 | - | - | |
| 4 | Total Proposed Temporary Surcharge (Credit) | \$ 0.06562 | \$ 0.04838 | \$ 0.04984 | \$ (0.00139) | \$ (0.08920) | |

⁽¹⁾ See Exhibit No. 8, Line 3, Cols. (c) - (g)

⁽²⁾ See Exhibit No. 9, Line 11, Col. (c) - (g)

⁽³⁾ See Exhibit No. 10, Line 4, Col. (b)

INTERMOUNTAIN GAS COMPANY
Allocation of Annualized Segmentation Credits

| Line No. | Description (a) | COST OF SERVICE ALLOCATION OF DEFERRED GAS COSTS ⁽¹⁾ | | | | | |
|----------|---|---|--------------|----------------|--------------|--------------|--------------|
| | | Total (b) | RS-1 (c) | RS-2 (d) | GS-1 (e) | T-1 (f) | T-2 (g) |
| 1 | Segmentation Credits | \$ (2,333,963) | \$ (289,586) | \$ (1,180,208) | \$ (746,540) | \$ (81,935) | \$ (35.6) |
| 2 | Normalized Sales/CD Vols. (10/1/03 - 9/30/04) | | 35,451,382 | 143,614,032 | 93,478,261 | 19,725,800 | 660,840 |
| 3 | Proposed Price Adjustment Per Therm/CD | | \$ (0.00817) | \$ (0.00822) | \$ (0.00799) | \$ (0.00415) | \$ (0.05401) |

⁽¹⁾ See Workpaper No. 5, Line 10

INTERMOUNTAIN GAS COMPANY
Proposed Temporary Surcharges (Credits) - Fixed Costs

| Line No. | Description (a) | COST OF SERVICE ALLOCATION OF DEFERRED GAS COSTS (1) | | | | | |
|----------|--|--|---------------------|---------------------|---------------------|-------------------|---------------------|
| | | Deferred Account 1860 Sept. 30, 2005 Balance (2) (b) | RS-1 (c) | RS-2 (d) | GS-1 (e) | T-1 (f) | T-2 (g) |
| 1 | Fixed Costs: | | | | | | |
| 2 | From INT-G-04-2 (Accts 1860.2050 - 2090) | \$ (161,521) | \$ 35,547 | \$ (107,837) | \$ (40,645) | \$ (45,814) | \$ (2,7 |
| 3 | Fixed Cost Collection Adjustment (Acct. 1860.2200-2210) | 10,500,307 | 1,855,825 | 5,058,831 | 3,398,826 | 171,334 | 15,400 |
| 4 | Statoil Revenue Deferral (Acct. 1860.2260) | (68,443) | (8,492) | (34,609) | (21,892) | (2,403) | (1,047) |
| 5 | Capacity Release & Purchases (Acct 1860.2320) | (2,236,131) | (277,448) | (1,130,736) | (715,248) | (78,501) | (34,198) |
| 6 | Interest (Accts 1860.2420, 2430) | 72,774 | 9,029 | 36,800 | 23,277 | 2,555 | 1,113 |
| 7 | Market Segmentation (Acct 1860.2530) | (3,060,625) | (400,265) | (1,463,583) | (1,003,614) | (143,079) | (50,084) |
| 8 | Amortization of 1860.2530 (Acct 1860.2540 - 1860.2550) | 2,492,342 | 277,559 | 1,215,520 | 800,602 | 150,420 | 48,241 |
| 9 | Total Fixed Costs | \$ 7,538,703 | \$ 1,491,755 | \$ 3,574,386 | \$ 2,441,306 | \$ 54,512 | \$ (23,256) |
| 10 | Normalized Sales/CD Vols. (10/1/03 - 9/30/04) | | 35,451,382 | 143,614,032 | 93,478,261 | 19,725,800 | 660,840 |
| 11 | Proposed Temporary Surcharge (Credit)-Fixed Costs | | \$ 0.04208 | \$ 0.02489 | \$ 0.02612 | \$ 0.00276 | \$ (0.03519) |

(1) See Workpaper No. 5, Line 10

(2) See Workpaper No. 6

INTERMOUNTAIN GAS COMPANY
Proposed Temporary Surcharges (Credits) - Variable Costs

| <u>Line No.</u> | <u>Description</u> | <u>Amount</u> |
|-----------------|--|-------------------|
| | (a) | (b) |
| 1 | Account 1860 Amounts Which Apply to RS-1, RS-2, GS-1, and LV-1: | |
| 2 | Account 1860 Variable Costs ⁽¹⁾ | \$ 8,730,036 |
| 3 | Normalized Sales/CD Vols. (10/1/03 - 9/30/04) | 275,328,714 |
| 4 | Proposed Temporary Surcharge(Credit) - Variable Costs | <u>\$ 0.03171</u> |

⁽¹⁾ See Workpaper No. 6, Page 1, Line 16, Col (f)

INTERMOUNTAIN GAS COMPANY

Analysis of Annualized Price Change by Class of Service
Normalized Volumes for Twelve Months Ended September 30, 2004

