

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE ANNUAL)
PURCHASED GAS ADJUSTMENT (PGA)) **CASE NO. INT-G-12-01**
FILING OF INTERMOUNTAIN GAS)
COMPANY) **NOTICE OF APPLICATION**
))
) **NOTICE OF**
) **MODIFIED PROCEDURE**
))
) **NOTICE OF**
) **INTERVENTION DEADLINE**
))
) **ORDER NO. 32632**

YOU ARE HEREBY NOTIFIED that on August 10, 2012, Intermountain Gas Company (“Intermountain” or “Company”) filed its annual Purchased Gas Cost Adjustment (“PGA”) and requested a Commission Order, pursuant to *Idaho Code* §§ 61-307 and 61-622, to institute new rate schedules which will decrease its annualized revenues by \$6.0 million.

YOU ARE FURTHER NOTIFIED that Intermountain’s Application seeks to refund approximately \$11.9 million of variable deferred credits in a one-time bill credit.

YOU ARE FURTHER NOTIFIED that Intermountain attached copies of its current rate schedules and proposed rate schedules to its Application.

YOU ARE FURTHER NOTIFIED that Intermountain’s Application lists the following cost variations that it seeks to pass-through to each of its customer classes:

- (1) an increase in costs billed Intermountain from Northwest Pipeline GP (“Northwest” or “Northwest Pipeline”) reflecting a January 1, 2013 price increase and the purchase of additional Northwest capacity,
 - (2) a decrease in Intermountain’s weighted average cost of gas, or “WACOG,”
 - (3) an updated customer allocation of gas related costs pursuant to the Company’s PGA provision,
 - (4) the inclusion of temporary surcharges and credits for one year relating to natural gas purchases and interstate transportation costs from Intermountain’s deferred gas cost accounts, and
 - (5) benefits resulting from Intermountain’s management of its storage and firm capacity rights on various pipeline systems.
- Intermountain also seeks with this Application to eliminate the temporary surcharges and credits included in its current prices during the past 12 months, pursuant to Order No. 32372 per Case No. INT-G-11-01.

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The net effect of the above changes would result in an overall price decrease to Intermountain's customers.

YOU ARE FURTHER NOTIFIED that Intermountain claims that its proposed price changes incorporate all changes in costs relating to the Company's firm interstate transportation capacity including, but not limited to, any price changes or projected cost adjustments implemented by the Company's pipeline suppliers as well as any volumetric adjustments in contracted transportation agreements which have occurred since Intermountain's last PGA filing, Case No. INT-G-11-01.

YOU ARE FURTHER NOTIFIED that Intermountain's Application states that natural gas prices have continued to fall. Record storage levels combined with ample natural gas supplies have kept the near term prices for natural gas low.

YOU ARE FURTHER NOTIFIED that Intermountain states that it has entered into various fixed price agreements to lock-in the price for significant portions of its underground storage and other winter "flowing" supplies.

YOU ARE FURTHER NOTIFIED that Intermountain seeks to pass through to its customers the benefits that will be generated from the management of its transportation capacity totaling \$3.7 million as outlined on Exhibit No. 7. Further, Intermountain's proposal seeks to allocate deferred gas costs from its Account No. 186 balance to its customers through temporary price adjustments to be effective during the 12-month period ending September 30, 2013.

YOU ARE FURTHER NOTIFIED that Intermountain proposes to divide the credit balance by actual sales volumes over the time period it was generated to arrive at the per therm credit. The calculated credit would be reflected as a line item on customer bills in December 2012.

YOU ARE FURTHER NOTIFIED that Intermountain states the Company provided notice of the proposed changes to its tariff schedules through the issuance of a formal Customer Notice and Press Release.

YOU ARE FURTHER NOTIFIED that Intermountain proposes an effective date for the proposed changes of October 1, 2012.

YOU ARE FURTHER NOTIFIED that the Company requests that its Application be processed through Modified Procedure.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing in Case No. INT-G-12-01 and finds 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 concerning Intermountain's PGA Application may file a written comment in support or opposition with the Commission. 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 Intermountain's PGA Application shall be filed with the Commission **no later than Friday, September 20, 2012**. Written comments concerning this filing should be mailed to the Commission and the Company at the addresses written below:

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

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

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Stephen R. Thomas, ISB# 2326
Moffatt Thomas Barrett Rock & Fields, Chtd.
101 S. Capitol Boulevard, Suite 1000
Boise, ID 83702

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. 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 Intermountain's PGA Application can be viewed at www.puc.idaho.gov by clicking on "File Room" and then "Gas Cases," or it can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho.

YOU ARE FURTHER NOTIFIED that the Idaho Public Utilities Commission has jurisdiction over the Company, its filing and the issues pertaining to this case pursuant to Title 61 of the Idaho Code.

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.*

NOTICE OF INTERVENTION DEADLINE


YOU ARE FURTHER NOTIFIED that persons desiring to intervene in Case No. INT-G-12-01 for the purpose of becoming a party, i.e., to present evidence, to acquire rights of cross-examination, to participate in settlement or negotiation conferences, and to make and argue motions must file a Petition to Intervene with the Commission pursuant to Rules 72 and 73 of the Commission's Rules of Procedure, IDAPA 31.01.01.072 and .073. Persons desiring to acquire intervenor rights of participation **must file a Petition to Intervene on or before Friday, September 7, 2012.** Persons desiring intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate future communications in this matter.

ORDER

IT IS HEREBY ORDERED that persons interested in submitting written comments regarding Intermountain's PGA Application should do so **no later than September 20, 2012.**

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 September 7, 2012.**


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5th
day of September 2012.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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