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2013 MAR 18 PM 1:16

IDAHO PUBLIC  
UTILITIES COMMISSION

CHAD M. STOKES

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March 18, 2013

Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

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

Re: Case No. INT-G-13-02  
Comments of the Northwest Industrial Gas Users

Dear Commissioners:

Pursuant to Order No. 32735 in the above-captioned matter, we submit these comments on behalf of the Northwest Industrial Gas Users ("NWIGU").

NWIGU is a nonprofit association comprised of thirty-eight end-users of natural gas with major facilities in the states of Idaho, Washington, and Oregon. NWIGU members include diverse industrial and commercial interests, including food processing, pulp and paper, wood products, electric generation, aluminum, steel, chemicals, electronics, aerospace, and healthcare providers. The association provides an information service to its members and participates in various regulatory matters that affect member interests. NWIGU member companies purchase natural gas sales and transportation services from local distribution companies, including Intermountain Gas.

NWIGU conditionally supports Intermountain Gas's proposal to sell surplus liquefied natural gas ("LNG") to non-utility customers. According to Intermountain Gas, recent advances in energy technologies and changes in the cost of natural gas have resulted in a growing market for LNG as a vehicular fuel and for other remote applications. NWIGU acknowledged the existence of these demand-side market conditions, but also notes a relative dearth of LNG suppliers able to serve those demands. It is NWIGU's position that some additional competition in this market could serve to reduce overall costs and erode some of the barriers to entry for other suppliers.

NWIGU's support for Intermountain Gas's proposal is conditioned on the company's commitment to hold all utility customers harmless as a result of these transactions. The Commission should include in any order approving the proposal a requirement that Intermountain Gas identify and track all costs associated with selling surplus LNG. The Commission should further require Intermountain Gas to demonstrate that no customer class is

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subsidizing in any way the service that a non-utility customer will receive through the purchase of surplus LNG. A specific mechanism the Commission might consider is a periodic review, on a multi-year basis, of all of the utilities' sales (and the associated costs and revenues) of surplus LNG to non-utility customers, with an opportunity for other parties to review that information.

NWIGU appreciates having the opportunity to provide comments in the proceeding.

Very truly yours,



Chad M. Stokes