

## DECISION MEMORANDUM

**TO:** COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSIONER KEMPTON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** WELDON STUTZMAN  
DEPUTY ATTORNEY GENERAL

**DATE:** NOVEMBER 25, 2008

**SUBJECT:** INTERMOUNTAIN GAS COMPANY'S APPLICATION FOR APPROVAL  
TO CHANGE ITS COMPOSITE DEPRECIATION RATE,  
CASE NO. INT-G-08-05

On November 21, 2008, Intermountain Gas Company filed an Application requesting approval to change its composite depreciation rate. Intermountain's currently effective depreciation rate of 3.35% was approved by the Commission in February 2006. The Commission directed the Company to update its depreciation study and submit it to the Commission for review no later than three years from entry of the February 2006 Order. Intermountain subsequently retained a consultant to update its 2005 Depreciation Study. The consultant's study indicated a decrease in the composite rate from 3.35% to 2.96% is appropriate. The effect of the lower rate would be a decrease in the Company's annual depreciation accrual by \$1,462,205. The Company asked that its new composite depreciation rate be effective January 1, 2009.

Intermountain requests that its Application be processed by Modified Procedure. Staff believes that Modified Procedure may be appropriate, but recommends the Commission initially issue only a Notice of Application and Notice Opportunity to Intervene. Following the intervention period, Staff and the Company and any other parties will convene informal workshops to attempt to resolve Intermountain's request by agreement. Modified Procedure can commence following conclusion of the workshops.

**COMMISSION DECISION**

Should the Commission issue a Notice of Application and Notice of Opportunity to Intervene in Case No. INT-G-08-05?



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Weldon B. Stutzman  
Deputy Attorney General

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