| Line No. | Description (a) | Average Prices Effective per Case No. INT-G-04-2 Commission Order No. 29540 | | Proposed Adjustments Effective 10/1/2005 | | Proposed Average Prices Effective 10/1/2005 | | Percent Change (i) | |
|----------|--------------------------------|---|----------------|--|---------------|---|----------------|--------------------|--------------|
| | | Annual Therms/CD Vols. (b) | Revenue (c) | \$/Therm (d) | Revenue (e) | \$/Therm (f) | Revenue (g) | | \$/Therm (h) |
| 1 | Gas Sales: | | | | | | | | |
| 2 | RS-1 Residential | 35,451,382 | \$ 35,563,408 | \$ 1.00316 | \$ 9,065,627 | \$ 0.25572 | \$ 44,629,035 | \$ 1.25688 | 25. |
| 3 | RS-2 Residential | 143,614,032 | 128,451,263 | 0.89442 | 35,247,192 | 0.24543 | 163,698,455 | 1.13985 | 27.44% |
| 4 | GS-1 General Service | 93,478,261 | 79,851,935 | 0.85423 | 22,643,239 | 0.24223 | 102,495,174 | 1.09646 | 28.36% |
| 5 | LV-1 Large Volume | 2,785,039 | 1,882,491 | 0.67593 | 593,241 | 0.21301 | 2,475,732 | 0.88894 | 31.51% |
| 6 | Total Gas Sales | 275,328,714 | 245,749,097 | 0.89257 | 67,549,299 | 0.24534 | 313,298,396 | 1.13791 | 27.49% |
| 7 | T-1 Transportation | 16,940,761 | 1,879,408 | 0.11094 | (1,525) | (0.00009) | 1,877,883 | 0.11085 | -0.08% |
| 8 | T-2 Transportation (Demand) | 660,840 | 564,311 | 0.85393 | 8,492 | 0.01285 | 572,803 | 0.86678 | 1.50% |
| 9 | T-2 Transportation (Commodity) | 18,862,671 | 123,739 | 0.00656 | (566) | (0.00003) | 123,173 | 0.00653 | -0.46% |
| 10 | Total T-2 | 18,862,671 | 688,050 | 0.03648 | 7,926 | 0.00042 | 695,976 | 0.03690 | 1.15% |
| 11 | Total | 311,132,146 | \$ 248,316,555 | \$ 0.79811 | \$ 67,555,700 | \$ 0.21713 | \$ 315,872,255 | \$ 1.01524 | 27. |

(i) Demand volumes removed from the \$/therm calculations

NEWS RELEASE

and

CUSTOMER NOTICE

NEWS RELEASE

August 8, 2005

Contact: Mike Huntington
Vice President
Marketing & External Affairs
(208) 377-6059

TODAY, INTERMOUNTAIN GAS COMPANY ("INTERMOUNTAIN") FILED ITS ANNUAL PURCHASED GAS COST ADJUSTMENT APPLICATION WITH THE IDAHO PUBLIC UTILITIES COMMISSION ("IPUC"). THIS TYPE OF APPLICATION IS FILED EACH YEAR TO ENSURE THAT THE COSTS THAT INTERMOUNTAIN IS INCURRING ON BEHALF OF ITS CUSTOMERS ARE PROPERLY REFLECTED IN ITS SALES PRICE. IN ITS APPLICATION, INTERMOUNTAIN REQUESTS PERMISSION TO ADJUST ITS PRICES TO REFLECT THE HIGHER PRICES THAT INTERMOUNTAIN IS PAYING FOR THESE NATURAL GAS SUPPLIES.

WILLIAM C. "BILL" GLYNN, PRESIDENT OF INTERMOUNTAIN GAS COMPANY, SAID, "NATURAL GAS PRICES ARE INFLUENCED BY A NUMBER OF FACTORS INCLUDING COSTS OF OTHER ENERGY SOURCES, INCREASED DEMAND FOR NATURAL GAS INCLUDING THAT USED FOR ELECTRIC POWER GENERATION, PRODUCERS ABILITY TO DRILL FOR ADDITIONAL SUPPLIES OF NATURAL GAS AND THEIR ABILITY TO SELL NATURAL GAS TO OTHER NORTH AMERICAN MARKETS, AS WELL AS SPECULATION IN COMMODITY MARKETS. OVER THE PAST YEAR NATURAL GAS HAS MORE CLOSELY FOLLOWED THE PRICE OF CRUDE OIL AND BOTH ARE NOW AT HISTORIC HIGHS." COMMENTING FURTHER GLYNN SAID, "WE ARE PLEASED THAT WASHINGTON HAS PASSED AN ENERGY BILL THAT WILL HELP DIVERSIFY THE NATION'S ENERGY BASE BEYOND ITS DEPENDENCY ON NATURAL GAS FOR POWER GENERATION. BUT WE'RE ALSO DISAPPOINTED THAT MORE WASN'T DONE, INCLUDING PROVIDING PRODUCERS ACCESS TO PUBLIC LANDS AND COASTAL WATERS WHERE KNOWN QUANTITIES OF LARGE SUPPLIES OF NATURAL GAS AND OIL EXIST AND CAN BE RECOVERED IN AN ENVIRONMENTALLY SENSITIVE WAY."

THE COMPANY IS NOT REQUESTING ANY CHANGE IN THE PRICE COMPONENT FOR ITS OWN SERVICE, OPERATION, MAINTENANCE, OR CAPITAL COSTS, WHICH HAS REMAINED THE SAME FOR OVER 20 YEARS. THEREFORE THE COMPANY'S EARNINGS WILL NOT INCREASE AS A RESULT OF THE PROPOSED PRICE CHANGES. BY REGULATION, THE COMPANY CAN NOT "MARK-UP" WHAT IT PAYS THE PRODUCERS FOR THE GAS IT BUYS ON BEHALF OF ITS CUSTOMERS. GLYNN SAID, "WHILE THIS APPLICATION REFLECTS THE CURRENT AND MARKET FORECAST OF NATURAL GAS PRICES FOR THE NEXT TWELVE MONTHS, EVEN AT THESE HIGHER PRODUCER PRICES, NATURAL GAS IN SOUTHERN IDAHO WILL STILL BE LESS THAN ELECTRICITY."

GLYNN WENT ON TO SAY, "INTERMOUNTAIN CONTINUES TO URGE ALL ITS CUSTOMERS TO BE CONSCIOUS OF THEIR ENERGY USAGE. HELPFUL TIPS ON WAYS TO CONSERVE AND USE ENERGY WISELY, AND HOW TO REQUEST ENERGY ASSISTANCE ARE PROVIDED THROUGH BILL INSERTS AND ON THE COMPANY'S WEBSITE (www.intgas.com). WE APPLAUD THE ENERGY BILL PROVISION THAT INCREASES THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM, AND WE CONTINUE TO WORK WITH THE LOCAL AGENCIES THAT ADMINISTER ENERGY ASSISTANCE FUNDS TO HELP THOSE RESIDENTIAL CUSTOMERS WHOSE INCOMES ARE MOST IMPACTED BY HIGHER ENERGY PRICES. WE ALSO HAVE A NUMBER OF PROGRAMS TO HELP OUR CUSTOMERS LEVEL OUT THEIR ENERGY BILLS OVER THE YEAR, AND STABILIZE THE POTENTIAL IMPACT THAT COLD WEATHER WILL HAVE DURING PERIODS OF HIGHER NATURAL GAS COSTS."

