

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
 COMMISSIONER REDFORD
 COMMISSIONER SMITH
 COMMISSION SECRETARY
 LEGAL
 WORKING FILE**

FROM: TERRI CARLOCK

DATE: DECEMBER 19, 2011

**SUBJECT: INTERMOUNTAIN GAS COMPANY'S APPLICATION TO CHANGE ITS
 COMPOSITE DEPRECIATION RATE: CASE NO. INT-G-11-2.**

On October 12, 2011, Intermountain Gas Company filed an Application requesting approval to change its composite depreciation rate to 3.07%. Intermountain's currently effective depreciation rate of 2.96% was approved by Order No. 30756, March 25, 2009. The Company asked that its new composite depreciation rates be effective January 1, 2012. Tariff rates will not change as a result of this Application. The annual depreciation accrual will increase by \$375,337 with the higher rate of 3.07%.

The Notice of Application and Notice of Intervention Deadline provides that "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." Order No. 32393. No petitions to intervene were filed. On December 14, 2011, the Staff and the Company convened an informal workshop to determine if outstanding issues could be resolved.

STAFF ANALYSIS

Staff conducted a detailed comparison of existing and requested depreciation components including useful life, Iowa curves, removal costs, salvage values and the resulting depreciation accrual rate. The depreciation rates for other gas companies were also considered. At the informal workshop the various depreciation components were discussed for numerous accounts. From that discussion many questions were resolved. Staff suggested that the remaining issues for specific accounts could benefit from additional actual information that obtained over the next couple years before the next depreciation case. The Company agreed in principle. Staff suggests

that the following areas are appropriately discussed for resolution in the next depreciation case or in the next general rate case if one is filed before the depreciation case.

The LNG Nampa Facilities Plant, Account 361 has upgrades and replacements that result in changes for each depreciation case and results in ongoing discussion on the proper rate. The rate is currently a composite rate rather than separate rates by components. The Company is not yet required to develop separate sub-accounts for the components that make up Account 361 (LNG Nampa Plant). By using the composite rate for the Nampa LNG plant, the plant remaining life is utilized for all components. The remaining life for this plant may continue to be extended with ongoing upgrades and replacements. Each upgrade is depreciated over the current expected plant remaining life.

Electronic Meter Reading Transmitter (ERT) units, Account 381.2 and Installation depreciation rates have been impacted by earlier than anticipated battery failures. The manufacturer estimated battery life was 15 years when the first units were installed in 2002. However, battery failures are now being experienced and replacement of ERT units is more cost effective than replacement of the batteries alone. The Company indicates it will begin replacing the units in 2012 over a 5-6 year period. The level of under-depreciation is a driver for the current increase. Staff proposes to re-evaluate the experience and discuss the need to establish sub-accounts for the new ERT units in the next case. Staff proposes to accept the proposed depreciation rate in this case.

There are three more accounts where Staff believes additional actual depreciation account information will be beneficial to determine future depreciation rates. These include: Structures and Improvements - Account 366, Compressor Equipment Sun Valley Lateral - Account 368.1, and Power Operated Equipment - Account 396.

The Parties agree that an increase in the composite rate to 3.07% is appropriate. The effect of the increased rate would increase the Company's annual depreciation accrual by \$375,337. Exhibit No. 1 shows the depreciation components and rates on an account-by-account basis and the composite rate.

STAFF RECOMMENDATION

Staff recommends the depreciation rates be approved on an account-by-account basis with a composite rate of 3.07%. Staff also recommends these rates be effective January 1, 2012.

COMMISSION DECISION

Does the Commission approve the account-by-account depreciation rates set out in Exhibit No. 1 with the composite rate of 3.07%?

Does the Commission accept the effective date of January 1, 2012?

