

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF INTERMOUNTAIN )  
GAS COMPANY'S 2009-2013 INTEGRATED ) CASE NO. INT-G-08-02  
RESOURCE PLAN )  
) NOTICE OF FILING  
)  
) NOTICE OF  
) MODIFIED PROCEDURE  
)  
) ORDER NO. 30590**

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On May 30, 2008, Intermountain Gas Company filed its 2008 Integrated Resource Plan (IRP) for the years 2009-2013. In its Executive Summary, the Company states that the IRP is meant to describe the currently anticipated condition from 2009-2013. It further states that the document is meant to describe conditions based on current expectations for various demand scenarios rather than be "a prescription for all future energy resource decisions." IRP at 1.

YOU ARE HEREBY NOTIFIED that Intermountain Gas Company is the sole distributor of natural gas in southern Idaho, serving over 300,000 customers in 74 communities during fiscal year 2008. Its system contains over 10,000 miles of transmission, distribution and service lines. *Id.* In fiscal year 2007, over 421 miles of distribution and service lines were added in response to new customer additions and to maintain service for the growing customer base. *Id.*

YOU ARE FURTHER NOTIFIED that Intermountain's two major markets are the residential/commercial market (the "core market") and the large volume, contract customer ("industrial") market. *Id.* Intermountain experienced an increase of 5% in average residential and commercial customers during the first half of fiscal year 2008. *Id.* Forty-three percent (43%) of the throughput on Intermountain's system during fiscal year 2007 was attributable to industrial sales and transportation. *Id.*

YOU ARE FURTHER NOTIFIED that, according to the Company's filing, peak day "send-out" (delivery) studies and load duration curves were developed under design weather conditions to determine the magnitude and timing of future deficiencies in firm peak day delivery capability. Residential, commercial and industrial peak day load growth on the Company's system is forecast to grow at an annual average rate of 4% over the next five years.

The Company calculated the growth for the system as a whole as well as for the separate regions in which Intermountain Gas operates. The Company's main service regions are the Idaho Falls Lateral, Sun Valley Lateral, and Canyon County. When forecasted peak day delivery is matched against existing resources, there are no peak day delivery deficits. IRP at 3.

YOU ARE FURTHER NOTIFIED that the Idaho Falls Lateral (IFL) region serves many cities between Pocatello to the south and St. Anthony to the north. The residential, commercial and industrial load served off the IFL represents approximately 16% of the total Company customers and 21% of the Company's total winter delivery during December of 2009. *Id.* When forecasted peak day delivery on the IFL is matched against the existing peak day distribution capacity of 1,000,000 therms, there are no peak day deficits throughout the five-year IRP Plan. *Id.* Intermountain believes that small, short-duration peak day distribution delivery deficits in the future can be mitigated by working with customers who have the potential to cut their peak day consumption by switching to fuel oil during extreme cold temperatures. IRP at 4. However, since there are no deficits, no industrial alternative fuel use is required.

YOU ARE FURTHER NOTIFIED that the Company's residential, commercial and industrial customers in the Sun Valley Lateral (SVL) region account for 3.5% of the total customer base and 3.3% of the Company's total winter delivery during December of 2007. *Id.* When forecasted peak day delivery on the SVL is matched against the existing peak day distribution capacity, a peak day delivery deficit occurs during 2009 and increases thereafter. The primary industrial load on the SVL is tourism and medical services. No industrial customers on the SVL have the capability to switch to alternative fuels so using industrial fuel to mitigate peak day consumption is not an option. However, the industrial peak day throughput is relatively small. IRP at 5. The optimization model indicated that the most cost-effective method to increase delivery capability on the SVL is the addition of a compressor station prior to FY11. While there are some small deficits in FY09 and FY10, the rebuilding of the primary gate station that serves the SVL and the use of linepack<sup>1</sup> should be able to cover small, short-duration deficits until the new capacity comes on line for the FY11 heating season. *Id.*

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<sup>1</sup> Linepack – The ability of a natural gas pipeline to effectively “store” small quantities of gas on a short-term basis by increasing the operating pressure of the pipe. Most pipelines use linepack as a resource to help manage the load fluctuations on their systems, building up linepack during periods of decreased demand and drawing it down during periods of increased demand.

YOU ARE FURTHER NOTIFIED that 15% of the Company's residential, commercial and industrial load is served off the Canyon County Lateral (CCL) region, and it accounted for 13% of the Company's total winter delivery during December of 2007. IRP at 6. When forecasted peak day delivery on the CCL is matched against the existing peak day distribution capacity, a peak day delivery deficit occurs during 2012 and increases thereafter. *Id.* The industrial customers in the CCL region do not currently have the capability to switch to alternative fuels as a means of mitigating peak day consumption. However, the Company states that it is currently exploring optional means of enhancing the distribution capability in this region. *Id.* The optimization model selected a pipeline-looping project with an in-service of FY12 as the best solution to this capacity deficit.

### NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal evidentiary hearing in this matter and will proceed under Modified Procedure pursuant to the Commission's Rules of Procedure 201 through 204, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure (with written comments) has proven to be an effective means for obtaining public input and participation in cases of this nature.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on Intermountain's IRP may file a written comment in support or opposition with the Commission no later than sixty (60) days from the date of this Order. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning Intermountain's IRP shall be mailed to the Commission and Intermountain Gas at the addresses reflected below:

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

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Michael P. McGrath  
Director, Gas Supply and Regulatory Affairs  
Intermountain Gas Company  
555 South Cole Road  
PO Box 7608  
Boise, ID 83707  
E-Mail: [mmcgrath@intgas.com](mailto:mmcgrath@intgas.com)

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 home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon, and complete the form, using the case number as it appears on the front of this document. These comments must also be sent to Intermountain Gas at the e-mail address listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If written comments or protests are received within the deadline, the Commission will consider them and, in its discretion, may set the matter for hearing or may decide the matter and issue its Order based on the written comments before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that Intermountain's IRP has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices or on the Commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov) under "File Room" and then "Gas Cases."

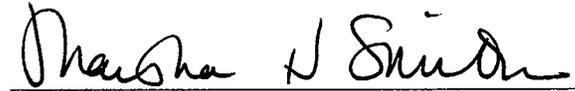
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code.

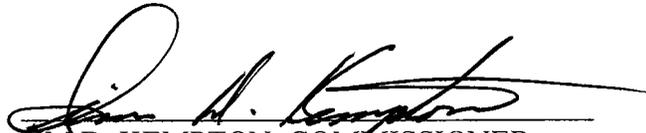
### **ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons may file written comments no later than sixty (60) days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3<sup>rd</sup>  
day of July 2008.

  
MACK A. REDFORD, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
JIM D. KEMPTON, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary