EXECUTIVE OFFICES
INTERMOUNTAIN GAS COMPANY
555 SOUTH COLE ROAD • P.O. BOX 7608 • BOISE, IDAHO 83707 • (208) 377-6000 • FAX: 377-6097

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2013 JAN 23 PM 1:02
IDAHO PUBLIC
UTILITIES COMMISSION

January 23, 2013

Jean Jewell
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83720-0074

INT-G-13-02

RE: Application for Authority to Sell LNG and Associated Accounting Treatment

Dear Jean:

Pursuant to Idaho Code Section 61-307, attached are the Original and seven (7) copies of Intermountain's application for authority to sell LNG and the associate accounting treatment.

Intermountain finds itself in the unique position of having the ability to maximize benefits of an existing resource to the benefit of both rate payers and the company. Due to slow growth and other system upgrades the Nampa LNG facility can be used for more than peaking requirements. The facility's off-loading capabilities can be used to maximize the facility while maintaining peak use capability for sale service customers. A number of potential customers have approached the Company and expressed interest in LNG services.

Intermountain is requesting authority to pursue LNG sales opportunities while preserving sale service needs. The company will protect the financial interest of its rate payers and is proposing a sharing mechanism for the net sales proceeds.

If you have any questions regarding the attachments, please contact Dave Swenson at (208)377-6118.

Very truly yours,

Scott W. Madison
Executive Vice President & General Manager

INTERMOUNTAIN GAS COMPANY

CASE NO. INT-G-13-02

APPLICATION

AND

EXHIBITS

In the Matter of the Application of INTERMOUNTAIN GAS COMPANY for Authority to Sell LNG from its Nampa LNG Facility

(January 23, 2013 Nampa LNG Filing)

Scott Madison
Executive Vice President & General Manager
Intermountain Gas Company
Boise, Idaho 83707
Telephone: (208) 377-6105

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of INTERMOUNTAIN GAS COMPANY for Authority to Sell LNG	Case No. INT-G-13-02 **APPLICATION**

Intermountain Gas Company ("Intermountain" or “Company”), a subsidiary of MDU Resources Group, Inc. with general offices located at 555 South Cole Road, Boise, Idaho, hereby requests authority, pursuant to Idaho Code Section 61-307, to place into effect on March 10, 2013, a new service that has the potential to increase its annualized revenues, pursuant to the Rules of Procedure of the Idaho Public Utilities Commission (“Commission”). Because of new opportunities in the energy marketplace, Intermountain has a limited opportunity to maximize return on investment of the Nampa LNG facility and sell surplus LNG to non-utility customers, as described more fully in this Application. Intermountain proposes to share with its firm customers margins resulting from any non-utility sales of LNG. Should Intermountain receive Commission approval to pursue this venture, it projects an increase to revenues and earnings but will in any event ensure no increase in utility costs.

Communications in reference to this Application should be addressed to:

Scott Madison
Executive Vice President & General Manager
Intermountain Gas Company
Post Office Box 7608
Boise, ID 83707

In support of this Application, Intermountain does allege and state as follows:

I.

Intermountain is a gas utility, subject to the jurisdiction of the Idaho Public Utilities Commission, engaged in the sale of and distribution of natural gas within the State of Idaho under authority of Commission Certificate No. 219 issued December 2, 1955, as amended and supplemented by Order No. 6564, dated October 3, 1962.

Intermountain provides natural gas service to the following Idaho communities and counties and adjoining areas:

Ada County - Boise, Eagle, Garden City, Kuna, Meridian, and Star;
Bannock County - Chubbuck, Inkom, Lava Hot Springs, McCammon, and Pocatello;
Bear Lake County - Georgetown, and Montpelier;
Bingham County - Aberdeen, Basalt, Blackfoot, Firth, Fort Hall, Moreland/Riverside, and Shelley;
Blaine County - Bellevue, Hailey, Ketchum, and Sun Valley;
Bonneville County - Ammon, Idaho Falls, Iona, and Ucon;
Canyon County - Caldwell, Greenleaf, Middleton, Nampa, Parma, and Wilder;
Caribou County - Bancroft, Conda, Grace, and Soda Springs;
Cassia County - Burley, Declo, Malta, and Raft River;
Elmore County - Glenns Ferry, Hammett, and Mountain Home;
Fremont County - Parker, and St. Anthony;
Gem County - Emmett;
Gooding County - Gooding, and Wendell;
Jefferson County - Lewisville, Menan, Rigby, and Ririe;
Jerome County - Jerome;
Lincoln County - Shoshone;
Madison County - Rexburg, and Sugar City;
Minidoka County - Heyburn, Paul, and Rupert;
Owyhee County – Bruneau, and Homedale;
Payette County - Fruitland, New Plymouth, and Payette;
Power County - American Falls;
Twin Falls County - Buhl, Filer, Hansen, Kimberly, Murtaugh, and Twin Falls;
Washington County - Weiser.

Intermountain's properties in these locations consist of transmission pipelines, a liquefied natural gas storage facility, distribution mains, services, meters and regulators, and general plant and equipment.

II.

Intermountain seeks with this Application to receive approval from this Commission to sell on an on-going basis, available LNG from the Company's Nampa LNG facility to non-utility customers at market-based prices. Intermountain proposes to share all net margins from LNG sales on a 50/50 basis with its utility customers receiving service under its firm sales and transportation tariffs.

Advances in energy technologies along with competitive natural gas prices have resulted in a growing market for LNG as a vehicular fuel and in remote applications. Intermountain has been approached by several potential customers requesting a non-utility LNG sales service.

Intermountain proposes to only use capacity in excess of utility peak shaving needs for non-utility sales and only until such time as system growth would indicate that all Nampa capacity might be needed to meet core market needs. The company's Integrated Resource Plan (IRP), scheduled to be filed in February 2013, shows this window of opportunity to be greatest in the next several years with more limited off-peak potential further into the future.

Intermountain will accept all financial risk of the venture and provide the Commission the means for a thorough audit review via the currently approved PGA mechanism.

III.

As identified in its most recent IRP, Intermountain finds itself in a unique position of having available LNG tank capacity over the next few years as the continuing economic downtown and resulting slow customer growth projections have flattened overall demand through 2017. The peak day plan from the IRP and other on-going forecasts are used to determine the amount of Nampa LNG needed for core market peak day withdrawals for each heating season. Under this request, the remaining tank capacity after core market needs, less a 50% reserve margin, would be made available for non-utility sales.