Terri Carlock

Terri Carlock

Attachment

i:\udmemos\ntg11.2 tc.doc

Intermountain Gas Company
Summary of Present and Proposed
Depreciation Annual Parameters and Expenses
Study Date : As of December 31, 2010

| Line Number | Account Number | Study Category | Account Name | Current Study 12-31-2010 | | Percent Estimated Last Study (e)/(d) | Present | | Proposed | | Net Change (k)-(j) |
|-------------|----------------|----------------|--|--------------------------|---------------------------------|--------------------------------------|-------------------------|-------------------------|-------------------------|---------------------|--------------------|
| | | | | Investment Balance (c) | Reserved Investment Balance (e) | | Annual Accrual Rate (g) | Annual Accrual Rate (h) | Annual Accrual Rate (i) | Annual Accruals (j) | |
| 1 | 361.00 | LNG | LNG Equipment - Nampa Facilities | 9,684,650.79 | 8,704,966.67 | 90.8% | 1.25% | 119,807 | 2.00% | 191,691 | 71,884 |
| 2 | 361.20 | LNG | LNG Equipment - Flexburg Vaporization Facilities | 4,771,816.03 | 719,279.84 | 15.1% | 5.74% | 273,860 | 5.74% | 273,908 | 48 |
| 3 | | | Subtotal Storage Plant | 14,356,466.82 | 9,424,236.51 | 65.6% | 2.74% | 393,667 | 3.24% | 465,599 | 71,932 |
| 4 | 365.00 | ROW | Right of Way | 678,619.63 | 276,357.60 | 40.8% | 2.10% | 14,251 | 2.11% | 14,319 | 68 |
| 5 | 366.00 | TCS | Structures and Improvements | 77,152.11 | 8,521.40 | 11.0% | 3.46% | 2,669 | 6.44% | 4,969 | 2,300 |
| 6 | 367.00 | TMIN | Transmission Mains | 42,190,850.36 | 31,614,924.50 | 74.9% | 2.82% | 1,253,068 | 2.82% | 1,169,782 | (63,286) |
| 7 | 368.00 | TCS | Compressor Equipment | - | (632,377.62) | 0.0% | 0.00% | 44,517 | 6.67% | 42,169 | (2,368) |
| 8 | 368.10 | TCS | Compressor Equipment Sun Valley Lateral | - | - | 0.0% | 3.91% | 0 | 4.75% | 0 | 0 |
| 9 | 370.00 | TCE | Communication Equipment | 714,440.07 | 752,780.59 | 105.4% | 0.04% | 286 | -0.04% | (286) | (572) |
| 10 | | | Subtotal Transmission Plant | 43,661,082.07 | 32,019,208.47 | 73.3% | 3.01% | 1,314,791 | 2.87% | 1,250,843 | (63,848) |
| 11 | 374.00 | LRT | Land Rights | 407,749.39 | 237,214.91 | 58.2% | 1.86% | 7,684 | 1.79% | 7,299 | (285) |
| 12 | 375.00 | STR | Structures and Improvements | 18,663.90 | 19,470.44 | 103.2% | 0.65% | 123 | 0.36% | 72 | (51) |
| 13 | 376.00 | MNS | Mains | 138,216,590.27 | 85,211,646.60 | 61.7% | 2.89% | 3,717,999 | 2.66% | 3,638,319 | (79,680) |
| 14 | 378.00 | MRG | Regulator Station Equipment | 4,488,688.48 | 2,076,941.48 | 46.2% | 3.11% | 136,905 | 2.79% | 125,510 | (11,395) |
| 15 | 380.00 | SVC | Services | 126,669,672.88 | 73,729,909.93 | 58.2% | 2.86% | 3,622,758 | 2.42% | 3,065,411 | (557,347) |
| 16 | 381.00 | MTR | Meters | 20,610,136.53 | 10,730,489.26 | 52.1% | 2.11% | 484,674 | 1.76% | 362,738 | (72,136) |
| 17 | 381.20 | ERT | Electronic Meter Reading Transmitter (ERT) Units | 15,825,976.61 | 4,794,176.48 | 30.3% | 6.45% | 1,020,775 | 14.22% | 2,250,454 | 1,229,678 |
| 18 | 382.00 | MTI | Meter Installations | 8,626,362.40 | 4,203,609.70 | 48.7% | 1.97% | 169,939 | 1.85% | 159,688 | (10,251) |
| 19 | 382.20 | EPI | ERT Installations | 2,132,625.96 | 813,552.65 | 38.1% | 6.39% | 136,268 | 12.63% | 269,338 | 133,070 |
| 20 | 383.00 | HRG | House Regulators | 4,987,886.11 | 2,353,815.60 | 47.2% | 1.94% | 96,765 | 1.89% | 84,271 | (2,494) |
| 21 | 384.00 | HRI | House Regulators - Installation | 5,341,609.45 | 1,581,269.98 | 29.8% | 2.18% | 116,445 | 2.16% | 114,842 | (1,603) |
| 22 | 386.00 | IMR | Regulator Station - Industrial | 8,776,905.69 | 4,945,291.18 | 55.2% | 3.50% | 307,192 | 2.65% | 252,588 | (74,604) |
| 23 | | | Subtotal Distribution Plant | 336,111,947.55 | 190,596,191.11 | 56.7% | 2.91% | 9,770,627 | 3.04% | 10,220,430 | 449,803 |
| 24 | 380.10 | GSI | Structures and Improvements | 16,170,425.66 | 5,487,563.07 | 36.2% | 2.10% | 316,679 | 2.33% | 353,471 | 34,892 |
| 25 | 382.00 | GTR | Transportation Equipment | 5,807,176.21 | 2,964,400.82 | 52.7% | 9.75% | 646,700 | 7.42% | 416,052 | (130,648) |
| 26 | 386.00 | GPE | Power Operated Equipment | 790,779.36 | 186,256.87 | 23.6% | 6.63% | 52,429 | 8.30% | 65,635 | 13,206 |
| 27 | | | Subtotal General Plant | 21,668,380.13 | 8,628,210.76 | 40.0% | 4.25% | 917,708 | 3.67% | 895,158 | (22,550) |
| 28 | | | Total Depreciable Plant | 415,697,856.57 | 240,567,846.65 | 57.9% | 2.99% | 12,396,793 | 3.07% | 12,772,130 | 375,337 |

