

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF INTERMOUNTAIN GAS COMPANY ) CASE NO. INT-G-11-03  
FOR AUTHORITY TO DECREASE ITS )  
PRICES ) NOTICE OF APPLICATION  
)  
) NOTICE OF  
) MODIFIED PROCEDURE  
)  
) ORDER NO. 32428**

---

On December 22, 2011, Intermountain Gas Company applied for authority to decrease its revenues from February 1, 2012 to September 30, 2012 by \$6.0 million. Application at 2. The Company contends the proposed revenue decrease relates to changes in the Company's gas purchase costs and will decrease customer rates while not affecting the Company's earnings. *Id.* at 2. The Company asked the Commission to process the Application by Modified Procedure, and that the new rates take effect February 1, 2012. *Id.* at 6.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that with this Application, Intermountain Gas seeks to pass-through to its sales customer classes a decrease in gas commodity costs resulting from a decrease in Intermountain's weighted average cost of gas ("WACOG"). The Company says this would result in an overall price decrease to Intermountain's RS-1, RS-2, GS-1, LV-1, IS-R and IS-C customers. Application at 3.

YOU ARE HEREBY NOTIFIED that Intermountain proposes decreasing the WACOG from the currently approved \$0.45342 per therm to \$0.41812 per therm because regional natural gas prices have continued to decline since Intermountain filed INT-G-11-01 in August 2011. *Id.* at 4. The Company attributes the decline to: (1) the continued prolific availability of U.S. shale gas production, (2) storage balances being at or near record high levels, (3) the lack of material hurricane activity that would typically reduce natural gas deliverability, and (4) a mild winter that has dampened natural gas demand across the Pacific Northwest. *Id.* Additionally, the Company says the domestic Ruby pipeline has displaced traditional Canadian natural gas supplies and softened "prices at the AECO hub in Alberta which makes up a significant portion of the Company's gas supply portfolio." *Id.*

NOTICE OF APPLICATION  
NOTICE OF MODIFIED PROCEDURE  
ORDER NO. 32428

YOU ARE FURTHER NOTIFIED Intermountain says it has allocated the proposed price changes to each of its customer classes based on Intermountain's Purchased Gas Cost Adjustment (PGA) provision. *Id.*<sup>1</sup> The Company says the proposed price changes are just, fair, and equitable. *Id.* at 5.

YOU ARE FURTHER NOTIFIED Intermountain asserts that customers have been notified regarding Intermountain's Application through a customer notice and press release. *Id.* Finally, the Company requests that this matter be handled under Modified Procedure and that its rates become effective on February 1, 2012. *Id.* at 6.

### NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than January 19, 2012**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Scott Madison  
Vice President & Chief Accounting Officer  
Intermountain Gas Company  
PO Box 7608  
Boise, ID 83707

Stephen R. Thomas  
Moffatt Thomas Barrett Rock & Fields, Chtd.  
101 S. Capitol Boulevard, Suite 1000  
Boise, ID 83702

---

<sup>1</sup> The PGA mechanism is used to adjust rates to reflect annual changes in Intermountain's costs for the purchase of natural gas from suppliers – including transportation, storage, and other related costs. *See* Order No. 26019.

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company may file reply comments (if necessary) by **January 26, 2012**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

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 web site at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and then "Gas Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-307, 61-313, 61-503 and 61-622. 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.*

### **ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and parties may file written comments by **January 19, 2012**, and the Company may file written reply comments, if necessary, by **January 26, 2012**.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5<sup>th</sup>  
day of January 2012.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:INT-G-11-03\_kk