IF THIS PROPOSED INCREASE IS APPROVED, RESIDENTIAL CUSTOMERS USING NATURAL GAS FOR HEATING AND WATER HEATING COULD EXPERIENCE AN AVERAGE MONTHLY INCREASE OF \$17.26 (27.4%). THOSE RESIDENTIAL CUSTOMERS USING NATURAL GAS FOR SPACE HEATING ONLY COULD EXPERIENCE AN AVERAGE MONTHLY INCREASE OF \$12.17 (25.5%). COMMERCIAL CUSTOMERS COULD EXPERIENCE AN AVERAGE MONTHLY INCREASE OF \$77.76 (28.4%).

IF APPROVED AS FILED, THE TOTAL NET REVENUE INCREASE FROM THIS CURRENT REQUEST WILL BE APPROXIMATELY \$67.6 MILLION (27.2%) AND IS PROPOSED TO BE EFFECTIVE OCTOBER 1, 2005. THIS PROPOSAL IS SUBJECT TO PUBLIC REVIEW AND APPROVAL BY THE IPUC. A COPY OF INTERMOUNTAIN'S APPLICATION IS AVAILABLE AT THE OFFICES OF BOTH THE IDAHO PUBLIC UTILITIES COMMISSION AND THE COMPANY.

CUSTOMER NOTICE

Contact: Mike Huntington
Vice President
Marketing & External Affairs
(208) 377-6059

ON AUGUST 8TH, 2005, INTERMOUNTAIN GAS COMPANY ("INTERMOUNTAIN") FILED ITS ANNUAL PURCHASED GAS COST ADJUSTMENT APPLICATION WITH THE IDAHO PUBLIC UTILITIES COMMISSION ("IPUC"). THIS TYPE OF APPLICATION IS FILED EACH YEAR TO ENSURE THAT THE COSTS THAT INTERMOUNTAIN IS INCURRING ON BEHALF OF ITS CUSTOMERS ARE PROPERLY REFLECTED IN ITS SALES PRICE. IN ITS APPLICATION, INTERMOUNTAIN REQUESTS PERMISSION TO ADJUST ITS PRICES TO REFLECT THE HIGHER PRICES THAT INTERMOUNTAIN IS PAYING FOR THESE NATURAL GAS SUPPLIES.

WILLIAM C. "BILL" GLYNN, PRESIDENT OF INTERMOUNTAIN GAS COMPANY, SAID, "NATURAL GAS PRICES ARE INFLUENCED BY A NUMBER OF FACTORS INCLUDING COSTS OF OTHER ENERGY SOURCES, INCREASED DEMAND FOR NATURAL GAS INCLUDING THAT USED FOR ELECTRIC POWER GENERATION, PRODUCERS ABILITY TO DRILL FOR ADDITIONAL SUPPLIES OF NATURAL GAS AND THEIR ABILITY TO SELL NATURAL GAS TO OTHER NORTH AMERICAN MARKETS, AS WELL AS SPECULATION IN COMMODITY MARKETS. OVER THE PAST YEAR NATURAL GAS HAS MORE CLOSELY FOLLOWED THE PRICE OF CRUDE OIL AND BOTH ARE NOW AT HISTORIC HIGHS." COMMENTING FURTHER GLYNN SAID, "WE ARE PLEASED THAT WASHINGTON HAS PASSED AN ENERGY BILL THAT WILL HELP DIVERSIFY THE NATION'S ENERGY BASE BEYOND ITS DEPENDENCY ON NATURAL GAS FOR POWER GENERATION. BUT WE'RE ALSO DISAPPOINTED THAT MORE WASN'T DONE, INCLUDING PROVIDING PRODUCERS ACCESS TO PUBLIC LANDS AND COASTAL WATERS WHERE KNOWN QUANTITIES OF LARGE SUPPLIES OF NATURAL GAS AND OIL EXIST AND CAN BE RECOVERED IN AN ENVIRONMENTALLY SENSITIVE WAY."

THE COMPANY IS NOT REQUESTING ANY CHANGE IN THE PRICE COMPONENT FOR ITS OWN SERVICE, OPERATION, MAINTENANCE, OR CAPITAL COSTS, WHICH HAS REMAINED THE SAME FOR OVER 20 YEARS. THEREFORE THE COMPANY'S EARNINGS WILL NOT INCREASE AS A RESULT OF THE PROPOSED PRICE CHANGES. BY REGULATION, THE COMPANY CAN NOT "MARK-UP" WHAT IT PAYS THE PRODUCERS FOR THE GAS IT BUYS ON BEHALF OF ITS CUSTOMERS. GLYNN SAID, "WHILE THIS APPLICATION REFLECTS THE CURRENT AND MARKET FORECAST OF NATURAL GAS PRICES FOR THE NEXT TWELVE MONTHS, EVEN AT THESE HIGHER PRODUCER PRICES, NATURAL GAS IN SOUTHERN IDAHO WILL STILL BE LESS THAN ELECTRICITY."

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IF APPROVED AS FILED, THE TOTAL NET REVENUE INCREASE FROM THIS CURRENT REQUEST WILL BE APPROXIMATELY \$67.6 MILLION (27.2%) AND IS PROPOSED TO BE EFFECTIVE OCTOBER 1, 2005. THIS PROPOSAL IS SUBJECT TO PUBLIC REVIEW AND APPROVAL BY THE IPUC. A COPY OF INTERMOUNTAIN'S APPLICATION IS AVAILABLE AT THE OFFICES OF BOTH THE IDAHO PUBLIC UTILITIES COMMISSION AND THE COMPANY.

