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Attorneys for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
INTERMOUNTAIN GAS COMPANY FOR)
THE AUTHORITY TO CHANGE ITS RATES) Case No. INT-G-16-02
AND CHARGES FOR NATURAL GAS)
SERVICE TO NATURAL GAS CUSTOMERS)
IN THE STATE OF IDAHO)
_____)

EXHIBIT 13

Intermountain Gas Company
Gas Plant in Service - Original Cost
For the Test Year Ending December 31, 2016^[1]

Line No.	Month	Gas Plant in Service a/c 1010 and 1060 ^[2]	ARO Adjustment ^[3]	Month End Total	Average Balance
	(a)	(b)	(c)	(d)	(e)
1	December 2015	\$ 599,920,846	\$ (18,208,107)	\$ 581,712,739	
2					\$ 582,550,705
3	January 2016	601,596,777	(18,208,107)	583,388,670	
4					584,497,119
5	February	603,813,675	(18,208,107)	585,605,568	
6					586,521,311
7	March	603,482,731	(16,045,678)	587,437,053	
8					588,115,133
9	April	604,838,891	(16,045,678)	588,793,213	
10					589,775,529
11	May	606,803,522	(16,045,678)	590,757,844	
12					592,109,551
13	June	609,616,576	(16,155,318)	593,461,258	
14					595,397,959
15	July	613,489,977	(16,155,318)	597,334,659	
16					599,122,794
17	August	617,066,247	(16,155,318)	600,910,929	
18					602,815,910
19	September	620,876,208	(16,155,318)	604,720,890	
20					607,022,877
21	October	625,480,182	(16,155,318)	609,324,864	
22					610,402,237
23	November	627,634,927	(16,155,318)	611,479,609	
24					614,455,580
25	December	633,586,869	(16,155,318)	617,431,551	
26				Total	\$ 7,152,786,705
27				Divided by	<u>12</u>
28				Average Balance	<u>\$ 596,065,559</u>

NOTES

[1] Test Year ending December 31, 2016 is composed of actual financial data from January 1 - June 30, 2016 and forecasted financial data from July 1, 2016 - December 31, 2016.

[2] See T. Dedden's Exhibit 07, Page 1, Column (b).

[3] As per prior Commission orders, the Asset Retirement Obligation is removed from the calculation of rate base to avoid double charging customers for the cost of removing tangible long-lived assets. The cost of removal is already included in the Company's approved depreciation rates.

Intermountain Gas Company
Accumulated Depreciation - Gas Plant in Service
For the Test Year Ending December 31, 2016^[1]

Line No.	Month	Accumulated Provision			Month End Total	Average Balance
		for Depreciation a/c 1080 and 1110 ^[2]	ARO Adjustment ^[3]	RWIP Adjustment ^[4]		
	(a)	(b)	(c)	(d)	(e)	(f)
1	December 2015	\$ (304,247,389)	\$ 4,726,372	\$ (238,276)	\$ (299,759,293)	
2						\$ (300,227,129)
3	January 2016	(305,203,358)	4,726,372	(217,978)	(300,694,964)	
4						(301,761,243)
5	February	(307,494,066)	4,726,372	(59,828)	(302,827,522)	
6						(303,458,268)
7	March	(308,117,867)	4,185,070	(156,217)	(304,089,014)	
8						(304,704,704)
9	April	(309,349,841)	4,185,070	(155,623)	(305,320,394)	
10						(305,887,482)
11	May	(310,419,053)	4,185,070	(220,586)	(306,454,569)	
12						(306,883,479)
13	June	(311,380,090)	4,194,750	(127,048)	(307,312,388)	
14						(308,270,844)
15	July	(313,297,002)	4,194,750	(127,048)	(309,229,300)	
16						(310,200,318)
17	August	(315,239,037)	4,194,750	(127,048)	(311,171,335)	
18						(312,149,958)
19	September	(317,196,283)	4,194,750	(127,048)	(313,128,581)	
20						(314,110,668)
21	October	(319,160,456)	4,194,750	(127,048)	(315,092,754)	
22						(316,089,045)
23	November	(321,153,038)	4,194,750	(127,048)	(317,085,336)	
24						(317,667,013)
25	December	(322,316,392)	4,194,750	(127,048)	(318,248,690)	
26					Total	\$ (3,701,410,151)
27					Divided by	<u>12</u>
28					Average Balance	\$ (308,450,846)

NOTES

[1] Test Year ending December 31, 2016 is composed of actual financial data from January 1 - June 30, 2016 and forecasted financial data from July 1, 2016 - December 31, 2016.