Intermountain Gas Company
Summary of Present and Proposed
Depreciation Annual Parameters and Expenses
Study Date : As of December 31, 2010

Proposed Depreciation Rate Parameters (Depreciation Life & Rate Procedures)

| Line Number | Account Number | Study Category | Account Name | Investment Balance | Current Study 12-31-2010 Investment Balance | Reserved Investment Balance | Percent Reserved | Retirement Disposition | Projection Life (n) | Average Service Life (l) | Average Age (a) | Average Remaining Life (k) | Net Salvage (j) | Annual Accrual Rate (m) | Annual Accruals (m) ^(d) |
|-------------|----------------|----------------|---|--------------------|--|-----------------------------|------------------|------------------------|---------------------|--------------------------|-----------------|----------------------------|-----------------|-------------------------|------------------------------------|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) |
| 1 | 361.00 | LNG | LNG Equipment - Nampa Facilities | 9,584,650.79 | 8,704,958.67 | 90.8% | R5.0 | 43 | 34.6 | 27.2 | 15.0 | -20.80% | 2.00% | 191,691 | |
| 2 | 361.20 | LNG | LNG Equipment - Rexburg Vaporization Facilities | 4,771,916.03 | 719,279.84 | 15.1% | R5.0 | 20 | 19.9 | 2.5 | 17.4 | -15.00% | 5.74% | 273,908 | |
| 3 | | | Subtotal Storage Plant | 14,356,466.82 | 9,424,238.51 | 65.6% | | | 27.8 | 19.0 | 16.1 | -18.11% | 3.24% | 465,599 | |
| 4 | 365.00 | ROW | Right of Way | 678,619.53 | 276,357.60 | 40.6% | R5.0 | 41 | 41.6 | 13.5 | 28.2 | 0.00% | 2.11% | 14,319 | |
| 5 | 366.00 | TCS | Structures and Improvements | 77,152.11 | 8,521.40 | 11.0% | R3.0 | 27 | 30.7 | 24.5 | 14.6 | -5.00% | 6.44% | 4,969 | |
| 6 | 367.00 | TMN | Transmission Mains | 42,190,850.36 | 31,614,924.60 | 74.9% | S6.0 | 49 | 50.6 | 25.7 | 25.6 | -47.00% | 2.82% | 1,189,782 | |
| 7 | 368.00 | TCS | Compressor Equipment | - | (632,377.62) | 0.0% | R3.0 | 15 | 15.0 | 0.0 | 15.0 | 0.00% | 6.67% | 42,159 | |
| 8 | 368.10 | TCS | Compressor Equipment Sun | - | - | 0.0% | R3.0 | 20 | 20.0 | 0.0 | 20.0 | 5.00% | 4.76% | 0 | |
| 9 | 370.00 | TCE | Valley Lateral Communication Equipment | 714,440.07 | 752,780.69 | 106.4% | L3.0 | 30 | 38.1 | 29.4 | 10.0 | -5.00% | -0.04% | (286) | |
| 10 | | | Subtotal Transmission Plant | 43,661,062.07 | 32,019,206.47 | 73.3% | | | 50.1 | 25.8 | 25.3 | -45.10% | 2.67% | 1,250,949 | |