WORKPAPER NOS. 1-7

CASE NO. INT-G-05-2

INTERMOUNTAIN GAS COMPANY

(8 pages)

Intermountain Gas Company Northwest Pipeline TF-1 Full Rate Demand Workpaper

| Line No. | <u>Transportation</u> (a) | INT-G-04-2 <u>Annual Therms</u> (b) | INT-G-04-2 <u>Prices</u> (c) | INT-G-04-2 <u>Annual Cost</u> (d) |
|----------|------------------------------|---|------------------------------------|---|
| 1 | TF-1 Demand 1 Contract #1 | 412,537,600 | \$ 0.028545 | \$ 11,775,886 |
| 2 | TF-1 Demand 1 Contract #2 | 25,550,000 | 0.028545 | 729,325 |
| 3 | TF-1 Demand 1 Contract #3 | 73,000,000 | 0.028545 | 2,083,785 |
| 4 | TF-1 Demand 1 Contract #4 | 23,542,500 | 0.028545 | 672,021 |
| 5 | TF-1 Demand 1 Contract #5 | 32,850,000 | 0.028545 | 937,703 |
| 6 | TF-1 Demand 1 Contract #6 | 24,200,000 | 0.028545 | 690,789 |
| 7 | TF-1 Demand 1 Contract #7 | 5,460,000 | 0.028545 | 155,855 |
| 8 | Total Annual Cost | <u>597,140,100</u> | <u>\$ 0.028545</u> | <u>\$ 17,045,364</u> |

| Line No. | <u>Transportation</u> (a) | INT-G-05-2 <u>Annual Therms</u> (b) | INT-G-05-2 <u>Prices</u> (c) | INT-G-05-2 <u>Annual Cost</u> (d) |
|----------|-------------------------------------|---|------------------------------------|---|
| 9 | TF-1 Demand 1 Contract #1 | 412,537,600 | \$ 0.028615 | \$ 11,804,763 |
| 10 | TF-1 Demand 1 Contract #2 | 25,550,000 | 0.028615 | 731,113 |
| 11 | TF-1 Demand 1 Contract #3 | 73,000,000 | 0.028615 | 2,088,895 |
| 12 | TF-1 Demand 1 Contract #4 | 23,542,500 | 0.028615 | 673,669 |
| 13 | TF-1 Demand 1 Contract #5 | 32,850,000 | 0.028615 | 940,003 |
| 14 | TF-1 Demand 1 Contract #6 | 36,500,000 | 0.028615 | 1,044,448 |
| 15 | TF-1 Demand 1 Contract #7 | 21,900,000 | 0.028615 | 626,669 |
| 16 | Total Annual Cost | <u>625,880,100</u> | <u>\$ 0.028615</u> | <u>\$ 17,909,560</u> |
| 17 | Total Annual Cost Difference | | | <u>\$ 864,196 (1)</u> |

(1) See Exhibit 4, Line 3, Column (h)

Intermountain Gas Company Northwest Pipeline TF-1 Discounted Demand Workpaper

| Line No. | <u>Transportation</u> (a) | INT-G-04-2 <u>Annual Therms</u> (b) | INT-G-04-2 <u>Prices</u> (c) | INT-G-04-2 <u>Annual Cost</u> (d) |
|----------|------------------------------|---|------------------------------------|---|
| 1 | TF-1 Demand 1 Contract #1 | 43,680,000 | \$ 0.027850 | \$ 1,216,488 |
| 2 | TF-1 Demand 1 Contract #2 | 28,470,000 | 0.016710 | 475,733 |
| 3 | TF-1 Demand 1 Contract #3 | 29,404,400 | 0.014760 | 434,009 |
| 4 | TF-1 Demand 1 Contract #4 | 22,650,000 | 0.027850 | 630,803 |
| 5 | TF-1 Demand 1 Contract #5 | 36,500,000 | 0.016709 | 609,879 |
| 6 | TF-1 Demand 1 Contract #6 | 36,500,000 | 0.019490 | 711,385 |
| 7 | Total Annual Cost | 197,204,400 | \$ 0.020681 | \$ 4,078,297 |

| Line No. | <u>Transportation</u> (a) | INT-G-05-2 <u>Annual Therms</u> (b) | INT-G-05-2 <u>Prices</u> (c) | INT-G-05-2 <u>Annual Cost</u> (d) |
|----------|-------------------------------------|---|------------------------------------|---|
| 8 | TF-1 Demand 1 Contract #1 | 43,680,000 | \$ 0.027760 | \$ 1,212,557 |
| 9 | TF-1 Demand 1 Contract #2 | 28,470,000 | 0.016656 | 474,196 |
| 10 | TF-1 Demand 1 Contract #3 | 29,404,400 | 0.014724 | 432,950 |
| 11 | TF-1 Demand 1 Contract #4 | 22,650,000 | 0.027760 | 628,764 |
| 12 | TF-1 Demand 1 Contract #5 | 36,500,000 | 0.016656 | 607,944 |
| 13 | TF-1 Demand 1 Contract #6 | 36,500,000 | 0.019432 | 709,268 |
| 14 | Total Annual Cost | 197,204,400 | \$ 0.020617 | \$ 4,065,679 |
| 15 | Total Annual Cost Difference | | | \$ (12,618) (1) |

⁽¹⁾ See Exhibit 4, Line 4, Column (h)

Intermountain Gas Company Upstream Capacity Workpaper

| Line No. | <u>Transportation</u> (a) | INT-G-04-2 <u>Annual Therms</u> (b) | INT-G-04-2 <u>Prices</u> (c) | INT-G-04-2 <u>Annual Cost</u> (d) |
|-------------|------------------------------|---|------------------------------------|---|
| 1 | Upstream Agreement #1 | 199,687,850 | \$ 0.012715 | \$ 2,539,031 |
| 2 | Upstream Agreement #2 | 156,446,890 | 0.005000 | 782,224 |
| 3 | Upstream Agreement #3 | 155,025,220 | 0.013509 | 2,094,183 |
| 4 | Upstream Agreement #4 | 91,058,160 | 0.013250 | 1,206,496 |
| 5 | Upstream Agreement #5 | 172,258,810 | 0.004698 | 809,276 |
| 6 | Upstream Agreement #6 | 129,967,270 | 0.011387 | 1,479,978 |
| 7 | Total Annual Cost | | | <u>\$ 8,911,188</u> |