[2] See T. Dedden's Exhibit 07, Page 2, Column (b).

[3] As per prior Commission orders, the Asset Retirement Obligation is removed from the calculation of rate base to avoid double charging customers for the cost of removing tangible long-lived assets. The cost of removal is already included in the Company's approved depreciation rates.

[4] Accumulated Provision for Depreciation related to the Retirement Work in Process represents the work performed but not yet completed to retire plant-in-service. Retirement work in process is removed from the calculation of rate base because it represents assets that are in the process of being retired but are still used and useful at the end of the month.

Intermountain Gas Company
Materials & Supplies Inventory
For the Test Year Ending December 31, 2016^[1]

Line No.	Month	Plant Materials & Operating Supplies		Month End Total	Average Balance
		a/c 1540 ^[2]	Undistributed Stores a/c 1630 ^[3]		
	(a)	(b)	(c)	(d)	(e)
1	December 2015	\$ 2,920,938	\$ -	\$ 2,920,938	
2					\$ 2,988,021
3	January 2016	3,048,127	6,977	3,055,104	
4					3,087,336
5	February	3,103,015	16,553	3,119,568	
6					3,102,734
7	March	3,078,240	7,660	3,085,900	
8					3,176,885
9	April	3,221,312	46,558	3,267,870	
10					3,303,353
11	May	3,297,913	40,922	3,338,835	
12					3,277,147
13	June	3,235,382	(19,924)	3,215,458	
14					3,191,666
15	July	3,066,424	101,450	3,167,874	
16					3,216,868
17	August	3,167,364	98,497	3,265,861	
18					3,207,242
19	September	3,111,774	36,849	3,148,623	
20					3,143,675
21	October	3,128,634	10,093	3,138,727	
22					3,152,874
23	November	3,163,030	3,990	3,167,020	
24					2,941,776
25	December	2,716,531	-	2,716,531	
26				Total	\$ 37,789,577
27				Divided by	<u>12</u>
28				Average Balance	<u>\$ 3,149,131</u>

NOTES

[1] Test Year ending December 31, 2016 is composed of actual financial data from January 1 - June 30, 2016 and forecasted financial data from July 1, 2016 - December 31, 2016.

[2] See T. Dedden's Exhibit 07, Page 3, Column (b).

[3] See T. Dedden's Exhibit 07, Page 3, Column (c).

Intermountain Gas Company
Gas Storage Inventory
For the Test Year Ending December 31, 2016^[1]

Line No.	Month	Gas Storage a/c 1642 ^[2]	Non-Utility	Utility	Month End Total	Average Balance
			Gas Storage Adjustment ^[3]	Gas Storage Adjustment ^[4]		
	(a)	(b)	(c)	(d)	(e)	(f)
1	December 2015	\$ 3,187,218	\$ (1,146,733)	\$ -	\$ 2,040,485	
2						\$ 2,005,941
3	January 2016	3,088,545	(1,117,148)	-	1,971,397	
4						1,941,314
5	February	2,996,769	(1,085,538)	-	1,911,231	
6						1,857,316
7	March	2,826,129	(1,022,728)	-	1,803,401	
8						2,059,409
9	April	3,284,842	(969,425)	-	2,315,417	
10						2,410,005
11	May	3,421,070	(916,477)	-	2,504,593	
12						2,535,540
13	June	3,479,830	(866,659)	(46,684)	2,566,487	
14						2,973,581
15	July	4,132,846	(752,171)	-	3,380,675	
16						3,731,637
17	August	4,777,528	(694,929)	-	4,082,599	
18						4,447,109
19	September	5,449,306	(637,687)	-	4,811,619	
20						4,795,830
21	October	5,360,486	(580,445)	-	4,780,041	
22						4,764,259
23	November	5,471,151	(722,674)	-	4,748,477	
24						4,825,420
25	December	5,568,313	(665,950)	-	4,902,363	
						-
26					Total	\$ 38,347,361
27					Divided by	12
28					Average Balance	\$ 3,195,613

NOTES

[1] Test Year ending December 31, 2016 is composed of actual financial data from January 1 - June 30, 2016 and forecasted financial data from July 1, 2016 - December 31, 2016.

[2] See T. Dedden's Exhibit 07, Page 4, Column (b).

[3] Non-Utility Gas Storage Inventory represents the balance of LNG that is dedicated to non-utility LNG sales and as a result is removed from the calculation of rate base.

