

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF INTERMOUNTAIN)
GAS COMPANY’S APPLICATION FOR) CASE NO. INT-G-15-02
AUTHORITY TO DECREASE ITS PRICES)
(2015 PURCHASED GAS COST) NOTICE OF APPLICATION
ADJUSTMENT).)
)
) NOTICE OF
) MODIFIED PROCEDURE
)
)
) ORDER NO. 33364**

On August 7, 2015, Intermountain Gas Company (the “Company”) filed its annual Purchased Gas Cost Adjustment (“PGA”) Application. With this Application, the Company proposes a PGA that would decrease overall prices for customers and decrease the Company’s annualized revenues by \$15.3 million (5.69%). The Company asks that the Commission process the Application by Modified Procedure, with the new rates to take effect October 1, 2015.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the PGA adjusts rates each year to reflect changes in the Company’s costs to buy natural gas from suppliers—including transportation, storage, and other related costs. See Order No. 26019. A change in the PGA does not affect the Company’s earnings. But a PGA change can cause customer rates to go up or down. With this PGA Application, the Company proposes to pass through to customers gas-related cost changes that would *decrease* the average bill of: (1) residential customers who use natural gas for space heating and water heating, by \$3.12/month (6.11%); (2) customers who use gas for space heating only, by \$1.36/month (3.56%); and (3) commercial customers by \$12.15/month (5.66%).

YOU ARE FURTHER NOTIFIED that the proposed gas-related cost changes result from: (1) transportation costs billed to the Company by Northwest Pipeline GP (“Northwest” or “Northwest Pipeline”); (2) a decrease in the Company’s weighted average cost of gas (“WACOG”); (3) an updated customer allocation of gas-related costs under 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 the Company’s deferred gas cost accounts; and (5) benefits resulting from the Company’s management of its storage and firm capacity

rights on various pipeline systems. The Company also seeks to eliminate the temporary surcharges and credits included in its current prices during the past 12 months, pursuant to Case No. INT-G-14-01.

YOU ARE FURTHER NOTIFIED that the Company states 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 the Company's last PGA filing, Case No. INT-G-14-01.

YOU ARE FURTHER NOTIFIED that the Company's Application includes \$1.4 million related to the acquisition of additional Plymouth LNG storage capacity on Northwest's delivery system. The Company acquired incremental Plymouth capacity of 378,900 MMBtu with a daily deliverability of 41,975 MMBtu. The Company states that the Plymouth facility has been a valuable asset given its ability to help ensure supply and delivery to customers.

YOU ARE FURTHER NOTIFIED that the Company proposes decreasing the WACOG from the currently approved \$0.39482 per therm to \$0.32764 per therm. The Company states that shale reserves in North America continue to be significant which, combined with slow growth of the nation's economy, have contributed to the decrease in the Company's WACOG. The Company notes, however, that natural gas supplies combined with significant storage balances have kept natural gas prices lower than they were just a year ago.

YOU ARE FURTHER NOTIFIED that the Company states that it has entered into 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 the Company seeks to pass through to its customers, as per therm credits, \$3.9 million that will be generated from the management of its transportation capacity. The Company also proposes to temporarily adjust prices for 12 months – until September 30, 2016 – to allocate deferred gas costs from its Account No. 191, including: (1) a fixed gas cost debit of \$1.1 million; (2) a variable gas cost debit of \$0.7 million; and (3) a Lost and Unaccounted For Gas (LAUF Gas) credit of \$76,166.

YOU ARE FURTHER NOTIFIED that the Company states that the proposed overall price changes reflect a just, fair, and equitable pass through of changes in gas-related costs to the Company's customers. The Company states that it has notified customers about the Application and price changes through a formal Customer Notice and a Press Release, and that it has made the Application available to the public on its website at www.intgas.com.

YOU ARE FURTHER NOTIFIED that the Application and its exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. These documents are also available on the Commission's website at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Natural Gas Cases," and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* § 61-501. The Commission may enter any final Order consistent with its authority under Title 61.

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 MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined 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 on the Company's Application may file a written comment in support or opposition with the Commission **no later than September 16, 2015**. 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 the Application shall be mailed to the Commission and the Company at the addresses reflected below:

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

Michael P. McGrath
Director – Regulatory Affairs
Intermountain Gas Company
PO Box 7608
Boise, ID 83707

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Ronald L. Williams
Williams Bradbury PC
1015 W. Hays St
Boise, Idaho 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. Scroll to the “Consumers” tab, click the “Utility Case Comment or Question Form,” and complete the form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if necessary, **no later than September 23, 2015.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

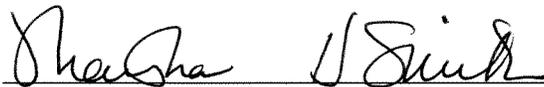
ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons may file written comments no later than September 16, 2015. The Company may file a reply, if any, no later than September 23, 2015.

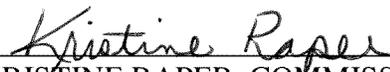
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26th
day of August 2015.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



KRISTINE RAPER, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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