On an ongoing basis, the company has surplus liquefaction capacity because, while the Nampa facility was designed to provide one compete withdrawal cycle each heating season, maximizing its liquefaction capability over an entire year can provide enough LNG for over two full cycles. While maximum vaporization could empty the Nampa LNG in less than 10 days, it would take nearly 700 loads of LNG delivered into tanker trailers to fully empty the Nampa facility. Even if the company needed to fully withdraw 100% of the maximum level of stored inventory for utility peak shaving, it would take about 150 days of liquefaction to bring the tank back to its maximum capacity. That is too long a period to provide a second peak withdrawal during the same winter season but, since the facility can liquefy the equivalent of more than four tanker trailer loads in one day, it is enough to provide an adequate amount of LNG to support non-utility sales. After liquefying enough LNG to meet projected utility needs, Intermountain could liquefy for another 150 to 215 days each year which could, using a conservative estimate, provide at least an additional 6 million therms (or 7.3 million gallons) of LNG that could be used for year-round non-utility sales with no reduction in peak day withdrawal capability for utility customers.

In the event that peak loads require maximum withdrawals from the Nampa facility to serve utility firm customers, Intermountain will have first call on any and all LNG stored in the Nampa facility for utility customers even if any portion of that volume was intended for non-utility use.

Utilizing available tank and liquefaction capacity to provide LNG for non-utility customer sales can provide benefits not only to Intermountain and its utility customers but also to the Idaho economy in general.

IV.

In order to insulate utility customers from any costs associated with non-utility sales, the company proposes to separately account for any quantities of natural gas liquefied for non-utility sales and track all related costs independent of utility costs. The company will utilize an accounting methodology that will ensure all costs associated with non-utility sales are separately identified from utility operations and will defer all amounts benefitting utility customers until the subsequent PGA.

Exhibit No. 1 illustrates the cost calculation methodology which Intermountain proposes to use to support the monthly deferral entries. Exhibit No. 1 is for illustrative purposes and contains many assumptions and ranges of possible outcomes. The actual calculations for each sale will be made available for Staff review during the annual PGA audit.

Intermountain also proposes to pass through to its firm customers the benefit of reduced operating costs as identified in the calculation shown on Lines 8 and 9 of Exhibit No. 1.

Line 8 reflects a proposed 2.5¢ credit per each gallon sold to recover any direct O&M costs that may result from non-utility LNG sales. If non-utility sales volumes grow as anticipated, amounts booked through this credit mechanism will ultimately offset base utility O&M over and above that related to non-utility sales.

Intermountain acknowledges that increased use of the LNG facility may cause an acceleration of required capital expenditures on some components at the Nampa facility or may cause other maintenance at the plant and therefore the company also proposes to set aside an additional 2.5¢ per each gallon sold to defray any such accelerated costs as shown on Line 9 of Exhibit 1.

Intermountain is mindful of the Commission's quick response to the company's request to sell emergency LNG to Energy West on behalf of its customers in West Yellowstone, Montana per Order No. 32709 in Case No. INT-G-13-01. As stated in that request, Intermountain deferred all revenues and costs related to those sales and will use the same accounting treatment for those transactions as the Commission may eventually order in this proceeding unless otherwise directed by the Commission.

Intermountain will require all customers purchasing LNG through the new LNG service to execute a contract that specifically protects utility customers from any financial risk, the company from any operational difficulties or risk after LNG is transferred to a non-utility customer, and ensures that only surplus LNG would be available for sale under this new service.

Exhibit No. 2 shows the proposed Base Contract that shall govern all non-utility sales. Exhibit No. 2 is attached hereto and incorporated herein by reference.

V.

Intermountain also seeks with this Application to share all net margins received through non-utility sales on a 50/50 basis with utility customers through the PGA deferral mechanism. The rate payer portion of net proceeds would be deferred as credits in a new deferral account and passed back to applicable sales and firm transportation customers in a similar manner to other peaking demand costs during the next PGA as shown on Exhibit No. 3. Exhibit No. 3 is attached hereto and incorporated by reference.

If approved, the authority to sell non-utility LNG will, at a minimum, have no affect on the prices Intermountain charges its utility customers. However, this venture has the very real potential to provide a decrease in future prices Intermountain's sales customers pay when the projected deferred credits become a part of future PGA filings.

VI.

If permitted by the Commission, the proposed plan to sell LNG herein requested would result in no immediate price change to Intermountain's utility customers, provides just, fair, and equitable benefits to Intermountain's customers while insulating them from any additional costs or degradation in peak day service.

VII.

This Application is filed pursuant to the applicable statutes and the Rules and Regulations of the Commission. Copies of this Application and its Exhibits have been provided to those parties who have expressed an interest in purchasing LNG from Intermountain and to those regularly intervening in Intermountain's rate proceedings.

VIII.

Intermountain requests that this matter be handled under modified procedure pursuant to Rules 201-204 of the Commission's Rules of Procedure. Intermountain stands ready for immediate consideration of this matter.

WHEREFORE, Intermountain respectfully petitions the Idaho Public Utilities Commission as follows:

a. That the proposed authority to sell LNG to non-utility customers at market-based rates, utilize the associated accounting treatment as outlined herein, and share net margins on non-utility sales with utility customer on a 50/50 basis be approved without suspension and made effective no later than March 10, 2013.

b. That this Application be heard and acted upon without hearing under modified procedure, and

c. For such other relief as this Commission may determine proper herein.

DATED at Boise, Idaho, this 23rd day of January, 2013.

INTERMOUNTAIN GAS COMPANY

By

Scott W. Madison

Executive Vice President & General Manager

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 23rd day of January, 2013, I served a copy of the foregoing Case No. INT-G-13-02 upon:

Ed Finklea
Northwest Industrial Gas Users
326 Fifth Street
Lake Oswego, Oregon 97034

Chad Stokes
Cable Huston et al.
1001 SW Fifth Avenue, Suite 2000
Portland, Oregon 97204-1136

R. Scott Pasley
J. R. Simplot Company
PO Box 27
Boise, ID 83707

Steven Gray
J. R. Simplot Company
PO Box 27
Boise, ID 83707

Conley E. Ward, Jr.
Givens, Pursley, Webb & Huntley
277 N. 6th St., Suite 200
PO Box 2720
Boise, ID 83701

by depositing true copies thereof in the United States Mail, postage prepaid, in envelopes addressed to said persons at the above addresses.

