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IDAHO PUBLIC
UTILITIES COMMISSION

efinklea@cablehuston.com

EDWARD A. FINKLEA

September 17, 2007

VIA FEDERAL EXPRESS (OVERNIGHT)
AND ELECTRONIC MAIL

Ms. Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington Street
P.O. Box 83720
Boise, ID 83720-0074

Re: Idaho Public Utilities Commission Case No. INT-G-07-03

Dear Ms. Jewell:

Enclosed for filing with this Commission is a signed original plus seven copies of the Northwest Industrial Gas Users' (NWIGU) Comments in the above-referenced case. Copies of NWIGU's Comments have been sent to parties listed on the service list.

If you have any questions or require additional information regarding these comments, please contact me at (503) 224-3092.

Thank you for your professional courtesies.

Very truly yours,



Edward A. Finklea

EAF:wc

Enclosure(s)

cc: Paul R. Powell (via regular mail)
Stephen R. Thomas (via regular mail)
R. Scott Pasley (via regular mail)
Steven Gray (via regular mail)
Conley E. Ward, Jr. (via regular mail)
Paula E. Pyron (via regular mail)

Edward A. Finklea, OSB No. 842163
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Attorney for the Northwest Industrial Gas Users

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of)	Case No. INT-G-07-03
INTERMOUNTAIN GAS COMPANY)	COMMENTS OF THE
for the Authority to Change Its Prices)	NORTHWEST INDUSTRIAL
)	GAS USERS

In response to the Notice of Application, Modified Procedure and Comment Deadline issued by the Idaho Public Utilities Commission (“Commission”) as Order No. 30413 on August 22, 2007 for the August 16, 2007 Purchased Gas Adjustment (“PGA”) filing of Intermountain Gas Company (“Intermountain”), the Northwest Industrial Gas Users (“NWIGU”) respectfully submit the following comments for the Commission’s consideration.

1. NWIGU is a non-profit trade association comprised of thirty-five end-users of natural gas with major facilities in the States of Oregon, Washington, and Idaho. NWIGU members include diverse industrial interests, including food processing, pulp and paper, wood products, aluminum, steel, chemicals, electronics, and aerospace. The association provides an informational service to its members and participates in purchase transportation services from Northwest Pipeline Corporation, and from Gas Transmission Northwest Corporation either directly or through capacity release from marketers, and purchase sales and transportation

services from local distribution companies (“LD Cs”), including Intermountain, that acquire service from these interstate pipelines.

2. NWIGU appreciates this opportunity to provide comments in this proceeding and requests that communications in reference to these comments be addressed to:

Edward A. Finklea
Chad M. Stokes
Cable Huston Benedict Haagensen & Lloyd, LLP
1001 SW Fifth Avenue, Suite 2000
Portland, Oregon 97204-1136
Telephone: (503) 224-3092
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E-Mail: efinklea@cablehuston.com
cstokes@cablehuston.com

And to
Paula E. Pyron
Executive Director
Northwest Industrial Gas Users
4113 Wolf Berry Court
Lake Oswego, OR 97035-1827
Telephone: (503) 636-2580
Facsimile: (503) 636-0703
E-Mail: ppyron@nwigu.org

3. In its 2007 PGA filing, Intermountain seeks to pass through changes in gas related costs as appropriate to each of its customers classes, including changes in costs with upstream pipelines, a decrease in Intermountain’s weighted average cost of gas (“WACOG”), an updated customer allocation of gas related costs and the utility’s deferred gas cost accounts, including the establishment of a temporary tracking adjustment for the collection of lost and unaccounted (“L&U”) gas on its distribution system. As part of the filing, Intermountain proposes to decrease its WACOG by 4.917 cents per therm.

4. After thorough review of Intermountain’s filing and work papers, NWIGU is satisfied that the proposed adjustments represent fair and reasonable allocations of gas costs for

recovery from Intermountain's customers as presented in the August 16, 2007 filing. NWIGU requests, however, that the Commission condition its approval of the new temporary tracking adjustment for the collection of L&U gas upon a maximum level of 2% L&U gas eligible for potential recovery as this mechanism is trued up in future PGA filings by Intermountain.

NWIGU members, many of whom are transportation customers of Intermountain, are impacted significantly by the imposition of this new adjustment at a 0.191 cent per therm recovery on all industrial throughput. NWIGU's members view this adjustment as reasonable for recovery in the filing, given the differential in gas costs between the factor embedded in rates from 1985 (when gas was \$0.33 per therm) and current and prospective gas commodity markets. NWIGU also recognizes the efficiency with which Intermountain maintains its system in its current operations, with an L&U factor of 0.7% (projected total throughput divided by projected L&U volumes for 2007). NWIGU recognizes that the new L&U adjustment is allowing recovery only for incremental L&U gas costs on the distribution system, which will be trued up going forward with future annual PGA filings by Intermountain.

5. NWIGU members do not want the creation of this L&U recovery mechanism, however, to create any contrary incentive to the ongoing and conscientious efforts that Intermountain undertakes to manage and operate its distribution system to minimize lost and unaccounted gas. Accordingly NWIGU respectfully requests that the Commission condition its approval of this recovery mechanism in the PGA filing with a ceiling for future recovery and that Intermountain not be allowed to recover L&U gas above a 2% L& U threshold in future true-ups of this temporary adjustment. NWIGU would submit that a level of L&U gas above that threshold would be indicative of the potential of inadequate operations and maintenance procedures. In no manner is NWIGU suggesting that Intermountain is not currently operating its

system appropriately. NWIGU members appreciate that appropriate operations and maintenance quality is pursued on Intermountain's system today and desires for that effort to continue with the same diligence in the future. NWIGU is simply asking the Commission to limit future recovery under this mechanism to a reasonable ceiling of 2%L&U gas.

6. NWIGU does not oppose the use of Modified Procedure in this proceeding under IDAPA 31.01.01.203 and does not request a hearing scheduling for the Commission's consideration of its comments herein.

WHEREFORE, premises considered, NWIGU respectfully submits these comments and requests that the Commission condition approval of the proposed L&U temporary tracking adjustment in Intermountain's August 16, 2007 PGA filing to a factor that is capped at a 2% lost and unaccounted gas level in prospective annual true-ups that will be used to credit or surcharge Intermountain's customers as may be appropriate.

DATED in Portland, Oregon this 17th day of September, 2007.

Respectfully submitted,

Edward A. Finklea

By 

Edward A. Finklea

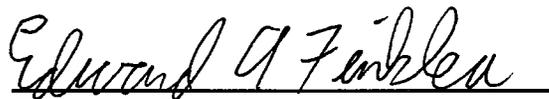
Attorney for the Northwest Industrial Gas Users

CERTIFICATE OF SERVICE

I CERTIFY that I have on this day served the foregoing document upon all parties of record in this proceeding by mailing a copy properly addressed with first class postage prepaid.

Paul R. Powell Intermountain Gas Company P.O. Box 7608 Boise, ID 83707	Stephen R. Thomas Moffatt, Thomas, Barrett, Rock & Fields, Chartered P.O. Box 829 Boise, ID 83701
R. Scott Pasley J.R. Simplot Company P.O. Box 27 Boise, ID 83707	Steven Gray J.R. Simplot Company P.O. Box 27 Boise, ID 83707
Conley E. Ward, JR. Givens, Pursley, Webb & Huntley 277 N. 6 th Street, Suite 200 P.O. Box 2720 Boise, ID 83701	Paula E. Pyron Northwest Industrial Gas Users 4113 Wolf Berry Court Lake Oswego, OR 97035-1827

DATED in Portland, Oregon, this 17th day of September, 2007.



Edward A. Finklea OSB # 84216

Chad M. Stokes OSB #00400

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Northwest Industrial Gas Users