

Idaho Public Utilities Commission
Office of the Secretary
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MAY - 7 2008

Boise, Idaho

INDUSTRIAL CUSTOMER LETTER

CASE NO. INT-G-08-01

INTERMOUNTAIN GAS COMPANY

EXECUTIVE OFFICES

INTERMOUNTAIN GAS COMPANY

555 SOUTH COLE ROAD • P.O. BOX 7608 • BOISE, IDAHO 83707 • (208) 377-6000 • FAX: 377-6097

May 7, 2008

Customer

Company

Address

City, State Zip

Dear T-1 and T-2 Customer,

Today, Intermountain Gas Company filed an Application with the Idaho Public Utilities Commission requesting authority to discontinue, effective June 30, 2008, its existing T-1 and T-2 transportation tariffs. The Company's Application also made a request to place into effect July 1, 2008 an unbundled version of its T-2 Tariff, or the proposed T-5 Tariff.

This cancellation of the Company's T-1 and T-2 Tariffs is necessary in order to ensure Intermountain's continued compliance with the applicable rules and regulations governing Northwest Pipeline's interstate transportation system.

Both the T-1 and T-2 tariffs are "bundled" transportation services and include firm interstate transportation on Northwest's system. The bundled nature of these tariffs make it difficult for Intermountain to continue to comply with the Pipeline regulations that mandate concurrent title to both your natural gas molecule and the interstate transportation used to move that molecule to Intermountain's local distribution system.

In order to meet your transportation needs going forward, Intermountain is prepared to work with you in explaining your available service options. These options will include:

- T-3 Interruptible Transportation - Purchase your interstate pipeline transportation and your commodity through a third party marketer. Deliveries on Intermountain's distribution system are subject to interruption.
- T-4 Transportation Only - Purchase your interstate pipeline transportation and your commodity through a third party marketer. Deliveries on Intermountain's distribution system are on a firm basis. All exit fees are proposed to be waived for this tariff election. Intermountain believes that existing T-1 customers will find it economically equivalent to elect this unbundled version of their T-1 Tariff.
- Proposed T-5 Firm Distribution Service with Maximum Daily Demands – Available to existing T-2 Customers. Purchase your interstate pipeline transportation and your commodity through a third party marketer. Deliveries on Intermountain's distribution system are on a firm basis. Intermountain believes that existing T-2 customers will find it economically equivalent to elect this unbundled version of their T-2 Tariff.

Additionally, in order to accommodate your ability to procure natural gas at the same Northwest Pipeline receipt points and in the same allocated proportion as was permissible under the T-1 and T-2 tariffs, Intermountain will offer to release to you or your agent, subject to recall, the applicable Northwest capacity to meet your current contracted contract demand, or CD

Please call me directly at 208-377-6053 to discuss these service options with you more fully.

Sincerely

J. Brent Wilde
Director - Marketing & Industrial Services
Intermountain Gas Company