Scott W. Madison
Executive Vice President & General Manager

EXHIBIT NO. 1

CASE NO. INT-G-13-02

INTERMOUNTAIN GAS COMPANY

ILLUSTRATION OF ACCOUNTING MECHANISM

(1 page)

INTERMOUNTAIN GAS COMPANY
Illustration of Proposed Accounting Treatment of Nampa LNG Revenue, Cost and Margin

Line No.	Input/Cost Description (a)	Details (b)	Cost per Dekatherm (c)	Cost per LNG Gallon (d)	Estimated Cost and Margin for: 1.0 Millon Gallons [1] (e)	2.6 Millon Gallons [2] (f)	5.2 Millon Gallons [3] (g)
1.	Estimated Mainline Gas Cost ($/Dth)	$3.000	$3.0000	$0.2479	$257,849	$644,623	$1,289,246
2.	In-kind Mainline to Citygate Fuel Rate (%)	1.40%	$0.0426	$0.0035	$3,661	$9,154	$18,307
3.	Commodity Transport Cost ($/Dth)	$0.0318	$0.0318	$0.0026	$2,733	$6,833	$13,666
4.	Reservation Transport Cost ($/Dth)	$0.0410	$0.0410	$0.0034	$3,524	$8,810	$17,620
5.	Delivered Cost @ Nampa		$3.1154	$0.2575	$267,767	$669,420	$1,338,839
6.	Estimated Liquefaction Fuel (%)	22.00%	$0.6854	$0.0566	$58,909	$147,272	$294,545
7.	Total Cost of Liquefied LNG		$3.8008	$0.3141	$326,676	$816,692	$1,633,384
8.	O&M Recovery		$0.3025	$0.0250	$26,000	$65,000	$130,000
9.	Future Capital Costs		$0.3025	$0.0250	$26,000	$65,000	$130,000
10.	Subtotal O&M and Capital		$0.6050	$0.0500	$52,000	$130,000	$260,000
11.	Delivered Cost of LNG at Loading Station		$4.4058	$0.3641	$378,676	$946,692	$1,893,384
12.	Estimated Sales Price Adder (Margin)			$0.3850	$400,400	$1,001,000	$2,002,000
13.	Rate-payer Share of Margin @ 50/50 Allocation				$200,200	$500,500	$1,001,000

1 Approximately 2 loads per week per year; ~ equivalent to 860,000 therms
2 Approximately 5 loads per week per year; ~ equivalent to 2.2 million therms
3 Approximately 10 loads per week per year; ~ equivalent to 4.3 million therms

EXHIBIT NO. 2

CASE NO. INT-G-13-02

INTERMOUNTAIN GAS COMPANY

BASE CONTRACT FOR LNG SALES

(19 pages)

CONTRACT FOR THE SALE AND PURCHASE

OF LIQUEFIED NATURAL GAS

BY AND BETWEEN

INTERMOUNTAIN GAS COMPANY

AND

____

Dated as of ______________

TABLE OF CONTENTS

CONTRACT FOR SALE AND PURCHASE OF LIQUEFIED NATURAL GAS

This Contract for Sale and Purchase of Liquefied Natural Gas (this "Contract") dated and effective as of _______________, 2012, is made and entered into by and between Intermountain Gas Company, ("Seller") and _________________ ("Buyer"). Buyer and Seller are sometimes hereinafter referred to collectively as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, Seller has available liquefied natural gas ("LNG") for sale; and

WHEREAS, Buyer desires to purchase and take delivery of LNG from Seller at its Nampa LNG facility; and

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

SECTION 1. DEFINITIONS

1.1. "After Hours" means any time on a Non-Business Day or outside the hours of 9:00 a.m. to 4:00 p.m. Mountain Standard Time on a Business Day.

1.2. "Business Day" means any Monday-thru-Friday Day except those designated in the definition of "Non-business Day".

1.3. "Buyers Agent" means a person authorized by Buyer to receive LNG from Seller or otherwise act on behalf of Buyer.

1.4. "Contract Price" means the price per gallon Buyer shall pay for LNG purchased from Seller pursuant to an executed Transaction Confirmation.

1.5. "Contract Quantity" means the Firm Contract Quantity and the Non-Firm Contract Quantity of LNG to be delivered to a Buyer during the Delivery Period listed on an executed Transaction Confirmation.

1.6. "Day" means a period of twenty four (24) consecutive hours.

1.7. "Day Price" means the Midpoint of the Platt's Gas Daily price survey for Rockies NW, Wyo. Pool for a given day.

1.8. "Dekatherm" or "Dth" means one million British thermal units or one MMBtu.

1.9. "Delivery Confirmation" means a document, similar to the form of Exhibit B, attached hereto and incorporated by reference, setting forth the results of weighing a Delivery Vehicle to determine the quantity of LNG delivered pursuant to an executed Transaction Confirmation.

1.10. "Delivery Date" means the Day on which LNG is delivered to Buyer.

1.11. "Delivery Period" means the period during which deliveries are to be made as agreed by the parties in a Transaction Confirmation.

1.12. "Delivery Point" means the outlet of the truck loading rack at Seller's Nampa LNG facility where LNG is delivered pursuant to a Transaction Confirmation.

1.13. "Delivery Vehicle(s)" means a truck and/or trailer provided by Buyer capable of receiving and transporting LNG.

1.14. "Firm Contract Quantity" means the quantity of LNG which the parties to a Transaction Confirmation are obligated to deliver and receive during the Delivery Period except to the extent performance is prevented by force majeure or Seller's supply needs for its public utility system.

1.15. "Index Price" means the monthly index price per MMBtu of natural gas for Rockies purchases for a given month as found on Inside FERC's Gas Market Report, Northwest Pipeline Corp., Rocky Mountain, First-of-Month Index or the daily Midpoint price for the NW, Wyo. Pool from the Daily Price Survey of Platt's Gas Daily publication for the applicable Delivery Day.

1.16. "Liquefied Natural Gas" or "LNG" means Gas that has been converted to liquid form for ease of storage or transport.

1.17. "Loading Schedule" is a document controlled and maintained by Seller designating the schedule, including the calendar Day and time of Day, of agreed upon deliveries of LNG to Buyer.

1.18. "Month" means a period beginning at midnight Mountain time on the first Day of any calendar month and ending at 11:59:59 p.m. Mountain time on the last Day of the same calendar month.

1.19. "Natural Gas" or "Gas" means any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

1.20. "Non-business Day" means any Saturday, Sunday or any of Seller's observed holidays as follows: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

1.21. "Non-Firm Contract Quantity" means the Contract Quantity of LNG stated on an executed Transaction Confirmation which is not Firm Contract Quantity.

1.22. "Transaction Confirmation" means a document, similar to the form of Exhibit A, attached hereto and incorporated by reference, setting forth the terms of a transaction, including the Contract Price and Contract Quantity, formed pursuant to a Contract for the sale and purchase of LNG.

SECTION 2. PURCHASE AND SALE OF LNG

2.1. Should the Parties agree come to an agreement regarding an LNG purchase and sale transaction for a particular Delivery Period(s), the Parties shall record that agreement on a Transaction Confirmation. The Transaction Confirmation may be signed in counterparts transmitted by mail, facsimile, or email and shall become effective and binding when counterpart copies have been signed and received by both Parties. In the event of a conflict between the terms of a Transaction Confirmation and this Contract, the terms of the Transaction Confirmation shall control.

