

EXECUTIVE OFFICES

**INTERMOUNTAIN GAS COMPANY**

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IDAHO PUBLIC  
UTILITIES COMMISSION

March 30, 2010

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

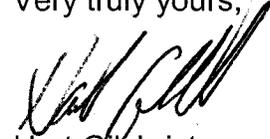
RE: Intermountain Gas Company's Semi-Annual Report pertaining to Lost and Unaccounted for Gas  
Case No. INT-G-08-03

Dear Ms. Jewell:

Attached for filing with the Idaho Public Utilities Commission are the original and seven copies of Intermountain Gas Company's Semi-Annual Report pertaining to Lost and Unaccounted for Gas.

If there are any questions regarding the attached, please contact me at (208) 377-6086.

Very truly yours,



Hart Gilchrist  
Manager, Operations Services

Enclosures

cc: K. F. Morehouse  
E. N. Book  
S. W. Madison  
K. Barnard

The Intermountain Gas LUAF team still meets regularly to review the multiple audit processes and reporting we have implemented to help us better avoid and track LUAF in the event it does occur.

The most recent activity was a result of our AL1000 meter audit referenced in the April 2009 submittal. Historically, Intermountain Gas had two different configurations of its AL1000 meters; some temperature compensated (10 psig delivery and greater), and some standard (less than 10 psig delivery). Through the AL1000 audit process, it was determined that this dual configuration concept in the same meter class was causing confusion and greater likelihood of incorrect billing factors being applied. As such, we have issued a directive to convert all AL1000 Temperature Compensated meters to AL1000 Standard meters to alleviate possible errors in billing factors.

In each of our other meter classes, each manufacturer/size is of similar type and drive rate, so the directed change of the AL1000 class is commensurate with other meter types in the Intermountain service territory.

Other activities being conducted at this time in the LUAF area are a continuation of the audits and reporting as outlined in earlier quarterly reports.

Audit activity results for 2009 are as follows:

- 6,481 "check for dead" orders were completed in 2009 and 542, or 8.36%, were found to be dead
- 5,088 "check for dead" orders were completed in 2008 and 708, or 13%, were found to be dead
- Drive rate errors have gone from 43 in 2007 to 26 in 2008 to 18 in 2009
- Pressure errors have gone from 15 in 2008 to 20 in 2009

Financial adjustments for these errors are as follows:

- Dead Meters:           Decrease of 29%
- Drive Rate Errors:    Decrease of 31%
- Pressure Errors:       Decrease of 89%

Gas loss, as it is commonly referred to, is calculated as described in April 2009 quarterly report. A summary of findings for 2007 – 2009 is shown below:

2007 – 656 occurrences	254,455 therms of gas loss calculated
2008 – 495 occurrences	182,920 therms of gas loss calculated
2009 – 301 occurrences	130,251 therms of gas loss calculated

Overall, Intermountain's LUAF team continues to work with the executive leadership team to monitor the LUAF events and effects. As stated in earlier reports, alterations to the billing factors, LUAF reporting, and LUAF audits have helped and will continue to help Intermountain control the quantities and costs associated with Lost and Unaccounted for Gas.