[4] This includes the removal of inventory not needed for Utility purposes, but not reserved for non-utility LNG sales.

Intermountain Gas Company
Cash Working Capital
For the Test Year Ending December 31, 2016^[1]

Line No.	Description	Test Year Revenues and Expenses at Proposed Rates	Revenue Lag/ Expense (Leads)	CWC Factor ^[2]	Cash Working Capital Requirement
	(a)	(b)	(c)	(d)	(e)
REVENUES					
1	Revenues at Proposed Rates	\$ 264,966,210	44.96	12.32%	\$ 32,636,207
2	Plus Franchise Tax	7,087,860	44.96	12.32%	873,020
3	Plus Interest Expense	5,852,084	44.96	12.32%	720,808
4	(Less) Uncollectibles	(890,022)	44.96	12.32%	(109,625)
5	(Less) Depreciation and Amortization	(21,707,112)	44.96	12.32%	(2,673,691)
6	(Less) Return on Equity	(17,579,946)	44.96	12.32%	(2,165,343)
7	TOTAL - REVENUES	<u>\$ 237,729,075</u>			<u>\$ 29,281,376</u>
EXPENSES					
8	Employee Benefits	\$ 507,190	(9.24)	-2.53%	\$ (12,837)
9	Payroll and Withholdings	27,292,360	(13.82)	-3.79%	(1,033,344)
10	PGA Expense	168,822,659	(41.29)	-11.31%	(19,096,257)
11	Other Operations and Maintenance (less uncollectibles)	16,551,065	(31.74)	-8.69%	(1,439,083)
12	Payroll Taxes	1,641,942	(24.70)	-6.77%	(111,129)
13	Property Taxes	3,198,871	(131.88)	-36.13%	(1,155,756)
14	Franchise Tax	7,087,860	(169.50)	-46.44%	(3,291,474)
15	Interest Expense	5,852,084	(87.68)	-24.02%	(1,405,782)
16	Income Tax	6,775,042	(37.88)	-10.38%	(703,027)
17	TOTAL EXPENSES	<u>\$ 237,729,075</u>			<u>\$ (28,248,688)</u>
18	CASH WORKING CAPITAL REQUIREMENT				<u><u>\$ 1,032,688</u></u>

NOTES

[1] Test Year ending December 31, 2016 is composed of actual financial data from January 1 - June 30, 2016 and forecasted financial data from July 1, 2016 - December 31, 2016.

[2] Column (c) / 365 days.

Intermountain Gas Company
Deferred Income Taxes
For the Test Year Ending December 31, 2016⁽¹⁾

Line No.	Month	Accumulated Deferred Income Taxes a/c 2820 ⁽²⁾	Idaho Deferred Taxes Adjustment ⁽³⁾	CWIP Adjustment ⁽⁴⁾	FAS109 Adjustment ⁽⁵⁾	Gross-Up Adjustment ⁽⁶⁾	Section 1031 Like-Kind Exchange Adjustment ⁽⁷⁾	Contributions in Aid of Construction Adjustment ⁽⁸⁾	Uniform Capitalization Adjustment ⁽⁹⁾	Total	Average Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	December 2015	\$ (63,327,538)	\$ 8,755,341	\$ 13,827	\$ (2,032,486)	\$ 3,222,154	\$ 220,329	\$ 2,812,480	\$ 146,648	\$ (50,189,245)	\$ (50,175,262)
2	January 2016	(63,319,187)	8,781,542	27,194	(2,044,709)	3,227,383	219,339	2,805,467	141,683	(50,161,278)	(50,130,230)
4	February	(63,295,080)	8,804,814	27,733	(2,056,932)	3,232,632	218,348	2,831,945	137,359	(50,099,181)	(50,089,019)
6	March	(63,245,301)	8,823,314	7,372	(2,069,155)	3,237,872	217,357	2,820,075	129,609	(50,078,857)	(50,037,246)
8	April	(63,191,866)	8,841,134	(15,965)	(2,081,378)	3,243,111	216,366	2,826,557	166,407	(49,995,634)	(49,957,721)
10	May	(63,183,151)	8,867,267	(2,896)	(2,093,601)	3,248,350	215,375	2,848,845	180,003	(49,919,808)	(50,062,146)
12	June	(63,392,741)	8,941,308	(21,241)	(2,121,586)	3,272,443	31,766	2,901,114	184,454	(50,204,483)	(50,240,010)
13	July	(63,410,788)	8,973,634	(21,244)	(2,136,440)	3,280,821	30,910	2,764,603	242,967	(50,275,537)	(50,309,986)
16	August	(63,428,835)	9,005,963	(21,244)	(2,151,290)	3,289,202	30,057	2,638,300	293,413	(50,344,434)	(50,304,220)
18	September	(63,446,882)	9,038,291	(21,244)	(2,166,141)	3,297,583	29,204	2,659,377	345,807	(50,284,005)	(50,259,092)
20	October	(63,464,929)	9,070,620	(21,244)	(2,180,991)	3,305,964	28,352	2,664,512	343,538	(50,254,178)	(50,257,567)
21	November	(63,482,976)	9,102,949	(21,244)	(2,195,842)	3,314,344	27,499	2,653,045	341,269	(50,260,956)	(50,247,230)
22	December	(63,501,022)	9,135,277	(21,244)	(2,210,692)	3,322,725	26,646	2,662,478	352,329	(50,233,503)	-
26										Total	\$ (602,069,729)
27										Divided by	12
28										Average Balance	\$ (50,172,477)