2.2. Seller agrees to sell and deliver, and Buyer agrees to purchase and receive the Firm Contract Quantity of LNG during the Delivery Period(s) as set forth in a Transaction Confirmation in accordance with the terms and conditions of this Contract. Buyer acknowledges and agrees that

Seller's obligation to deliver the Firm Contract Quantity is contingent upon the availability of the Firm Contract Quantity of LNG during the Delivery Dates requested by Buyer. Seller will use best efforts to deliver the Firm Contract Quantity of LNG on or near the Delivery Dates requested by Buyer; however, Seller's obligation to sell and deliver the Firm Contract Quantity LNG to Buyer under this Contract and any Transaction Confirmation is subordinate and subject to Seller's LNG supply needs for its public utility system. If Seller's LNG supply is insufficient to meet the needs of it public utility system and requested deliveries of Firm Contract Quantities of LNG under Transaction Confirmations with Buyer and other buyers of LNG from Seller, Seller will allocate its available supply in excess of the needs of its public utility system among the Firm Contract Quantities on a first request basis until sufficient supply is available to meet all requested Firm Contract Quantity deliveries under Transaction Confirmations.

2.3. Seller agrees to sell and deliver, and Buyer agrees to purchase and receive the Non-Firm Contract Quantity of LNG as set forth in a Transaction Confirmation on a reasonable efforts basis in accordance with the terms and conditions of this Contract, provided, however, neither Party shall be liable to the other for failure to deliver or receive Non-Firm Contract Quantities of LNG. Seller's obligation to sell and delivery any Non-Firm Contract Quantity LNG to Buyer under this Contract and any Transaction Confirmation is subordinate and subject to Seller's LNG supply needs for its public utility system and its obligation to deliver Firm Contract Quantity LNG to buyers of LNG from Seller. If Seller's LNG supply is insufficient to meet the needs of it public utility system and requested deliveries of Contract Quantities of LNG under Transaction Confirmations with Buyer and other buyers of LNG from Seller, Seller will allocate available supply in excess of the needs of its public utility system: first among the Firm Contract Quantities, and then among the Non-Firm Contract Quantities on a first request basis until sufficient supply is available to meet all requested Contract Quantity deliveries.

2.4. Transaction Confirmations shall specify the approximate anticipated Delivery Dates for the Contract Quantities.

2.5. All sales shall be on an FOB basis and Buyer shall, at its sole risk and expense, be responsible for transporting the LNG from the Delivery Point.

2.6. Prior to entering into a Transaction Confirmation, or prior to a delivery under a Transaction Confirmation when Seller has reasonable grounds for insecurity regarding Buyer's performance of its obligations under the Transaction Confirmation and this Contract, Seller may, as a condition to entering into the Transaction Confirmation or making delivery under a Transaction Confirmation, demand sufficient financial security in a form, amount, for a term, and from an issuer, all as reasonably acceptable to Seller, including a standby irrevocable letter of credit, a prepayment, a guaranty, or a security interest in an asset.

SECTION 3. PRICE, QUANTITY, DAMAGES, AND PAYMENT

3.1. The Contract Price of any and all LNG sold hereunder shall be specified on an executed Transaction Confirmation. The Contract Price shall generally be in form of the sum of a base price per Dth, converted to dollars per LNG gallon utilizing a factor of 12.1 gallons per Dth, PLUS an agreed upon additional amount stated in U.S. dollars per LNG gallon set forth in the Transaction Confirmation. The Parties may alternatively agree to another pricing mechanism provided that such alternative pricing is clearly stated on an executed Transaction Confirmation.

3.2. After hours loading will incur an additional charge of $200 per hour, billed in fifteen (15) minute increments, with a two-hour minimum charge. The charge for after hours loading to be billed will be calculated by Seller from the earlier of the scheduled loading time or the time the Delivery Vehicle enters through the gate on the Nampa LNG facility until the time the Delivery Vehicle exits the facility plus one hour.

3.3. Upon 24 hour prior notice and by mutual agreement, Seller may agree to provide Buyer with a trailer cool-down service a charge of $500 per trailer. Buyer assumes all risk related to its trailer and equipment associated with the cool-down service.

3.4. The Contract Quantity of LNG sold hereunder shall be specified on an executed Transaction Confirmation. A Contract Quantity shall not be less than 6,000 gallons.

3.5. Within ten (10) Days of a delivery of LNG under a this Contract, Seller will send to Buyer by mail, email or facsimile transmission at the address or fax numbers provided by Buyer, an invoice showing the total quantity of LNG gallons delivered, the applicable price, and any applicable taxes, charges or adjustments. Billed quantity will be calculated per Section 4. Seller may, in its sole discretion, consolidate multiple deliveries into a single invoice.

3.6. If Buyer fails to take delivery of the full amount of the Firm Contract Quantity within the Delivery Period(s) of a Transaction Confirmation, Buyer shall pay the liquidated damages amount provided in the Transaction Confirmation for all undelivered quantities except to the extent Buyer was prevented from taking delivery due to *force majeure* or due to the unavailability of LNG supply within two Business Days of a requested Delivery Date made in good faith. Seller will send to Buyer by mail, email, or facsimile transmission at the address or fax numbers provided by Buyer, an invoice within thirty days following the Delivery Period showing the amount of liquidated damages due for undelivered Firm Contract Quantities.

3.7. Buyer shall pay Seller's invoices in U.S. dollars within ten (10) days after receipt, in immediately available funds at the address shown on the invoice; provided that if the payment due date is not a Business Day, payment is due the next Business Day following that date. If Buyer fails to remit the full payment when due, interest on the unpaid portion shall accrue from the due date until the date of payment at 1% per month (or the highest amount permitted by law, if less).

3.8. If an invoice is disputed by Buyer, Buyer shall pay the undisputed amounts and shall, within ten (10) days from the date of Seller's invoice, give Seller written notification setting forth the disputed amount, the basis for the dispute, and supporting documentation for the amount paid or disputed. The dispute shall be handled in accordance with Section 14.2. If the undisputed amount is not paid when due, the undisputed amount shall be subject to interest as provided in Section 3.5. Any disputed amount which becomes undisputed and due to Seller, shall be subject to interest from the original due date.

SECTION 4. MEASUREMENT AND DELIVERY CONFIRMATION

4.1. The unit of sale for purposes of this Contract shall be an LNG gallon.

4.2. The agreed upon point and means of measurement shall be the scales at Seller's Nampa LNG truck-loading station. Seller shall control the weighing of Buyer's Delivery Vehicle before and after delivery. Buyer's Agent shall have the right to observe the weighing procedure.

4.3. Seller shall create a Delivery Confirmation for each load that shows the weight of the Delivery Vehicle in pounds before and after delivery of the LNG. Seller shall provide Buyer or Buyer's agent with a copy of the Delivery Confirmation at the time it is created.