| 11 | 374.00 | LRT | Land Rights | 407,749.39 | 237,214.91 | 58.2% | R5.0 | 48 | 50.5 | 28.3 | 23.3 | 0.00% | 1.79% | 7,299 | |
| 12 | 375.00 | STR | Structures and Improvements | 18,663.90 | 19,470.44 | 103.2% | R5.0 | 45 | 49.4 | 44.8 | 4.7 | -6.00% | 0.38% | 72 | |
| 13 | 376.00 | MNS | Mains | 136,215,590.27 | 86,211,545.50 | 61.7% | R4.0 | 58 | 59.0 | 20.6 | 38.8 | -61.00% | 2.56% | 3,638,319 | |
| 14 | 378.00 | MFRG | Regulator Station Equipment | 4,496,568.46 | 2,076,941.48 | 46.2% | R3.0 | 35 | 37.3 | 15.9 | 22.9 | -10.00% | 2.79% | 126,510 | |
| 15 | 380.00 | SVC | Services | 126,669,872.68 | 73,728,906.93 | 58.2% | R2.0 | 62 | 64.8 | 16.1 | 39.2 | -53.00% | 2.42% | 3,065,411 | |
| 16 | 381.00 | MTR | Meters | 20,610,136.53 | 10,730,498.26 | 52.1% | R4.0 | 42 | 43.2 | 16.8 | 27.2 | 0.00% | 1.76% | 362,738 | |
| 17 | 381.20 | ERT | Electronic Meter Reading | 15,825,978.51 | 4,794,178.48 | 30.3% | R3.0 | 11 | 11.8 | 6.9 | 4.9 | 0.00% | 14.22% | 2,250,454 | |
| 18 | 382.00 | MTI | Transmitter (ERT) Units | 8,626,362.40 | 4,203,509.70 | 48.7% | R3.0 | 42 | 43.6 | 16.6 | 27.7 | 0.00% | 1.85% | 159,588 | |
| 19 | 382.20 | ERI | Meter Installations | 2,132,525.96 | 813,652.65 | 38.1% | R3.0 | 12 | 12.3 | 7.4 | 4.9 | 0.00% | 12.63% | 269,338 | |
| 20 | 383.00 | HRG | House Regulators | 4,987,886.11 | 2,363,815.60 | 47.2% | R3.0 | 42 | 44.0 | 17.1 | 27.9 | 0.00% | 1.89% | 94,271 | |
| 21 | 384.00 | HRI | House Regulators - Installation | 5,341,509.45 | 1,581,263.98 | 29.6% | R3.0 | 42 | 42.7 | 10.3 | 32.8 | 0.00% | 2.15% | 114,842 | |
| 22 | 385.00 | IMR | Regulator Station - Industrial | 6,776,905.69 | 4,846,291.18 | 55.2% | R2.0 | 30 | 33.3 | 15.8 | 18.8 | -5.00% | 2.65% | 232,588 | |
| 23 | | | Subtotal Distribution Plant | 336,111,947.55 | 190,596,191.11 | 56.7% | | | 44.9 | 17.4 | 29.8 | -35.87% | 3.04% | 10,220,430 | |
| 24 | 390.10 | GSI | Structures and Improvements | 15,170,425.66 | 5,487,563.07 | 36.2% | R2.0 | 34 | 37.1 | 13.7 | 25.2 | 5.00% | 2.33% | 369,471 | |
| 25 | 392.00 | GTR | Transportation Equipment | 6,607,175.21 | 2,954,400.82 | 52.7% | L3.0 | 10 | 11.2 | 6.2 | 5.7 | 5.00% | 7.42% | 416,062 | |
| 26 | 396.00 | GPE | Power Operated Equipment | 790,775.96 | 186,266.87 | 23.6% | R3.0 | 14 | 15.3 | 8.5 | 7.4 | 15.00% | 8.30% | 66,635 | |
| 27 | | | Subtotal General Plant | 21,566,380.13 | 8,628,210.76 | 40.0% | | | | | | | 3.87% | 835,158 | |
| 28 | | | Total Depreciable Plant | 415,667,856.57 | 240,667,846.85 | 57.9% | | | | | | | | 3.07% | 12,772,130 |

