

Idaho Public Utilities Commission
Office of the Secretary
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Boise, Idaho

EXHIBIT NO. 3

CASE NO. INT-G-08-01

INTERMOUNTAIN GAS COMPANY

PROPOSED RATE SCHEDULE T-5

FIRM DISTRIBUTION SERVICE WITH MAXIMUM DAILY DEMANDS

(2 pages)

Name of Utility **Intermountain Gas Company**

**Rate Schedule T-5
FIRM DISTRIBUTION 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 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 distribution 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 -	\$0.61643*
Commodity Charge: For Firm Therms Transported	\$0.00437**
<u>Over-Run Service</u>	
Commodity Charge: For Therms Transported In Excess Of MDFQ:	\$0.04696**

*Includes temporary purchased gas cost adjustment of \$(0.22610)

**Includes temporary purchased gas cost adjustment of \$0.00191

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-5 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: July 1, 2008

Name
of Utility

Intermountain Gas Company

**Rate Schedule T-5
FIRM DISTRIBUTION SERVICE WITH MAXIMUM DAILY DEMANDS
(Continued)**

5. All therms not billed at the commodity charge for firm therms transported rate will be billed at the Overrun Service rate.
6. The customer is responsible for procuring its own supply of natural gas and interstate transportation under this Rate Schedule.
7. Under the overrun portion of the service contract, the customer expressly agrees to interrupt its operations during periods of curtailment.
8. 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-4 Block 1 rate. The customer's future eligibility for the T-5 Rate Schedule will be renegotiated with the Company.
9. Embedded in this service is the cost of firm distribution capacity.
10. The customer understands and agrees that the Company is not responsible to deliver gas supplies to the customer which have not been nominated and scheduled for delivery by the interstate pipeline.
11. Any T-5 customer who exits the T-5 service at any time (including, but not limited to, the expiration of the contract term) and does not sign a T-4 or T-3 service contract will pay to Intermountain Gas Company, upon exiting the T-5 service, all Purchase Gas Cost Adjustment Provision ("PGA") related costs incurred on the customer's behalf not born by the customer during the T-5 contract period. Any T-5 customer who does not sign a T-4 or T-3 service contract will have refunded to them upon exiting the T-5 service any PGA related credits attributable to the customer during the T-5 contract period.
12. 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, 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.

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