4.4. The net weight between the before and after delivery weights as shown on the Delivery Confirmation shall be converted from pounds to gallons for billing purposes using a conversion factor of 3.55 gallons per pound.

SECTION 5. DELIVERY CONDITIONS

5.1. Buyer shall provide Seller with a schedule of requested Delivery Dates at least five (5) business days prior to the beginning of the month of delivery or prior to the execution of a Transaction Confirmation. The schedule of requested Delivery Dates may include requested loading times for each load. Buyer will also provide to Seller any revisions to its schedule of requested Delivery Dates on a weekly basis with at least one Business Day notice prior to the beginning of the week of delivery. Prior to the beginning of each week during the Delivery Period, Seller will provide Buyer with a proposed Loading Schedule for the week. Buyer will confirm with Seller each scheduled delivery, including date and time of Day, at least one Business Day prior to actual delivery.

5.2. Subject to Seller's confirmation of Buyer's timely request for delivery, Seller shall deliver LNG to Buyer under the following conditions:

5.2.1. Buyer's notice shall specify if a requested delivery is for a Firm Contract Quantity or a Non-Firm Contract Quantity. Seller will determine the availability of LNG to be sold to Buyer on the requested Delivery Date. Confirmed requests for delivery of Firm Contract Quantities will be scheduled pursuant to the Loading Schedule. Requests for Firm Contract Quantities not previously confirmed per 5.1 above will be scheduled on a first request basis. Requested deliveries of all other Contract Quantities will be scheduled on a first request basis after scheduled Firm Contract Quantities.

5.2.2. Buyer will provide a Delivery Vehicle(s) in accordance with the Loading Schedule received from Seller. Buyer will pay liquidated damages pursuant to the Transaction Confirmation if it fails to provide a Delivery Vehicle on a scheduled Delivery Date unless the failure is due to *force majeure* or the Buyer cancelled the scheduled delivery before noon of the Business Day prior to the scheduled Delivery Date.

5.2.3. All requested and scheduled Delivery Dates shall be on a Business Day unless otherwise agreed by Seller in its sole discretion. In the event Seller agrees to Delivery Dates on a Non-business Day, Buyer agrees to pay additional charges as delineated in Section 3.2 above.

5.2.4. Delivery Vehicles shall comply with the following specifications:

(a) A minimum capacity of 6,000 gallons and, unless otherwise agreed to, a maximum of 10,000 gallons,

(b) A total size including length and width that does not exceed Seller's measurement facility,

(c) At time of loading, the tank pressure shall be such that Seller is able to deliver the Contract Quantity of LNG;

(d) Pre-cooled tank to at least minus 240 ° Fahrenheit;

(e) Previous cargo shall have been LNG, as demonstrated in writing, or documentation shall be provided certifying that an inert purge followed by appropriate pre- cooling for the receipt of LNG was carried out after use of the Delivery Vehicle for cargo other than LNG (Seller shall have the right to sample gas from the Delivery Vehicle to substantiate the substance and quality of prior loads); and

(f) Safe operating conditions, including compliance with the requirements of all applicable federal, state and local laws and regulations.

5.3. Seller shall have the right to reject to fill any Delivery Vehicle if, in Seller's sole opinion, Buyer's Delivery Vehicle fails to satisfy any of the conditions in Section 5.2.4.

5.4. Buyer's failure to adhere to the Loading Schedule after final confirmation with respect to the day and/or time of day will cancel the Seller's obligation to deliver that load. Any Delivery Vehicle that arrives at the Delivery Point more than thirty (30) minutes after the scheduled time of day or after normal business hours when an after-hours delivery has not previously been confirmed by Seller shall be considered a failure to adhere to the Loading Schedule. Any waiver by Seller of the Loading Schedule time requirement, including re-scheduling an alternate or make-up loading time will be at the sole discretion of Seller.

SECTION 6. SAFETY

6.1. The Parties recognize the importance of securing and maintaining safety in all matters contemplated in this Contract including the transportation of LNG and it is their intention to secure and maintain high standards of safety in accordance with the generally accepted standards prevailing in the liquefied natural gas industry.

6.2. Buyer shall abide by all relevant laws, regulations and lawful orders, in particular Part 385—Safety Fitness Procedures, of Title 49 of the Code of Federal Regulations, as it exists when this Contract is executed, when LNG is delivered under a Transaction Confirmation. Buyer shall produce all necessary federal safety certificates at the request of Seller.

6.3. Buyer shall cause its Delivery Vehicles to enter and depart Seller's premises safely and shall at all times ensure that said vehicles meet the safety standards required by all applicable regulations and requirements, including any that are a part of this Contract, and shall provide appropriately qualified and suitably trained drivers.

6.4. Buyer or Buyer's Agent operating a Delivery Vehicle shall have in possession at time of delivery driver personal protective equipment including, but not limited to, clothing fully covering the arms, legs and torso, sturdy leather work shoes (not athletic type), hardhat, gloves, splash proof safety goggles and full-coverage face shield.

6.5. The Parties shall use all reasonable efforts to ensure that their respective employees, agents, contractors and suppliers have due regard to safety and abide by the relevant regulations while they are performing works and services within and around the area of the Delivery Point.

SECTION 7. TITLE, WARRANTY, AND INDEMNITY

7.1. Unless otherwise specifically agreed, title to the LNG shall pass from Seller to Buyer at the Delivery Point when the LNG is transferred to Buyer's Delivery Vehicle. Seller shall have responsibility for and assume any liability with respect to the LNG prior to it being loaded onto Buyer's Vehicle at the Delivery Point, and Buyer shall have responsibility for and assume any liability with respect to said LNG after its being loaded into Buyer's Vehicle at the Delivery Point.

7.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all LNG sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. Seller warrants that the LNG is of a quality consistent with Seller's own standards. EXCEPT AS PROVIDED IN THIS SECTION 7.2 AND IN SECTION 7.6, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

7.3. To the fullest extent permitted by law, each Party (the "Indemnifying Party") shall indemnify, hold harmless and defend the other Party and its officers, directors, shareholders, agents, employees, and representatives from all claims, liabilities, suits, judgments, fines, interest costs, expenses and damages (including reasonable attorney's fees) to the extent caused by the conduct, negligence, error, omission, willful misconduct, misrepresentation, breach of warranty or other breach of this Contract on the part of the Indemnifying Party or any of its servants, representatives, agents, employees or contractors. In the case of joint negligence, Seller's and/or Buyer's liability shall be limited to their proportionate share of any such claim.

7.4. Inasmuch as LNG delivered as hereunder is mostly free of odorant compounds, Buyer shall indemnify and hold Seller harmless from all claims and damages including suits, actions, damages, costs, losses and expenses arising by reason of any failure of Buyer to odorize such LNG.

7.5. Buyer warrants that all LNG sold hereunder will be consumed in the United States and will not be vaporized for reinjection into any FERC regulated pipeline or facility. Buyer agrees to indemnify, defend and hold Seller harmless for any breach of this Section 7.5 whether intended or accidental, for any LNG sold to Buyer at the Delivery Point.

7.6. Unless otherwise stated on the Transaction Confirmation, Seller warrants that all LNG delivered hereunder shall contain no less than ninety-seven percent (97%) methane, no more than one percent (1%) ethane and one-half percent (1/2%) other hydrocarbons, with the balance to be inert gases delivered in a liquid form. In the event the LNG content does not comply with the standards above, Seller will use reasonable efforts to notify Buyer as soon as possible but in any event prior to loading of LNG. Upon such notification, Buyer may elect to cancel all or part of a Transaction Confirmation for any LNG that will not meet the above standards without penalty if Buyer's election occurs prior to the LNG being loaded into Buyer's equipment.

SECTION 8. INSURANCE

8.1. Buyer shall, at its own expense, obtain and maintain during the Term of this Contract, insurance in accordance with Exhibit C, attached hereto and incorporated by reference, with insurance companies rated "A" or better by Best's Insurance Guide and Key Ratings (or an equivalent rating by another nationally recognized insurance rating agency of similar standing if Best's Insurance Guide and Key Ratings shall no longer be published) or other insurance companies of recognized responsibility reasonably satisfactory to Seller.

SECTION 9. TAXES

9.1. Buyer shall pay to Seller, in addition to the Contract Price, any duty, tax, sales tax, excise tax, fee, assessment, or other charge, regardless of whether of the same class or kind, now in effect or hereafter imposed or assessed (but exclusive of taxes based upon the net income to Seller or Buyer) by any municipal, state, or federal government or agency with respect to the LNG purchased and sold hereunder, including any tax or levy related to the production, manufacture, sale, transportation, storage, delivery, or use of LNG sold hereunder, regardless of whether such tax is assessed against the product itself, or against Buyer, Seller, or its operations. The foregoing provision shall not apply to the production, transportation, or delivery of natural gas (or to any of its components or constituents) levied or assessed prior to the commencement of the liquefaction process. Should such tax be levied against Seller or its operations, or should Seller be required to collect such tax or fee directly from Buyer, then Buyer agrees to pay such tax or fee to Seller as part of the payment for LNG. Should such tax be levied against Buyer or the LNG once it has been delivered to Buyer, then Buyer shall be responsible for the payment of all such taxes and fees, unless collection and payment is required by law or regulation from Seller and, in such case, the prior sentence shall control.

9.2. In the event any sales to Buyer are exempt or not subject to any gross receipts, sales tax or other tax levied or assessed upon or attributable to the volume, value or gross or net receipts from the sale of LNG, Buyer shall provide Seller with all necessary documentation, certificates or affidavits required by any law or regulation to evidence such exemption or exclusion prior to delivery of LNG to Buyer. In the event Buyer does not provide such documentation, certificates or affidavits prior to delivery of LNG to Buyer under this Contract, Buyer shall indemnify, defend and hold Seller harmless for any liability for any such tax.

SECTION 10. FORCE MAJEURE

10.1. If either Seller or Buyer is rendered unable, wholly or in part, by force majeure, to carry out its obligations hereunder, and if the party so affected gives notice and reasonably full particulars of such force majeure in writing or by facsimile or electronic mail to the other party within a reasonable time after the force majeure event, then the party giving notice, as long as, so far as and to the extent that its obligations are affected by such force majeure, shall be exempt from its obligation to the other to that extent. Notwithstanding the foregoing, neither Buyer nor Seller shall be excused from obligations existing at the date of such notice of force majeure, including Buyer's obligation to pay sums owing, including sums owing for LNG delivered prior to such notice of force majeure. The cause of such inability shall insofar as possible, using commercially reasonable efforts, be remedied within a reasonable time and performance resumed.

10.2. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, the necessity for making repairs or alterations to machinery or lines of pipe, unplanned outages at Seller's terminal, or the inability of Seller to deliver LNG, force majeure on or of any third party providing transportation service of gas or LNG for Seller, acts of civil or military authority (including, but not limited to, courts or administrative or regulatory agencies), loss or lack of gas supply affecting Seller's ability to perform in whole or in part, and any other cause, whether of the kind enumerated herein or otherwise, not reasonably within the control of the party claiming force majeure; such term shall likewise include:

10.2.1. those instances where the sale of LNG hereunder shall be deemed a regulated transaction by any governmental agency and such regulation increases Seller's cost of performance or renders Seller unable to carry out its obligations hereunder;

10.2.2. those instances where either Party is required to obtain servitudes, rights of way, grants, permits or licenses to enable such Party to fulfill its obligations hereunder, and the Party is unable to acquire, or is delayed in acquiring, the servitudes, rights of way, grants, permits or licenses, on terms deemed reasonable by the Party; and

10.2.3. those instances where either Party is required to secure permits or permissions from any governmental agency to enable such Party to fulfill its obligations hereunder, and the Party is unable to acquire, or is delaying in acquiring, the permits and permissions on terms deemed reasonable by the Party.

10.3. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the Party having the difficulty.

SECTION 11. TERM

11.1. This Contract shall remain in effect for a period of two (2) years after its effective date but may be terminated on thirty (30) Day's prior written Notice by either Party to the other, provided that it shall remain in effect until the expiration of the latest Delivery Date of any outstanding Transaction Confirmation. The obligations to make payment hereunder, and the obligation of either Party to indemnify the other, pursuant hereto shall survive the termination of this Contract or any transaction.

11.2. This Contract shall be automatically extended for successive periods of one year unless either Party provides notice of its intent to terminate at least thirty (30) days prior to the expiration of the then existing term; provided, however, that the Contract shall remain in effect until the expiration of the latest Delivery Date of any outstanding Transaction Confirmation.

11.3. Seller shall have the right to terminate this Contract immediately in the event (i) Buyer vaporizes any LNG purchased hereunder for reinjection into any FERC-regulated pipeline or facility or (ii) any sale of LNG hereunder becomes subject to governmental regulation due to any action, or inaction, of Buyer.

SECTION 12. LIABILITY LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS CONTRACT OR IN A TRANSACTION CONFIRMATION, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION CONFIRMATION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. EXCEPT FOR INDEMNITY OF THIRD PARTY CLAIMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT ACTUAL DAMAGES WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. THE LIABILITY OF SELLER FOR ANY BREACH OF THE WARRANTY IN THIS PARAGRAPH SHALL BE LIMITED TO THE REPLACEMENT VALUE OF ANY LNG, NOT EXCEEDING $10,000 PER LOAD. THE PARTIES SHALL USE COMMERCIALLY REASONABLE EFFORTS TO MITIGATE DAMAGES HEREUNDER.