| Theoretical Reserve Analysis (Depreciation Life & Rate Procedures) | | | | | | | | | | | | | |
|--|----------------|----------------|---|--------------------------|-----------------------------|------------------|--------------------|---------------------|------------------------|-----------------------------|-----------------------------|---------------------|------------------|
| Line Number | Account Number | Study Category | Account Name | Current Study 12-31-2010 | | | Future Net Salvage | Average Net Salvage | Average Remaining Life | Average Service Life | Theoretical Reserve Percent | Theoretical Reserve | Reserve Variance |
| | | | | Investment Balance | Reserved Investment Balance | Percent Reserved | | | | | | | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | |
| | | | Last Study | Last Study | Last Study | | | | | $(1-(h)/(1-f))^j \cdot 100$ | $(l)/(k)$ | $(m)/(l-e)$ | |
| 1 | 361.00 | LNG | LNG Equipment - Nampa Facilities | 9,584,660.79 | 8,704,958.67 | 90.8% | -20.80% | -20.80% | 15.0 | 34.6 | 68.4% | 6,566,708 | (2,146,251) |
| 2 | 361.20 | LNG | LNG Equipment - Rexburg Vaporization Facilities | 4,771,916.03 | 719,279.84 | 15.1% | -15.00% | -15.00% | 17.4 | 19.9 | 14.5% | 689,542 | (29,738) |
| 3 | | | Subtotal Storage Plant | 14,356,466.82 | 9,424,238.51 | 66.6% | -18.11% | -18.11% | 16.1 | 27.8 | 50.5% | 7,248,250 | (2,175,969) |
| 4 | 365.00 | ROW | Right of Way | 678,619.63 | 275,367.60 | 40.6% | 0.00% | 0.00% | 28.2 | 41.6 | 32.2% | 218,683 | (56,776) |
| 5 | 366.00 | TCS | Structures and Improvements | 77,162.11 | 8,621.40 | 11.0% | -5.00% | -5.00% | 14.6 | 30.7 | 55.1% | 42,468 | 33,967 |
| 6 | 367.00 | TMN | Transmission Mains | 42,190,850.36 | 31,614,924.50 | 74.9% | -47.00% | -47.00% | 25.6 | 50.6 | 72.8% | 30,643,215 | (871,710) |
| 7 | 368.00 | TCS | Compressor Equipment Sun Compressor Equipment Sun | - | (632,377.62) | 0.0% | 0.00% | 0.00% | 15.0 | 15.0 | 0.0% | 0 | 632,378 |
| 8 | 368.10 | TCS | Valley Lateral | - | - | 0.0% | 5.00% | 5.00% | 20.0 | 20.0 | 0.0% | 0 | 0 |
| 8 | 370.00 | TCE | Communication Equipment | 714,440.07 | 782,780.59 | 105.4% | -5.00% | -5.00% | 10.0 | 36.1 | 77.4% | 553,262 | (189,519) |
| 10 | | | Subtotal Transmission Plant | 43,681,062.07 | 32,019,206.47 | 73.3% | -45.10% | -45.10% | 25.3 | 50.1 | 72.0% | 31,457,548 | (561,658) |
| 11 | 374.00 | LRT | Land Rights | 407,749.99 | 237,214.91 | 58.2% | 0.00% | 0.00% | 23.3 | 60.5 | 53.9% | 219,614 | (17,801) |
