

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF INTERMOUNTAIN GAS COMPANY) **CASE NO. INT-G-05-3**
FOR APPROVAL TO PLACE INTO EFFECT)
A CHANGE IN ITS COMPOSITE) **NOTICE OF APPLICATION**
DEPRECIATION RATE)
) **NOTICE OF MODIFIED**
) **PROCEDURE**
)
) **ORDER NO. 29917**
)

On October 28, 2005, Intermountain Gas Company (Intermountain Gas, Company) filed an Application to change its composite depreciation rate with the Commission. The Company requested that its Application be processed by Modified Procedure. With this Order the Commission authorizes the use of Modified Procedure and establishes a deadline for the submission of written comments.

THE APPLICATION

YOU ARE HEREBY NOTIFIED that the Commission set Intermountain Gas Company's current composite depreciation rate at 3.93% in Case No. INT-G-02-4. Order No. 29187. The Company was directed to submit an updated depreciation study three years from entry of that Order. *Id.* The Company states it has contracted the services of AUS Consultants to perform an update to the 2002 depreciation study. According to the Application, the results of this study indicate that the current composite rate is over depreciating the Company's assets. Consequently, Intermountain Gas is requesting a decrease in its composite depreciation rate from 3.93% to 3.37%. This would decrease Intermountain Gas's annual depreciation accrual by \$1,998,923. The Company does not seek to change its prices as a result of this Application.

YOU ARE FURTHER NOTIFIED that the Company states that the current study addresses, among other things, lengthening the depreciation lives of its mains and services and the corresponding adjustment to net salvage of that same plant. The Application states that the continued use of plastic in the Company's mains and services, coupled with the increasing evidence of the benefits of plastic's longer service life and lower costs vs. steel, necessitates the proposed change in mains and services.

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YOU ARE FURTHER NOTIFIED that the Company states that the study update was based upon the books and records of the Company as of September 30, 2004. The Company requests that the decrease in the annual composite depreciation rate be made effective at the beginning of its fiscal year, October 1, 2005. The Company attached a summary of the study as Exhibit 1 to its Application. The Company states that a copy of the current depreciation study working papers, which is voluminous, is available for inspection at the Company's general business office.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits (if any), have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's website at www.puc.idaho.gov under the "File Room" icon.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filing of record in Case No. INT-G-05-3. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or written comments are received within the deadline, the Commission will consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may, in its discretion, set the matter for hearing or decide the matter and issue its Order on the basis of the written positions before it. IDAPA 01.01.01.204.

NOTICE OF COMMENT/PROTEST DEADLINE

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure in Case No. INT-G-05-3 is **January 24, 2006**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that written comments concerning this case should be mailed to the Commission and to the Company at the addresses reflected below.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Paul R. Powell
Intermountain Gas Company
PO Box 7608
Boise, ID 83707

Street Address For Express Mail:
472 W. Washington Street
Boise, ID 83702-5983

Morgan W. Richards, Jr.
804 East Pennsylvania Lane
Boise, ID 83706
E-mail: mwrlaw@cableone.net

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's homepage located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* § 61-525. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

FINDINGS/CONCLUSIONS

The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case, and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that

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Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.


ORDER

IT IS HERBY ORDERED that this case be processed under Modified Procedure. Persons interested in submitting written comments regarding this case or protesting the use of Modified Procedure should do so no later than January 24, 2006.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd day of November 2005.



PAUL KJELLANDER, PRESIDENT

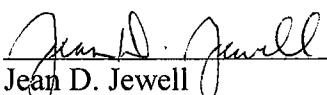


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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