SECTION 13. DEFAULT

13.1. In the event ("Event of Default") either Party ("Defaulting Party"): (1) makes any general assignment for the benefit of creditors; (2) files a petition or otherwise authorizes the commencement of a petition in bankruptcy or has a bankruptcy proceeding commenced it, or has a receiver appointed over substantially all of its assets, or otherwise is unable to pay its debts when they become due; (2) fails to perform any material obligation to the other Party under this Contract or a Transaction Confirmation, including the payment of any amounts due, within five (5) Business Days of written notice from the other Party that such obligation is due; or (3) fails to provide security under Section 2.6 within three (3) Business Days of request; then the other Party ("Non-Defaulting Party") has the right, in its sole discretion, to immediately suspend or terminate transactions under this Contract in addition to any and all other remedies provided under this Contract.

13.2. If transactions are terminated under this Contract resulting from an Event of Default, the Non-Defaulting Party shall determine the amount owed (whether or not then due) by each Party with respect to all LNG delivered and received under this Contract prior to the termination date and all other applicable charges (whether or not then due) under the terminated transactions, including liquidated damages for Firm Contract Quantities not delivered or received by the Defaulting Party.

SECTION 14. NOTICES

14.1. Except for notices under Section 5 which may provided in any manner in which the notice is acknowledged by the other Party, all Transaction Confirmations, invoices, payments and other communications made pursuant to this Contract ("Notices") shall be made to the addresses specified in writing by the respective Parties from time to time.

Seller: Intermountain Gas Company

Correspondence, notices, and billing:

Gas Supply
Intermountain Gas Company
555 S. Cole Road
PO Box 7608
Boise, ID 83706
Attn: David Swenson
Tel: (208) 377-6118
Mobile: (208)-794-4118
E-mail: dave.swenson@intgas.com

Payments (by Wire Transfer):

____
____
ABA #: ____________
Acct. #: ____________

Buyer: ________________________

Correspondence, notices, billing and payments:

Business Name
Street Address
City, State, Postal Code
Attn: Name, Title
Tel: (xxx) xxx-xxxx
Fax: (xxx) xxx-xxxx
E-mail: xxxxxx@xxxxxxxxxx.xxx

14.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

14.3. Notice shall be deemed given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending Party's receipt of its facsimile machine's confirmation of successful transmission. If the Day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving Party. Notice via first class mail shall be considered delivered five Business Days after mailing.

SECTION 15. GOVERNING LAW; DISPUTE RESOLUTION

15.1. This Contract shall be governed and construed in accordance with the laws of the state of Idaho without regard to its conflict of law provisions. For the purpose of any legal action or proceeding arising out of or relating to this Contract, each Party expressly agrees to exclusive jurisdiction and venue in the applicable state or federal courts located in Boise, Idaho, including personal jurisdiction over the Parties. Each Party waives any objection to this forum and irrevocably waives any and all right to trial by jury in any suit, action or proceeding arising out of or related to this Contract.

15.2. In the event of any dispute between the Parties arising out of or related to this Contract, the Parties shall attempt, promptly and in good faith, to resolve any such dispute through negotiation. If the Parties are unable to resolve any such dispute through negotiation within a reasonable time (not to exceed thirty (30) days), then either Party may submit such dispute to mediation. If the dispute cannot be resolved through mediation, then the Parties may pursue any right or remedy available to them under applicable law.

SECTION 16. MISCELLANEOUS

16.1. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning Party.

16.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

16.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

16.4. This Contract and any Transaction Confirmation set forth all understandings between the Parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective Transaction Confirmation. This Contract and any Transaction Confirmation may be amended only by a writing executed by both Parties.

16.5. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the Parties, their facilities, or LNG supply.

16.6. There is no third party beneficiary to this Contract.

16.7. The Parties acknowledge that they (i) understand the hazards associated with the storage, distribution, and use of LNG and hereby assume all responsibility for warning its own personnel, agents and subcontractors of such hazards, (ii) have read and understand the provisions of this Contract.

16.8. Neither Party shall disclose directly or indirectly without the prior written consent of the other Party the terms of any transaction to a third party (other than the employees, lenders, counsel, accountants, auditors and other agents of the Party) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to enforce any transaction, or (iv) to the extent necessary to respond to a request or inquiry from any governmental authority. In the event that disclosure is required by a governmental or regulatory body or applicable law, the Party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall notify the other Party, prior to disclosure.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the dates written below.

BUYER: **NAME OF BUYER……..**

By: ______________________________

Printed Name: ______________________

Title: ____________________________

Dated: ____________________________

SELLER: **INTERMOUNTAIN GAS COMPANY**

By: Scott W. Madison

Printed Name: ______________________

Title: Executive Vice President and General Manager

Dated: ____________________________

EXHIBIT A
TO THE CONTRACT FOR THE
SALE AND PURCHASE OF LIQUEFIED NATURAL GAS

INTERMOUNTAIN GAS COMPANY
LNG TRANSACTION CONFIRMATION

Confirmation #: IGC-TC-NOV12-0001	**Date:** ______________________________
This Transaction Confirmation is subject to the Contract for the Sale and Purchase of Liquefied Natural Gas between Seller and Buyer, dated ___________. The terms of this Transaction Confirmation are binding upon execution by the Parties. The Parties may have more than one Transaction Confirmation in effect during the Term of the Contract.	
SELLER: Intermountain Gas Company Attn: David Swenson Gas Supply Phone: (208) 377-6118 Cell: (208) 794-4118 Fax: (208) 377-6097	**BUYER:** Company Name. Attn: Name of Representative Title: Phone: (xxx) xxx-xxxx Cell: (xxx) xxx-xxxx Fax: (xxx) xxx-xxxx
Contract Price: Buyer will purchase LNG, per delivery, equal to the following cost per gallon: ☐ FOM Index Price for December 2012 ($/Dth) **- OR -** ☐ Gas Daily Index Price for December 2012 ($/Dth) **- PLUS -** 38¢ per LNG gallon. ☐ Other: ______________________________ Cool-down Charge: $500 per trailer After-hours Charge: $200 per hour	**Delivery Period(s)** ____________________________ ☐ Firm Contract Quantity:____________ Gallons ☐ Non-Firm Contract Quantity: ________ Gallons Liquidated Damages for Seller's Failure to Deliver Firm Contract Quantities $______/ Gallon Liquidated Damages for Buyer's Failure to take Delivery of Firm Contract Quantities $_____/Gallon **Other/Notes**: Date(s) and time(s) of each individual delivery of LNG to Buyer is subject to Seller's Loading Schedule.
Delivery Point: Buyer will take delivery Seller's Nampa LNG Facility.	
Special Conditions: 1. LNG Quality, Methane >= ____%; Ethane <= _____%; Other Hydrocarbons <= ____%. 2.	
Seller: Intermountain Gas Company By:______________________________ Title:_____________________________ Date: _____________________________	**Buyer:** <u>**Name**</u> ____________________. By:______________________________ Title: _____________________________ Date: _____________________________

EXHIBIT B
TO THE CONTRACT FOR THE
SALE AND PURCHASE OF LIQUEFIED NATURAL GAS

INTERMOUNTAIN GAS COMPANY
LNG DELIVERY CONFIRMATION

Delivery #: IGC-DC-0000001	Date: ____________________

This Delivery Confirmation is subject to the Contract for the Sale and Purchase of Liquefied Natural Gas between Seller and Buyer, dated [INSERT DATE], 2012.

