

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF INTERMOUNTAIN ) CASE NO. INT-G-09-01**  
**GAS COMPANY'S REQUEST FOR )**  
**AUTHORITY TO ESTABLISH A HOOKUP ) NOTICE OF APPLICATION**  
**FEE ALONG ITS SUN VALLEY LATERAL. )**  
**) NOTICE OF INTERVENTION**  
**) DEADLINE**  
**)**  
**) ORDER NO. 30857**

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On June 15, 2009, Intermountain Gas Company filed an Application with the Commission seeking authority to establish a hookup fee along its Sun Valley Lateral. The Company requests that the Application be processed by Modified Procedure and that the hookup fee be implemented as of July 15, 2009.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Sun Valley Lateral is currently operating near system capacity. The Company maintains that it has, and continues, to make substantial capital upgrades to its Sun Valley Lateral in order to serve the daily natural gas needs of all its Sun Valley Lateral customers. The next planned distribution system upgrade off the main Sun Valley Lateral is the "Ketchum Uprate"<sup>1</sup> planned to be completed in 2009. This upgrade will provide for 16,000 therms per day of incremental distribution capacity to new Ketchum and Sun Valley, Idaho customers at an estimated cost of \$640,000.

YOU ARE FURTHER NOTIFIED that Intermountain Gas proposes a new rate schedule that would require new customers whose estimated peak usage on the Company's Sun Valley Lateral exceeds the average peak-day usage on the Lateral to pay a fee for the disproportionate amount of incremental distribution system plant investment that these new customers create. The customers who will be subject to the proposed hookup fee will be the same new customers causing the need for, and who directly benefit from, additional Sun Valley Lateral distribution system capital upgrades.

YOU ARE FURTHER NOTIFIED that the Company reports that the average peak-day usage per customer along the Sun Valley Lateral is presently 15.5 therms per day.

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<sup>1</sup> The "uprate" of a natural gas pipeline is the process required to increase the allowable operating pressure of a pipeline segment.

YOU ARE FURTHER NOTIFIED that the Company proposes that the hookup fee initially be set based on the estimated cost of construction of the Ketchum Uprate Project - \$640,000. The Company intends to file a revised rate schedule with the Commission reflecting the actual costs of the Ketchum Project when they become known. If actual costs of the Project result in a lower hookup fee than that which is initially approved, and therefore charged, to customers, the Company will issue a refund to customers who paid the inflated fee. If actual costs result in a higher hookup fee the Company does not intend to seek the difference from customers who paid the lower fee prior to knowledge of the actual costs.

YOU ARE FURTHER NOTIFIED that the Company insists that its earnings will not change as a result of the proposed new rate schedule. Any collected hookup fee will be applied as a reduction to the distribution system plant investment (rate base) provided to serve the incremental Ketchum/Sun Valley area customers, thereby avoiding any cross-subsidies that would otherwise occur to pay for any above average customer usage.

YOU ARE FURTHER NOTIFIED that the Company believes that failure to approve a hookup will cause undue subsidization and upward price pressure on customers who are not directly benefitted from the Ketchum/Sun Valley area distribution system upgrades.

YOU ARE FURTHER NOTIFIED that the Company has asked that its Application be processed under Modified Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Application, supporting workpapers and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and other workpapers are also available on the Commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov) under the "File Room" and then "Gas Cases."

#### **DEADLINE FOR INTERVENTION**

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing must file a Petition to Intervene with the Commission pursuant to the Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. Persons intending to participate at hearing must file a Petition to Intervene **no later than 14 days from the service date of this Order**. Persons

seeking intervenor status shall also provide the Commission Secretary with an electronic mail address to facilitate further communications in this matter.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that once the deadline for intervention has passed, the Commission Secretary shall issue a Notice of Parties. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that after the Notice of Parties is issued, the Commission anticipates that the parties will informally convene to devise a recommended schedule to process this case. In addition to the schedule, the parties may discuss discovery logistics, electronic service, and other scheduling matters.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-116, 61-117, 61-129, and 61-307. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### **SUSPENSION OF PROPOSED EFFECTIVE DATE**

Due to the limited time between when the Company filed its Application and when it requests that the changes become effective, the Commission finds that it cannot effectively consider Intermountain Gas Company's requested changes before the proposed effective date of July 15, 2009. Pursuant to *Idaho Code* §§ 61-622 and 61-623, the Commission hereby suspends the proposed changes for a period of thirty (30) days plus five (5) months from July 15, 2009, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

#### **ORDER**

IT IS HEREBY ORDERED that the implementation of Intermountain Gas's proposed hookup fee along its Sun Valley Lateral is suspended for a period of thirty (30) days plus five (5) months from July 15, 2009, or until such time as the Commission enters an Order

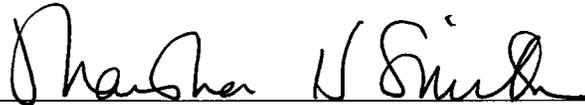
accepting, rejecting or modifying the request in this matter.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the service date of this Order.

IT IS FURTHER ORDERED that after the Notice of Parties is issued, the Staff shall informally convene with the parties to discuss the processing of this case.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9<sup>th</sup> day of July 2009.

  
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JIM D. KEMPTON, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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MACK A. REDFORD, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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