| 12 | 375.00 | STR | Structures and Improvements | 18,963.90 | 19,470.44 | 103.2% | -5.00% | -5.00% | 4.7 | 49.4 | 95.0% | 17,923 | (1,547) |
| 13 | 376.00 | MNS | Mains | 138,215,690.27 | 85,211,545.50 | 61.7% | -61.00% | -61.00% | 38.8 | 59.0 | 55.1% | 76,184,463 | (9,027,113) |
| 14 | 378.00 | MRG | Regulator Station Equipment | 4,498,668.46 | 2,076,941.48 | 46.2% | -10.00% | -10.00% | 22.9 | 37.3 | 42.5% | 1,910,542 | (166,389) |
| 15 | 380.00 | SVC | Services | 126,869,872.88 | 73,728,908.93 | 58.2% | -53.00% | -53.00% | 39.2 | 54.6 | 43.2% | 54,658,050 | (19,070,859) |
| 16 | 381.00 | MTR | Meters | 20,610,136.63 | 10,730,498.26 | 52.1% | 0.00% | 0.00% | 27.2 | 43.2 | 37.0% | 7,653,995 | (3,096,503) |
| 17 | 381.20 | ERT | Electronic Meter Reading | 15,825,876.51 | 4,794,178.48 | 30.3% | 0.00% | 0.00% | 4.9 | 11.8 | 58.5% | 8,253,448 | 4,459,270 |
| 18 | 382.00 | MTI | Transmitter (ERT) Units | 8,626,362.40 | 4,203,509.70 | 48.7% | 0.00% | 0.00% | 27.7 | 43.6 | 36.5% | 3,146,034 | (1,057,476) |
| 19 | 382.20 | ERI | Meter Installations | 2,132,625.96 | 813,562.65 | 38.1% | 0.00% | 0.00% | 4.9 | 12.3 | 60.2% | 1,282,928 | 469,375 |
| 20 | 383.00 | HRG | House Regulators | 4,987,886.11 | 2,353,815.60 | 47.2% | 0.00% | 0.00% | 27.9 | 44.0 | 36.6% | 1,825,068 | (628,748) |
| 21 | 384.00 | HRI | House Regulators - Installation | 5,341,609.45 | 1,581,263.98 | 29.6% | 0.00% | 0.00% | 32.8 | 42.7 | 23.2% | 1,238,696 | (942,688) |
| 22 | 385.00 | IMR | Regulator Station - Industrial | 8,776,906.69 | 4,845,291.18 | 55.2% | -6.00% | -6.00% | 18.8 | 33.3 | 45.7% | 4,012,801 | (832,490) |
| 23 | | | Subtotal Distribution Plant | 336,111,947.55 | 190,596,191.11 | 56.7% | -35.87% | -35.87% | 29.8 | 44.9 | 48.0% | 161,383,632 | (29,212,669) |
| 24 | 390.10 | GSI | Structures and Improvements | 15,170,425.56 | 5,487,553.07 | 36.2% | 5.00% | 5.00% | 25.2 | 37.1 | 30.5% | 4,622,429 | (866,124) |
| 25 | 392.00 | GTR | Transportation Equipment | 5,607,175.21 | 2,954,400.82 | 52.7% | 5.00% | 5.00% | 5.7 | 11.2 | 46.7% | 2,615,747 | (338,654) |
| 26 | 396.00 | GPE | Power Operated Equipment | 790,779.36 | 186,256.87 | 23.6% | 15.00% | 15.00% | 7.4 | 15.3 | 43.9% | 347,073 | 160,816 |
| 27 | | | Subtotal General Plant | 21,568,380.13 | 8,628,210.76 | 40.0% | 5.54% | 5.54% | 14.1 | 22.4 | 35.2% | 7,586,249 | (1,042,962) |
| 28 | | | Total Depreciable Plant | 415,697,866.57 | 240,667,846.85 | 57.9% | -31.70% | -31.70% | 27.1 | 42.3 | 50.0% | 207,674,579 | (32,993,268) |