| Line No. | <u>Transportation</u> (a) | INT-G-05-2 <u>Annual Therms</u> (b) | INT-G-05-2 <u>Prices</u> (c) | INT-G-05-2 <u>Annual Cost</u> (d) |
|-------------|--|---|------------------------------------|---|
| 8 | Upstream Agreement #1 | 198,089,150 | \$ 0.012756 | \$ 2,526,825 |
| 9 | Upstream Agreement #2 | 155,624,370 | 0.005498 | 855,623 |
| 10 | Upstream Agreement #3 | 155,025,220 | 0.013122 | 2,034,241 |
| 11 | Upstream Agreement #4 | 193,282,100 | 0.012756 | 2,465,506 |
| 12 | Upstream Agreement #5 | 273,100,300 | 0.005254 | 1,434,869 |
| 13 | Upstream Agreement #6 | 144,193,020 | 0.013161 | 1,897,724 |
| 14 | Total Annual Cost | | | <u>\$ 11,214,788</u> |
| 15 | Estimated Upstream Capacity Release Credits | | | <u>\$ (810,805)</u> |
| 16 | Total Annual Cost Including Capacity Release Credits | | | <u>\$ 10,403,983</u> |
| 17 | Total Annual Cost Difference | | | <u>\$ 1,492,795 (1)</u> |

(1) See Exhibit 4, Line 5, Column (h)

**Intermountain Gas Company
Other Storage Facilities**

| Line No. | Storage Facilities (a) | INT-G-04-2 | INT-G-04-2 | INT-G-04-2 | INT-G-04-2 |
|----------|--------------------------------------|---------------------------------|-------------|------------------|-----------------------|
| | | Monthly Billing Determinant (b) | Prices (c) | Monthly Cost (d) | Annual Cost (d) |
| 1 | Demand Costs - | | | | |
| 2 | Clay Basin I Reservation | 266,250 ⁽¹⁾ | \$ 0.285340 | \$ 75,972 | \$ 911,664 |
| 3 | Clay Basin II Reservation | 221,840 ⁽¹⁾ | 0.285340 | 63,300 | 759,600 |
| 4 | Clay Basin III Reservation | - ⁽¹⁾ | - | - | - |
| 5 | Clay Basin I Capacity | 31,950,000 ⁽²⁾ | 0.002380 | 76,041 | 912,492 |
| 6 | Clay Basin II Capacity | 26,625,000 ⁽²⁾ | 0.002380 | 63,368 | 760,416 |
| 7 | Clay Basin III Capacity | - ⁽²⁾ | - | - | - |
| 8 | AECO Demand | 26,064,970 ⁽²⁾ | 0.001300 | 33,822 | 405,864 |
| 9 | Total Demand Costs | 84,639,970 ⁽³⁾ | | <u>312,503</u> | <u>\$ 3,750,036</u> |
| 10 | Cycling Costs - | | | | |
| 11 | Clay Basin I & II Cycling Costs | 58,575,000 | \$ 0.000760 | \$ 44,517 | \$ 534,204 |
| 12 | Clay Basin III Cycling Costs | - | - | - | - |
| 13 | AECO Cycling Costs | 26,064,970 | 0.000740 | 19,288 | 231,456 |
| 14 | Total Cycling Costs | <u>84,639,970</u> | | <u>\$ 63,805</u> | <u>\$ 765,660</u> |
| 15 | Storage Demand Charge Credit | | | | <u>\$ (1,400,000)</u> |
| 16 | Total Costs Including Storage Credit | | | | <u>\$ 3,115,696</u> |

| Line No. | Storage Facilities (a) | INT-G-05-2 | INT-G-05-2 | INT-G-05-2 | INT-G-05-2 |
|----------|---|---------------------------------|-------------|-------------------|------------------------------------|
| | | Monthly Billing Determinant (b) | Prices (c) | Monthly Cost (d) | Annual Cost (d) |
| 17 | Demand Costs - | | | | |
| 18 | Clay Basin I Reservation | 266,250 ⁽¹⁾ | \$ 0.285340 | \$ 75,972 | \$ 911,664 |
| 19 | Clay Basin II Reservation | 221,840 ⁽¹⁾ | 0.285340 | 63,300 | 759,600 |
| 20 | Clay Basin III Reservation | 213,010 ⁽¹⁾ | 0.285340 | 60,780 | 729,360 |
| 21 | Clay Basin I Capacity | 31,950,000 ⁽²⁾ | 0.002378 | 75,977 | 911,724 |
| 22 | Clay Basin II Capacity | 26,625,000 ⁽²⁾ | 0.002378 | 63,314 | 759,768 |
| 23 | Clay Basin III Capacity | 25,560,000 ⁽²⁾ | 0.002378 | 60,782 | 729,384 |
| 24 | AECO II Demand | 26,064,970 ⁽²⁾ | 0.001432 | 37,325 | 447,900 |
| 25 | Total Demand Costs | 110,199,970 ⁽³⁾ | | <u>437,450</u> | <u>5,249,400</u> |
| 26 | Cycling Costs - | | | | |
| 27 | Clay Basin I & II Cycling Costs | 58,575,000 | \$ 0.001581 | \$ 92,594 | \$ 1,111,126 |
| 28 | Clay Basin III Cycling Costs | 25,560,000 | 0.001388 | 35,468 | 425,611 |
| 29 | AECO Cycling Costs | 26,064,970 | 0.001536 | 40,023 | 480,272 |
| 30 | Total Cycling Costs | <u>110,199,970</u> | | <u>\$ 168,085</u> | <u>\$ 2,017,009</u> |
| 31 | Estimated Storage Demand Charge Credit | | | | <u>\$ (1,351,942)</u> |
| 32 | Total Costs Including Storage Credit | | | | <u>\$ 5,914,467</u> |
| 33 | Total Annual Cost Difference Including Storage Credit | | | | <u>\$ 2,798,771</u> ⁽⁴⁾ |

⁽¹⁾ Charge Based on Maximum Daily Withdrawal

⁽²⁾ Charge Based on Maximum Contractual Capacity

⁽³⁾ Non Additive Billing Determinants; Only Includes Capacity Volumes

⁽⁴⁾ See Exhibit 4, Line 19, Column (h)

