

RECEIVED  
2012 AUG 10 AM 10:30  
IDAHO PUBLIC  
UTILITIES COMMISSION

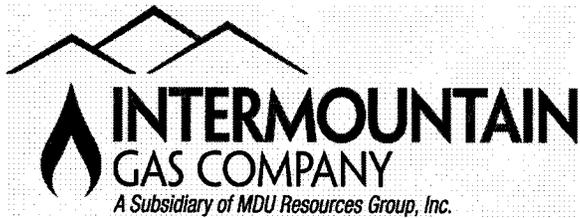
**NEWS RELEASE**

**and**

**CUSTOMER NOTICE**

**CASE NO. INT-G-12-01**

**INTERMOUNTAIN GAS COMPANY**



555 S. Cole Rd.  
Boise, ID 83709  
(208) 377-6000

### Intermountain Gas Company files to Decrease Prices

**BOISE, IDAHO – August 10, 2012** – Intermountain Gas Company filed its annual Purchased Gas Cost Adjustment (PGA) application with the Idaho Public Utilities Commission to decrease prices by 2.4%. The request is for a decrease of approximately \$6.0 million and, if approved, would be effective October 1, 2012. The primary reason for the requested decrease is a continued decline in the commodity price of natural gas that Intermountain purchases on behalf of its customers.

Residential customers using gas for space and water heating will save an average 3.1% or \$1.51 per month, while customers using natural gas only for space heating will see an average decrease of \$0.17 per month or 0.4%, based on average weather and usage. Commercial customers, on average, would see a savings of \$6.46 per month or 3.1%.

In addition to the price reduction, the company is also proposing to pass back to its sales customers credits that have accrued as a result of falling gas prices subsequent to the February 2012 price decrease. If approved as filed, those credits will be directly refunded to Intermountain's residential, commercial and LV-1 customers through a one-time bill credit in December 2012. Each sales customer's refund will equal \$.03877 per therm times the customer's billed usage from July 1, 2011 through June 30, 2012. The one-time credit combined with the proposed PGA price change described above equals an overall price decrease of 7.1%.

Frank Morehouse, Executive Vice President and General Manager of Intermountain said, "With the continued development of shale gas production in North America, natural gas reserves are more significant than originally anticipated and supply growth is outpacing any demand increase foreseen in the near future. This supply strength is reflected in these lower prices."

Intermountain continues to urge all its customers to use energy wisely. Conservation tips, information on government payment energy assistance, and programs to help customers level out their energy bills over the year can be found on the company's website, [www.intgas.com](http://www.intgas.com).

A Purchased Gas Cost Adjustment application is filed each year to ensure the costs Intermountain incurs on behalf of its customers are reflected in its sales prices. The request is subject to public review and approval by the Idaho Public Utilities Commission. A copy of the application is available at the Commission offices and on both the Commission's and Intermountain's websites.

*Intermountain Gas Company is a natural gas distribution company serving approximately 315,000 residential, commercial and industrial customers in 74 communities in southern Idaho. Intermountain is a subsidiary of MDU Resources Group, Inc., a multidimensional natural resources enterprise traded on the New York Stock Exchange as "MDU." For more information about MDU Resources, visit the company's website at [www.mdu.com](http://www.mdu.com). For more information about Intermountain, visit [www.intgas.com](http://www.intgas.com).*

\*\*\*\*\*

**Media Contact:** Lance Elroy or Byron Defenbach at (208) 377-6000



## **Customer Notice**

### **Intermountain Gas Company files to Decrease Prices**

**On August 10, 2012** - Intermountain Gas Company filed its annual Purchased Gas Cost Adjustment (PGA) application with the Idaho Public Utilities Commission to decrease prices by 2.4%. The request is for a decrease of approximately \$6.0 million and, if approved, would be effective October 1, 2012. The primary reason for the requested decrease is a continued decline in the commodity price of natural gas that Intermountain purchases on behalf of its customers.

Residential customers using gas for space and water heating will save an average 3.1% or \$1.51 per month, while customers using natural gas only for space heating will see an average decrease of \$0.17 per month or 0.4%, based on average weather and usage. Commercial customers, on average, would see a savings of \$6.46 per month or 3.1%.

In addition to the price reduction, the company is also proposing to pass back to its sales customers credits that have accrued as a result of falling gas prices subsequent to the February 2012 price decrease. If approved as filed, those credits will be directly refunded to Intermountain's residential, commercial and LV-1 customers through a one-time bill credit in December 2012. Each sales customer's refund will equal \$.03877 per therm times the customer's billed usage from July 1, 2011 through June 30, 2012. The one-time credit combined with the proposed PGA price change described above equals an overall price decrease of 7.1%.

Frank Morehouse, Executive Vice President and General Manager of Intermountain said, "With the continued development of shale gas production in North America, natural gas reserves are more significant than originally anticipated and supply growth is outpacing any demand increase foreseen in the near future. This supply strength is reflected in these lower prices."

Intermountain continues to urge all its customers to use energy wisely. Conservation tips, information on government payment energy assistance, and programs to help customers level out their energy bills over the year can be found on the company's website, [www.intgas.com](http://www.intgas.com).

A Purchased Gas Cost Adjustment application is filed each year to ensure the costs Intermountain incurs on behalf of its customers are reflected in its sales prices. The request is subject to public review and approval by the Idaho Public Utilities Commission. A copy of the application is available at the Commission offices and on both the Commission's and Intermountain's websites.

*Intermountain Gas Company is a natural gas distribution company serving approximately 315,000 residential, commercial and industrial customers in 74 communities in southern Idaho. Intermountain is a subsidiary of MDU Resources Group, Inc., a multidimensional natural resources enterprise traded on the New York Stock Exchange as "MDU." For more information about MDU Resources, visit the company's website at [www.mdu.com](http://www.mdu.com). For more information about Intermountain, visit [www.intgas.com](http://www.intgas.com).*