Intermountain Gas Company
Summary of Present and Proposed
Depreciation Accrual Parameters and Expenses
Study Date : As of December 31, 2010

| Intermountain Gas Company Summary of Present and Proposed Depreciation, Accrual Parameters and Expenses Study Date : As of December 31, 2010 | | | | | | | | | | | | | |
|---|----------------|----------------|---|--------------------|-----------------------------|--------------------------|------------|------------------------|----------------------|------------------------|-------------|----------------------|-----------------------|
| Line Number | Account Number | Study Category | Account Name | Investment Balance | | Current Study 12-31-2010 | | Retirement Disposition | Average Service Life | Average Remaining Life | Net Salvage | Annual Accrual Ratio | Annual Accrual Amount |
| | | | | (d) | (e) | (f) | (g) | | | | | | |
| (a) | (b) | (c) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) |
| | | | | Investment Balance | Reserved Investment Balance | Percent Reserved | Last Study | Retirement Disposition | Average Service Life | Average Remaining Life | Net Salvage | Annual Accrual Ratio | Annual Accrual Amount |
| | | | | | Last Study | Last Study | (e)/(d) | | (h) | (i) | (k) | (l) | (m) |
| 1 | 361.00 | LNG | LNG Equipment - Nampa Facilities | 9,584,550.79 | 8,704,958.67 | 90.8% | R5.0 | R5.0 | 43.7 | 28.9 | -20.80% | 1.25% | 119,807 |
| 2 | 361.20 | LNG | LNG Equipment - Rexburg Vaporization Facilities | 4,771,916.03 | 719,279.84 | 15.1% | R5.0 | R5.0 | 20.0 | 0.0 | -16.00% | 5.74% | 273,860 |
| 3 | | | Subtotal Storage Plant | 14,356,466.82 | 9,424,238.51 | 65.6% | | | 31.4 | 19.3 | -17.78% | 2.74% | 393,667 |
| 4 | 365.00 | ROW | Right of Way | 678,619.53 | 275,357.60 | 40.6% | R5.0 | R5.0 | 41.5 | 11.7 | 0.00% | 2.10% | 14,251 |
| 5 | 366.00 | TCS | Structures and Improvements | 77,152.11 | 8,621.40 | 11.0% | R3.0 | R3.0 | 30.3 | 16.2 | -5.00% | 3.46% | 2,569 |
| 6 | 367.00 | TMN | Transmission Mains | 42,190,850.36 | 31,614,824.50 | 74.9% | S5.0 | S5.0 | 49.8 | 23.2 | -47.00% | 2.87% | 1,253,068 |
| 7 | 368.00 | TCS | Compressor Equipment | (632,377.62) | (632,377.62) | 0.0% | Amort | Amort | 15.0 | 0.0 | 0.00% | 0.00% | 44,517 |
| 8 | 368.10 | TCS | Compressor Equipment Sun | | | 0.0% | R3.0 | R3.0 | 27.7 | 0.0 | 0.00% | 3.61% | 0 |
| 9 | 370.00 | TCE | Valley Lateral | 714,440.07 | 752,780.59 | 105.4% | R3.0 | R3.0 | 35.0 | 26.4 | -5.00% | 0.04% | 286 |