INTERMOUNTAIN GAS COMPANY
Peak Day Analysis for Demand Allocators in Case No. INT-G-05-2

| Line No. | | CORE | | | TOTAL CORE | FIRM TRANSPORTATION | | TOTAL FIRM TRANSPORTATION | TOTAL PEAK |
|----------|--|------------------|------------------|------------------|----------------|---------------------|-----------------|---------------------------|------------------|
| | | RS-1 | RS-2 | GS-1 | | T-1 | T-2 | | |
| 1 | <u>DEMAND ALLOCATORS PER CASE NO. INT-G-04-2:</u> | | | | | | | | |
| 2 | Peak Day Therms | 440,109 | 1,609,272 | 1,103,517 | 3,152,898 | 157,322 | 55,070 | 212,392 | 3,365,290 |
| 3 | % of Total | <u>13.07389%</u> | <u>47.81971%</u> | <u>32.79114%</u> | 93.68875% | <u>4.67484%</u> | <u>1.63641%</u> | 6.31125% | <u>100.0000%</u> |
| 4 | <u>PROPOSED DEMAND ALLOCATORS PER CASE NO. INT-G-05-2:</u> | | | | | | | | |
| 5 | Peak Day Therms (Line 2) | 440,109 | 1,609,272 | 1,103,517 | 3,152,898 | | | | |
| 6 | Customers Embedded within Line 2 | 61,024 | 155,427 | 24,937 | 241,388 | | | | |
| 7 | Peak Day Usage Per Customer (Line 5 divided by Line 6) | 7.21 | 10.35 | 44.25 | | | | | |
| 8 | January 2005 Actual Customers | <u>61,967</u> | <u>175,928</u> | <u>26,029</u> | <u>263,924</u> | | | | |
| 9 | INT-G-05-2 Peak Day Therms (Line 7 multiplied by Line 8) | 446,782 | 1,820,855 | 1,151,783 | 3,419,420 | 126,412 | 55,070 | 181,482 ⁽¹⁾ | 3,600,902 |
| 10 | % of Total | <u>12.40750%</u> | <u>50.56664%</u> | <u>31.98596%</u> | 94.96010% | <u>3.51056%</u> | <u>1.52934%</u> | 5.03990% | <u>100.0000%</u> |

⁽¹⁾ FY06 Forecast Contract Therms

INTERMOUNTAIN GAS COMPANY
Analysis of Account 1860 Surcharges (Credits)
Estimated September 30, 2005

| Line No. | Description | Detail (b) | Detail (c) | Amount (d) | Sub-Total (e) | Total (f) |
|----------|--|--------------|-----------------|-------------------|-----------------|-----------------|
| 1 | ACCOUNT 1860 VARIABLE AMOUNTS: | | | | | |
| 2 | Net Cumulative Deferred Gas Balance in 1860.2010 as of 7/1/04 | | | \$ (1,097,480.09) | | |
| 3 | Amortization in 1860.2020 as of 6/30/05 | | \$ 1,247,372.42 | | | |
| 4 | Estimated Therm Sales 7/1 through 9/30/05 | 19,393,906 | | | | |
| 5 | Amortization Rate | \$ 0.00409 | 79,321.08 | | | |
| 6 | Estimated Amortization in 1860.2020 at 9/30/05 | | | 1,326,693.50 | | |
| 7 | Estimated Balance in 1860.2010 at 9/30/05 | | | | \$ 229,213.41 | |
| 8 | Deferred Gas Costs From Producers/Suppliers in 1860.2180 at 7/1/04 | | | \$ 260,675.48 | | |
| 9 | Deferred Gas Costs From Producers/Suppliers in 1860.2180 through 6/30/05 | | | 6,229,906.39 | | |
| 10 | Estimated Deferred Costs in 1860.2180 from 7/1 through 9/30/05 | | | 1,955,038.66 | | |
| 11 | Estimated Balance in 1860.2180 at 9/30/05 | | | | 8,445,620.53 | |
| 12 | Daily Gas Excess Sales Deferred in 1860.2240 at 6/30/05 | | | | | |
| 13 | Gas Cost Carrying Charge Deferred in 1860.2340 at 6/30/05 | | | \$ 36,077.68 | | |
| 14 | Estimated Gas Cost Carrying Charge from 7/1 through 9/30/05 | | | 19,124.77 | | |
| 15 | Estimated Balance in 1860.2340 at 9/30/05 | | | | 55,202.45 | |
| 16 | ESTIMATED ACCOUNT 1860 VARIABLE BALANCE AT 9/30/05 | | | | | \$ 8,730,036.39 |
| 17 | ACCOUNT 1860 FIXED AMOUNTS: | | | | | |
| 18 | Net Cumulative Deferred Gas Balance in 1860.2050 at 7/1/04 | | | \$ 2,652,625.68 | | |
| 19 | RS-1 Deferred Gas Balance in 1860.2060 at 7/1/04 | | \$ 12,592.40 | | | |
| 20 | Amortization for RS-1 in 1860.2060 at 6/30/05 | | (388,236.21) | | | |
| 21 | Estimated RS-1 Therm Sales 7/1 through 9/30/05 | 692,992 | | | | |
| 22 | RS-1 Amortization Rate | \$ (0.01171) | (8,114.94) | | | |
| 23 | Estimated RS-1 Balance in 1860.2060 at 9/30/05 | | | | (383,758.75) | |
| 24 | RS-2 Deferred Gas Balance in 1860.2070 at 7/1/04 | | \$ 22,000.46 | | | |
| 25 | Amortization for RS-2 in 1860.2070 at 6/30/05 | | (1,166,058.68) | | | |
| 26 | Estimated RS-2 Therm Sales 7/1 through 9/30/05 | 9,955,295 | | | | |
| 27 | RS-2 Amortization Rate | \$ (0.00815) | (81,135.65) | | | |
| 28 | Estimated RS-2 Balance in 1860.2070 at 9/30/05 | | | | (1,225,193.87) | |
| 29 | GS-1 Deferred Gas Balance in 1860.2080 at 7/1/04 | | \$ 31,016.32 | | | |
| 30 | Amortization for GS-1 in 1860.2080 at 6/30/05 | | (970,381.61) | | | |
| 31 | Estimated Therm Sales 7/1 through 9/30/05 | 8,128,640 | | | | |
| 32 | GS-1 Amortization Rate | \$ (0.01069) | (86,895.16) | | | |
| 33 | Estimated GS-1 Balance in 1860.2080 at 9/30/05 | | | | (1,026,260.45) | |
| 34 | Industrial Deferred Gas Balance in 1860.2090 at 7/1/04 | | \$ 1,629.49 | | | |
| 35 | Amortization for T-1 & T-2 in 1860.2090 at 6/30/05 | | (\$151,539.95) | | | |
| 36 | Estimated T-1 Block 1 & 2 Therm Sales 7/1 through 9/30/05 | 5,346,440 | | | | |
| 37 | T-1 Amortization Rate | \$ (0.00491) | (26,251.02) | | | |
| 38 | Estimated T-2 Contract Demand Volumes 7/1 through 9/30/05 | 165,210 | | | | |
| 39 | T-2 Amortization Rate | \$ (0.01678) | (2,772.22) | | | |
| 40 | Estimated Industrial Balance in 1860.2090 at 9/30/05 | | | | (178,933.70) | |
| 41 | Estimated Cumulative Balance in 1860.2050 at 9/30/05 | | | | \$ (161,521.09) | |
| 42 | Fixed Cost Collection Deferred in 1860.2200 at 7/1/04 | | | \$ 2,437,155.35 | | |
| 43 | Fixed Cost Collection Deferred in 1860.2200 through 6/30/05 | | | 2,156,763.39 | | |
| 44 | Estimated Fixed Cost Collection Deferred from 7/1 through 9/30/05 | | | 5,907,182.10 | | |
| 45 | Estimated Balance in 1860.2200 at 9/30/05 | | | | 10,501,100.84 | |
| 46 | T-4 Exit Fee Adjustment Deferred in 1860.2210 at 7/1/04 | | | \$ - | | |
| 47 | T-4 Exit Fee Adjustment Deferred in 1860.2260 through 6/30/05 | | | \$0.00 | | |
| 48 | Estimated T-4 Exit Fee Adjustment Deferred from 7/1 through 9/30/05 | | | (\$794.23) | | |
| 49 | Estimated Balance in 1860.2260 at 9/30/05 | | | | (794.23) | |
| 50 | Statoil Revenue Deferred in 1860.2260 at 7/1/04 | | | \$ 1,386.11 | | |
| 51 | Statoil Revenue Deferred in 1860.2260 through 6/30/05 | | | (\$55,843.70) | | |
| 52 | Estimated Statoil Revenue Deferred from 7/1 through 9/30/05 | | | (\$13,984.97) | | |
| 53 | Estimated Balance in 1860.2260 at 9/30/05 | | | | (68,442.56) | |
| 54 | Capacity Released/Purchased Deferred in 1860.2320 at 6/30/05 | | | | (2,236,130.62) | |

