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NORTHWEST INDUSTRIAL GAS USERS

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September 25, 2008

Ms. Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-5983

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UTILITIES COMMISSION

Via Electronic Filing

RE: Application of Intermountain Gas Company for Authority to Change its Prices (2008 Purchased Gas Cost Adjustment), Comments of the Northwest Industrial Gas Users

Dear Ms. Jewell:

In response to the Idaho Public Utilities Commission's September 3, 2008 Notice of Modified Procedure in Order No. 30634 in the above-captioned proceeding, the Northwest Industrial Gas Users ("NWIGU") respectfully submits its comments for the Commission's consideration as follows:

NWIGU is a non-profit trade association comprised of thirty-eight 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 various regulatory matters that affect member interests. NWIGU member companies purchase transportation services from Northwest Pipeline GP, and from TransCanada's Gas Transmission Northwest Corporation ("GTN") either directly or through capacity release from marketers, and purchase sales and transportation services from local distribution companies, including Intermountain Gas Company ("Intermountain"), that acquire service from these interstate pipelines.

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

Paula E. Pyron
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Northwest Industrial Gas Users
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In its 2008 PGA filing, Intermountain seeks to pass through changes in gas related costs as appropriate to each of its customer classes, including changes in costs with upstream pipelines, an increase 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 a decrease in costs billed to Intermountain and resulting refund from the settlement of the general rate case filed by GTN.

After thorough review of Intermountain's filing and work papers, NWIGU raised concerns with Intermountain to reassess the accounting for those customers who were on cancelled T-1 and T-2 service (which service was terminated August 1, 2008 pursuant to Commission Order No. 30599) to analyze what allocations of tracking accounts arise from the historical changes in upstream charges this last year (like the GTN rate case) as distinguished from allocations in the 2008 PGA filing that are based on forecasted use allocations (like anticipated revenue for 2008-09 capacity release or market segmentation credits for which T-1 and T-2 customers received their appropriate allocation in the 2007 PGA for the 2007-08 PGA year).

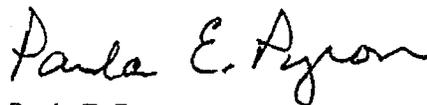
NWIGU has reached agreement with Intermountain that in reviewing all appropriate historical upstream changes (i.e., both increases and decreases in applicable upstream charges), in the last year collectively for T-1 and T-2 customers, there is a net credit of \$51,533 for T-2 customers (and none in allocation for T-1 customers). This calculation of a net credit is the result of not surcharging the T-1 customers for what would otherwise be an approximate \$19,000 from this reassessment of the upstream accounting, which NWIGU and Intermountain have agreed would appear contrary to the Commission's directive in Order No. 30599 not to penalize the T-1 and T-2 customers for the schedules' elimination. Accordingly NWIGU and Intermountain have agreed in principle to net the total of the upstream changes applicable collectively to both T-1 and T-2 so that each T-2 customer taking service immediately prior to the schedule's termination should receive its appropriate refund allocation based on each T-2 customer's respective usage last year with a direct disbursement by Intermountain upon approval of the 2008 PGA filing and with a true-up of the \$51,533 in the tracking for the 2009 PGA to all sales customer classes at that time. While this is a small adjustment, NWIGU and Intermountain agree that this does not require an actual change in the pending tariffs in the filed application as the amount at issue has negligible impact on the sales customers. NWIGU believe this is a fair resolution that is appropriate for the now terminated schedules.

Accordingly, NWIGU wishes to advise the Commission of this resolution and its support for the 2008 PGA filing with this direct disbursement of this small credit directly by Intermountain to impacted T-2 customers as outlined above.

If additional issues or revisions are brought forward in this docket, NWIGU respectfully reserves the right to make additional comments.

With the hard copy original of this filing, NWIGU is submitting an original and seven copies of the Northwest Industrial Gas Users' Comments for filing in the above-referenced case. If you have any questions, please call me at 503.636-2580. Thank you for your assistance with this matter.

Very truly yours,



Paula E. Pyron
Executive Director
Northwest Industrial Gas Users

cc Stephen R. Thomas (via overnight mail)
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CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing document upon all parties of record in this proceeding by the following methods on:

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DATED Thursday, September 25, 2008.



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On Behalf of
the Northwest Industrial Gas Users