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**NEWS RELEASE
(AMENDED)**

CASE NO. INT-G-06-04

INTERMOUNTAIN GAS COMPANY

NEWS RELEASE

September 20, 2006

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Today, Intermountain Gas Company ("Intermountain") filed an amended Purchased Gas Cost Adjustment Application (PGA) with the Idaho Public Utilities Commission ("IPUC"). That 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. The original Application was filed August 16, 2006 and requested a 0.5% decrease. The amended Application requests a 3.86% decrease.

William C. "Bill" Glynn, President of Intermountain Gas Company, said, "Since filing the original Application in August, we have seen a further softening in the wholesale price of natural gas. These supply conditions and the Company's purchasing strategies have allowed us to take advantage of these lower prices and are therefore amending our original Application in order to pass these lower prices on to our customers as quickly as possible."

Glynn added, "We are pleased to be able to offer this additional price reduction, however, we also encourage all our customers to become actively involved in the political process, including the current debate in Congress on pending bills that would allow for more natural gas drilling. If approved, a material amount of natural gas could be brought to market both lessening the price our customers pay and providing for less reliance on foreign crude oil, making the United States more energy independent."

Intermountain also continues to encourage all its customers to be conscious of their energy usage and the wise use of energy. Helpful tips on ways to do that and how to request government payment energy assistance are provided through bill inserts and on the Company's website (www.intgas.com). The Company also has a number of programs to help 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 usage.

If this amended Application is approved, residential customers using natural gas for heating and water heating could experience an average monthly decrease of \$2.77 (3.5%). Those residential customers using natural gas only for space heating could experience an average monthly decrease of \$1.85 (3.1 %). Commercial customers could experience an average monthly decrease of \$16.58 (4.7%).

If approved as amended, the total net revenue decrease from this request will be approximately \$12.8 million (3.9%) and is proposed to be effective October 1, 2006. This proposal is subject to public review and approval by the IPUC. A copy of Intermountain's amended Application is available for public review at the offices of both the Idaho Public Utilities Commission and the Company.