INTERMOUNTAIN GAS COMPANY
Analysis of Account 1860 Surcharges (Credits)
Estimated September 30, 2005

| Line No. | Description | Detail (b) | Detail (c) | Amount (d) | Sub-Total (e) | Total (f) |
|----------|--|------------|-----------------|-------------------|---------------|------------------|
| 1 | Gas Cost Carrying Charge Deferred in 1860.2420 at 6/30/05 | | | \$ 558.17 | | |
| 2 | Estimated Gas Cost Carrying Charge from 7/1 through 9/30/05 | | | (71.17) | | |
| 3 | Estimated Balance in 1860.2420 at 9/30/05 | | | | \$ 487.00 | |
| 4 | Gas Cost Carrying Charge Deferred in 1860.2430 at 6/30/05 | | | \$ 59,971.14 | | |
| 5 | Estimated Gas Cost Carrying Charge from 7/1 through 9/30/05 | | | 12,315.45 | | |
| 6 | Estimated Balance in 1860.2430 at 9/30/05 | | | | 72,286.59 | |
| 7 | Market Segmentation Deferred in 1860.2530 at 7/1/04 | | \$ (22,508.97) | | | |
| 8 | Market Segmentation Deferred in 1860.2530 through 6/30/05 | | (2,443,008.97) | | | |
| 9 | Estimated Deferral in 1860.2530 from 7/1 through 9/30/05 | | (595,107.00) | | | |
| 10 | Estimated Balance in 1860.2530 at 9/30/05 | | | \$ (3,060,624.94) | | |
| 11 | RS-1 Amortization in 1860.2540 at 6/30/05 | | \$ 271,592.57 | | | |
| 12 | Estimated RS-1 Therm Sales from 7/1 through 9/30/05 | 692,992 | | | | |
| 13 | RS-1 Amortization Rate | \$ 0.00861 | 5,966.66 | | | |
| 14 | Estimated RS-1 Amortization in 1860.2540 at 9/30/05 | | 277,559.23 | | | |
| 15 | RS-2 Amortization in 1860.2540 at 6/30/05 | | \$ 1,133,586.59 | | | |
| 16 | Estimated RS-2 Therm Sales from 7/1 through 9/30/05 | 9,955,295 | | | | |
| 17 | RS-2 Amortization Rate | \$ 0.00823 | 81,932.08 | | | |
| 18 | Estimated RS-2 Amortization in 1860.2540 at 9/30/05 | | 1,215,518.67 | | | |
| 19 | GS-1 Amortization in 1860.2540 at 6/30/05 | | \$ 732,402.85 | | | |
| 20 | Estimated GS Therm Sales from 7/1 through 9/30/05 | 8,128,640 | | | | |
| 21 | GS-1 Amortization Rate | \$ 0.00839 | 68,199.29 | | | |
| 22 | Estimated GS-1 Amortization in 1860.2540 at 9/30/05 | | 800,602.14 | | | |
| 23 | Estimated Core Amortization in 1860.2540 at 9/30/05 | | | | 2,293,680.04 | |
| 24 | T-1 Amortization in 1860.2550 at 6/30/05 | | \$ 126,147.47 | | | |
| 25 | Estimated T-1 Block 1&2 Therm Sales from 7/1 through 9/30/05 | 5,346,440 | | | | |
| 26 | T-1 Amortization Rate | \$ 0.00454 | 24,272.84 | | | |
| 27 | Estimated T-1 Amortization in 1860.2550 at 9/30/05 | | 150,420.31 | | | |
| 28 | T-2 Amortization in 1860.2550 at 6/30/05 | | \$ 38,592.92 | | | |
| 29 | Estimated T-2 Contract from 7/1 through 9/30/05 | 165,210 | | | | |
| 30 | T-2 Amortization Rate | \$ 0.05840 | 9,648.26 | | | |
| 31 | Estimated T-2 Amortization in 1860.2550 at 9/30/05 | | 48,241.18 | | | |
| 32 | Estimated Industrial Amortization in 1860.2550 at 9/30/05 | | | | 198,661.49 | |
| 33 | Estimated Balance in 1860.2530 at 9/30/05 | | | | (568,283.41) | |
| 34 | ESTIMATED ACCOUNT 1860 FIXED BALANCE AT 9/30/05 | | | | | \$ 7,538,702.52 |
| 35 | TOTAL DEFERRED ACCOUNT 1860 BALANCE | | | | | \$ 16,268,738.91 |