NOTES

- [1] Test Year ending December 31, 2016 is composed of actual financial data from January 1 - June 30, 2016 and forecasted financial data from July 1, 2016 - December 31, 2016.
- [2] See T. Dearden's Exhibit 07, Page 5, Column (b).
- [3] In prior orders and communications, the Commission has ordered the Company to flow through most deferred state income taxes (DST). Generally Accepted Accounting Principles (GAAP) requires the Company to state the amount of DST in its 282 account, offset by a regulatory asset and gross-up. DST required to be flow-through is not recorded on the Company's income statement. This adjustment removes the DST required by GAAP.
- [4] Accumulated Deferred Income Taxes related to Construction Work in Process book-tax timing differences are removed from the calculation of rate base because Construction Work in Process is not included in the calculation of rate base due to the fact that the assets have not been completed and therefore are not considered used and useful.
- [5] The FAS109 balance represents the measurement of accumulated deferred income taxes at the future tax rate at which the book-tax timing differences are expected to reverse, as required by ASC 740. In order to comply with IRS normalization rules regarding excess accumulated deferred income taxes, the Average Rate Adjustment Method must be used to measure deferred taxes and therefore the FAS109 balance must be removed from the calculation of rate base. Additionally, the FAS109 balance also includes the measurement of deferred state income taxes as required by ASC 740. However, ICC is required to flow-through deferred state income taxes and therefore the FAS109 balance must be removed from the calculation of rate base.
- [6] The Gross-Up balance is removed from the calculation of rate base because it relates to the gross-up on the regulatory asset/liability that is created to reflect the difference between the FAS109 deferred income taxes and the APB11 deferred income taxes. To comply with IRS normalization rules the Company is only including the APB11 deferred taxes in the calculation of rate base, therefore, the Gross-Up amount should be removed from the calculation of rate base.
- [7] In order to comply with the IRS normalization rules, the Company is removing the deferred income taxes associated with Sec. 1031 exchanges.
- [8] This adjustment captures the accumulated deferred income taxes related to Contributions in Aid of Construction.
- [9] This adjustment captures the accumulated deferred income taxes related to Gas Storage Inventory.

Intermountain Gas Company
Advances in Aid of Construction
For the Test Year Ending December 31, 2016^[1]

Line No.	Month	Month-End Balance a/c 2520 ^[2]	Average Balance
	(a)	(b)	(c)
1	December 2015	\$ (8,035,657)	
2			\$ (8,025,639)
3	January 2016	(8,015,621)	
4			(8,053,447)
5	February	(8,091,272)	
6			(8,074,315)
7	March	(8,057,357)	
8			(8,066,617)
9	April	(8,075,877)	
10			(8,107,717)
11	May	(8,139,557)	
12			(8,214,225)
13	June	(8,288,892)	
14			(8,093,879)
15	July	(7,898,865)	
16			(7,718,432)
17	August	(7,537,999)	
18			(7,568,110)
19	September	(7,598,221)	
20			(7,605,557)
21	October	(7,612,892)	
22			(7,596,511)
23	November	(7,580,129)	
24			(7,593,605)
25	December	(7,607,080)	
			-
26		Total	\$ (94,718,054)
27		Divided by	12
28		Average Balance	\$ (7,893,171)

NOTES

[1] Test Year ending December 31, 2016 is composed of actual financial data from January 1 - June 30, 2016 and forecasted financial data from July 1, 2016 - December 31, 2016.

[2] See T. Dedden's Exhibit 07, Page 6, Column (b).