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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )**  
**INTERMOUNTAIN GAS COMPANY FOR )** **CASE NO. INT-G-13-05**  
**AUTHORITY TO CHANGE ITS PRICES (2013 )**  
**PURCHASED GAS COST ADJUSTMENT). )** **COMMENTS OF THE**  
**)** **COMMISSION STAFF**  
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The Staff of the Idaho Public Utilities Commission comments as follows on Intermountain Gas Company's Application.

**BACKGROUND**

On August 19, 2013, Intermountain Gas Company filed its annual Purchased Gas Cost Adjustment (PGA) Application and requested a Commission Order, under Idaho Code §§ 61-307 and 61-622, to institute new rate schedules that will increase its annualized revenues by \$10.3 million (about 4.15%). The Company asks that the Commission process the Application by Modified Procedure, and that the new rates take effect October 1, 2013.

The PGA is used to adjust rates to reflect annual changes in the Company's costs to buy natural gas from suppliers—including transportation, storage, and other related costs. *See* Order No. 26019. With this Application, the Company proposes increasing the Weighted Average Cost of Gas (WACOG) from the currently approved \$0.33489 per therm to \$0.37341 per therm. The Company explains that significant shale gas reserves exist, but recent improvements in the economy and an increase in natural gas-fired electric generation have increased demand and