INTERMOUNTAIN GAS COMPANY
T-1 Tariff Block 1, Block 2, and Block 3 Adjustment

| <u>Line No.</u> | <u>Description</u> (a) | <u>Block 1</u> <u>Therm Sales</u> (b) | <u>Block 2</u> <u>Therm Sales</u> (c) | <u>Block 3</u> <u>Therm Sales</u> (d) | <u>Total</u> (e) |
|-----------------|--|---|---|---|---------------------|
| 1 | Industrial Therm Sales (10/1/04 - 9/30/04) | 18,715,880 | 1,009,920 | 0 | 19,725,800 |
| 2 | Blocks 1 and 2 Therm Sales | 18,715,880 | 1,009,920 | | 19,725,800 |
| 3 | Percent Therm Sales between Blocks 1 and 2 | 94.880% | 5.120% | | 100.000% |
| 4 | Proposed Adjustment to T-1 Tariff ⁽¹⁾ | | | \$ | (0.00006) |
| 5 | Industrial Therm Sales (10/1/04 - 9/30/04) | | | | 19,725,800 |
| 6 | Annualized Adjustment (Line 4 multiplied by Line 5) | | | <u>\$</u> | <u>(1,184)</u> |
| 7 | Annualized Adjustment (Line 4 multiplied by Line 5) | | | \$ | (1,184) |
| 8 | Percent Annualized Sales included in Block 1 | | | | 94.880% |
| 9 | Adjustment to Block 1 (Line 7 multiplied by Line 8) | | | \$ | (1,123) |
| 10 | Block 1 Therms | | | | 18,715,880 |
| 11 | Price Adjustment/Therm Block 1 (Line 9 divided by Line 10) | | | \$ | (0.00006) |
| 12 | Northwest Pipeline TF-1 Commodity Charge Change ⁽²⁾ | | | | (0.00003) |
| 13 | Total Price Adjustment/Therm Block 1 | | | <u>\$</u> | <u>(0.00009)</u> |
| 14 | Annualized Adjustment (Line 4 multiplied by Line 5) | | | \$ | (1,184) |
| 15 | Percent Annualized Sales included in Block 2 | | | | 5.120% |
| 16 | Adjustment to Block 2 (Line 14 multiplied by Line 15) | | | \$ | (61) |
| 17 | Block 2 Therms | | | | 1,009,920 |
| 18 | Price Adjustment/Therm Block 2 (Line 16 divided by Line 17) | | | \$ | (0.00006) |
| 19 | Northwest Pipeline TF-1 Commodity Charge Change ⁽²⁾ | | | | (0.00003) |
| 20 | Total Price Adjustment/Therm Block 2 | | | <u>\$</u> | <u>(0.00009)</u> |
| 21 | Total Price Adjustment/Therm Block 3 | | | <u>\$</u> | <u>(0.00003)</u> |

⁽¹⁾ See Exhibit No. 4, Line 37, Col. (l) minus the difference of Line 22, Col. (f) minus Line 22, Col. (c)

⁽²⁾ See Exhibit No. 4, Line 22, Col. (f) minus Line 22, Col. (c)

Boise
Idaho Falls
Pocatello
Twin Falls

Moffatt Thomas

MOFFATT THOMAS BARRETT ROCK & FIELDS, CHTD.

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| John W. Barrett | Michael E. Thomas |
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| John S. Simko | Bradley J. Williams |
| John C. Ward | Lee Radford |
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| Tyler J. Anderson |
| Russell G. Metcalf |
| Robert E. Bakes, <i>of counsel</i> |
| Morgan W. Richards, <i>of counsel</i> |
| <i>Willis C. Moffatt, 1907-1980</i> |
| <i>Kirk R. Helvie, 1956-2003</i> |

August 8, 2005
via Hand Delivery

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Ms. Jean Jewell
Idaho Public Utilities Commission
472 West Washington
Post Office Box 83720
Boise, ID 83720-0074

Re: Case No. INT-G-05-2
MTBR&F File No. 11-500.324

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Dear Ms. Jewell:

Pursuant to PUC IDAPA Rules 31.01.01.067, 31.0.01.233 and 31.02.01.005.07 and pursuant to Idaho Code Section 9-340D and Section 48-801 *et seq.*, Intermountain Gas Company hereby files Workpaper No. 8 – Intermountain Weighted Average Cost of Gas (“WACOG”).

Eugene C. Thomas, as General Counsel of Intermountain Gas Company, has been asked to inform you that this information is confidential and contains trade secrets. As his colleague and Assistant Secretary of the company, I respectfully request that it therefore be protected from inspection, examination or copying by any person other than the Commission and PUC staff.

Thank you for your cooperation. If you should have questions or comments respecting this request, please contact Mike McGrath (377-6168) or me (385-5335).

Very truly yours,

Eugene C. Thomas
General Counsel of
Intermountain Gas Company

By: 
Michael E. Thomas

MET/mja

Enclosure

CONFIDENTIAL ATTACHMENTS