SELLER: Intermountain Gas Company Attn: David Swenson Gas Supply Phone: (208) 377-6118 Cell (208) 794-4118 Fax: (208) 377-6097	**BUYER:** Company Name. Attn: Rep Name Title Phone: (xxx) xxx-xxxx Cell: xxx) xxx-xxxx Fax: (xxx) xxx-xxxx

Delivery Vehicle Identification: ____________________

Compliance with Section 5.1 of Contract? ☐ **Yes** ☐ **No**
If no, list reason(s): ____________________

Delivery Date: ____________ **Time of Day:** ____________

Delivery Vehicle Weight:
Inbound: ____________ **Outbound:** ____________

Scale Information:

After Hours Time:
Time truck Entered Facility: ____________ **Time Truck Exited Facility** ____________

Trailer Cool-down Provided? ☐ **Yes** ☐ **No**

Notes:

Seller: Intermountain Gas Company By: ____________ Title: ____________ Date: ____________	**Buyer:** ____________. By: ____________ Title: ____________ Date: ____________

EXHIBIT C
TO THE CONTRACT FOR THE
SALE AND PURCHASE OF LIQUEFIED NATURAL GAS

INTERMOUNTAIN GAS COMPANY
LNG TRUCK-LOADING INSURANCE REQUIRMENTS

Buyer shall obtain, at its own expense, from reliable insurance carriers satisfactory to the Seller and authorized to do business in the state where the Work is to be performed, the following applicable insurance policies indicated below, with limits not less than those specified:

1. Worker's Compensation insurance complying with the law of the state(s) in which any Work under this Contract is to be performed, whether or not Buyer is required by such laws to maintain such insurance, and Employer's Liability Insurance with limits of $1,000,000.

2. Commercial General Liability insurance with a combined single limit for bodily injury and property damage of <u>$1,000,000</u> each occurrence and general aggregate/products liability aggregate of <u>$2,000,000</u>, covering all obligations or operations to be performed under this Contract. Policy shall include no modifications that reduce the standard coverage provided under a commercial liability form and delete railroad exclusions from contractual section or definition section of insured Contract.

3. Commercial Automobile Liability insurance with a combined single limit for bodily injury and property damage of <u>$1,000,000</u> each occurrence to include coverage for all owned, non-owned, and hired vehicles.

4. Commercial Umbrella Liability/Excess Liability insurance with limits of not less than $5,000,000 per occurrence.

5. Buyer's Pollution Liability insurance, $1,000,000 each occurrence, to provide coverage for pollution claims arising out of Buyer's actions.

GENERAL INSURANCE PROVISIONS

1. Any and all deductibles in the above-described insurance policies shall be assumed by, for the amount of, and at the sole risk of Buyer.

2. Any insurance on a "claims made" basis shall be maintained for at least two years after completion of the services, or Buyer shall provide at least a one year extended reporting period if coverage is cancelled or non-renewed following completion of the project.

3. The "explosion," "collapse," and "underground" exclusions shall be removed from Buyer's liability insurance policies.

4. Modification or cancellation of policies providing coverage herein, as it affects the interest of Seller, shall be effective only after written notice is received by Seller thirty (30) days in advance of any such modification or cancellation, except if such cancellation is due to failure to pay premiums in which case 10 days' prior written notice of cancellation is given to Seller.

5. Prior to entering into a Transaction Confirmation, Buyer shall have delivered to Seller current certificates in a form satisfactory to Seller evidencing the existence of insurance as provided for above and, except with regard to Worker's Compensation Insurance, naming Seller as an additional insured; and shall also provide primary coverage without right of contribution by any insurance carried by the Seller. Buyer will resubmit updated certificates prior to the expiration date of any required insurance.

6. All of the above-described insurance policies, together with all other insurance policies now owned or purchased hereunder, shall contain provisions that the insurance carriers will have no right of recovery or

subrogation against Seller or any of its subsidiaries or affiliated companies and Buyer does hereby waive its right of recovery against Seller.

7. Irrespective of the requirements as to insurance to be carried, the insolvency, bankruptcy or failure of any such insurance carrier providing insurance for Buyer, or failure of any such insurance carrier to pay claims occurring, shall not be held to waive any of the provisions hereof.

8. Further, compliance by the Buyer with the insurance requirements set forth herein shall not relieve the Buyer from liability for amounts in excess of the limits of insurance.

9. Buyer shall require all of its subcontractors to fully comply with these insurance provisions, name the Seller as an additional insured, and all to be endorsed with a waiver of subrogation in favor of Seller. Any deficiencies in the coverages, policy limits, or endorsements of said subcontractor shall be the sole responsibility of Buyer.

10. Seller shall not insure nor be responsible for any loss or damage to equipment or property of any kind owned or leased by the Buyer or its subcontractors, employees, servants, or agents.

EXHIBIT NO. 3

CASE NO. INT-G-13-02

INTERMOUNTAIN GAS COMPANY

PEAK DAY ANALYSIS FOR DEMAND ALLOCATERS

(1 page)

INTERMOUNTAIN GAS COMPANY
Peak Day Analysis for Demand Allocators

Line No.	Description (a)	Peak Firm Sales RS-1 (b)	RS-2 (c)	GS-1 (d)	LV-1 (e)	T-4 (f)	T-5 (g)	Total Peak Sales (h)
1	**PROPOSED DEMAND ALLOCATORS PER CASE NO. INT-G-12-01:**							
2	Peak Day Usage Per Customer	5.66	7.61	32.72				
3	January 2012 Actual Customers	65,076	220,569	30,607				316,252
4	INT-G-12-01 Peak Day Therms (Line 5 mulitplied by Line 6)	368,330	1,678,530	1,001,461	17,150	1,034,357	68,900 [1]	4,168,728
5	Percent of Total	8.8355%	40.2648%	24.0232%	0.4114%	24.8123%	1.6528%	100.0000%

[1] Contract Demand Therms for LV-1, T-4 and T-5

Exhibit No. 3
Case INT-G-13-02
Intermountain Gas Company
Page 1 of 1