| 10 | | | Subtotal Transmission Plant | 43,661,962.07 | 32,019,206.47 | 73.3% | | | 49.3 | 23.1 | -45.05% | 3.01% | 1,314,791 |
| 11 | 374.00 | LRT | Land Rights | 407,749.39 | 237,214.91 | 58.2% | R6.0 | R6.0 | 50.0 | 27.5 | 0.00% | 1.86% | 7,584 |
| 12 | 375.00 | STR | Structures and Improvements | 18,963.90 | 19,470.44 | 103.2% | R5.0 | R5.0 | 48.1 | 41.8 | -5.00% | 0.65% | 123 |
| 13 | 376.00 | MNS | Mains | 138,215,590.27 | 85,211,546.50 | 61.7% | R4.0 | R4.0 | 55.0 | 18.8 | -55.00% | 2.69% | 3,717,989 |
| 14 | 378.00 | MRG | Regulator Station Equipment | 4,498,568.46 | 2,076,941.48 | 46.2% | R3.0 | R3.0 | 34.8 | 17.8 | -10.00% | 3.11% | 139,905 |
| 15 | 380.00 | SVC | Services | 126,869,872.88 | 73,728,908.93 | 58.2% | R2.0 | R2.0 | 48.5 | 14.4 | -53.00% | 2.86% | 3,622,758 |
| 16 | 381.00 | MTR | Meters | 20,610,136.63 | 10,730,498.26 | 52.1% | R4.0 | R4.0 | 42.8 | 12.4 | 0.00% | 2.11% | 434,874 |
| 17 | 381.20 | ERT | Electronic Meter Reading | 15,825,978.51 | 4,794,178.48 | 30.3% | R3.0 | R3.0 | 15.2 | 4.2 | 0.00% | 6.45% | 1,020,776 |
| 18 | 382.00 | MTI | Transmitter (ERT) Units | 8,626,362.40 | 4,203,509.70 | 48.7% | R3.0 | R3.0 | 43.3 | 13.6 | 0.00% | 1.97% | 169,839 |
| 19 | 382.20 | ERI | Meter Installations | 2,132,525.96 | 813,552.65 | 38.1% | R3.0 | R3.0 | 15.2 | 4.1 | 0.00% | 6.39% | 136,268 |
| 20 | 383.00 | HRG | House Regulators | 4,967,866.11 | 2,353,815.80 | 47.2% | R3.0 | R3.0 | 43.7 | 15.4 | 0.00% | 1.94% | 86,765 |
| 21 | 384.00 | HRI | House Regulators - Installation | 5,341,509.45 | 1,581,263.98 | 29.6% | R3.0 | R3.0 | 42.6 | 8.2 | 0.00% | 2.18% | 116,445 |
| 22 | 385.00 | IMR | Regulator Station - Industrial | 8,776,905.68 | 4,845,291.18 | 55.2% | R2.0 | R2.0 | 26.4 | 15.1 | -5.00% | 3.50% | 307,192 |
| 23 | | | Subtotal Distribution Plant | 336,111,947.55 | 190,586,191.11 | 56.7% | | | 43.8 | 15.5 | -36.42% | 2.91% | 9,770,627 |
| 24 | 380.10 | GSI | Structures and Improvements | 15,170,425.56 | 5,487,553.07 | 36.2% | R2.0 | R2.0 | 38.6 | 18.6 | 5.00% | 2.10% | 318,679 |
| 25 | 382.00 | GTR | Transportation Equipment | 5,607,175.21 | 2,964,400.82 | 52.7% | L4.0 | L4.0 | 10.3 | 7.0 | 5.00% | 9.75% | 546,700 |
| 26 | 386.00 | GIPE | Power Operated Equipment | 790,779.36 | 186,256.87 | 23.6% | R4.0 | R4.0 | 15.3 | 11.2 | 15.00% | 6.63% | 62,429 |
| 27 | | | Subtotal General Plant | 21,668,380.13 | 8,628,210.76 | 40.0% | | | 21.8 | 16.0 | 5.52% | 4.25% | 917,708 |
| 28 | | | Total Depreciable Plant | 416,697,856.57 | 240,667,846.85 | 57.9% | | | 41.5 | 16.5 | -32.19% | 2.98% | 12,396,793 |