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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 14

Intermountain Gas Company
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2016^[1]

Line No.	Description	Company Unadjusted Direct ^[2]	Company Adjustments ^[3]	Company Direct Present ^[4]	Proposed Revenue Deficiency (Over Collection)	Company Direct Proposed ^[5]
	(a)	(b)	(c)	(d)	(e)	(f)
1	Gas Operating Revenues	\$ 233,637,331	\$ 18,262,816	\$ 251,900,147	\$ 10,165,700	\$ 262,065,847
2	Other Revenues	<u>2,893,572</u> ^[6]	<u>6,791</u>	<u>2,900,363</u>	<u>-</u>	<u>2,900,363</u>
3	Total Operating Revenue	236,530,903	18,269,607	254,800,510	10,165,700	264,966,210
4	Operating Expenses					
5	Cost of Gas	150,178,166	18,644,493	168,822,659	-	168,822,659
6	Operation & Maintenance					
7	Production	46,565	-	46,565	-	46,565
8	Natural Gas Storage, Terminating, and Processing	1,383,094	-	1,383,094	-	1,383,094
9	Transmission	496,038	(3,297)	492,741	-	492,741
10	Distribution	18,854,837	(118,581)	18,736,256	-	18,736,256
11	Customer Accounts	9,378,630	(111,430)	9,267,200	36,536	9,303,736
12	Customer Service and Informational	202,610	-	202,610	-	202,610
13	Sales	1,263,653	(26,782)	1,236,871	-	1,236,871
14	Administrative and General	15,148,072	(1,328,388)	13,819,684	19,081	13,838,765
15	Other	93,510	(93,510)	-	-	-
16	Depreciation	21,707,112	-	21,707,112	-	21,707,112
17	Payroll Taxes	1,743,002	(101,060)	1,641,942	-	1,641,942
18	Property Taxes	3,198,871	-	3,198,871	-	3,198,871
19	Franchise Taxes	7,087,860	(7,087,860)	-	-	-
20	Interest Expense	<u>4,348,423</u>	<u>(4,348,423)</u>	<u>-</u>	<u>-</u>	<u>-</u>
21	Total Operating Expense					
22	Before Income Taxes	235,130,443	5,425,162	240,555,605	55,617	240,611,222
23	Income Taxes	<u>205,475</u>	<u>2,544,743</u>	<u>2,750,218</u>	<u>4,024,824</u> ^[7]	<u>6,775,042</u>
24	Total Operating Expenses	<u>235,335,918</u>	<u>7,969,905</u>	<u>243,305,823</u>	<u>4,080,441</u>	<u>247,386,264</u>
25	Net Operating Income	<u>\$ 1,194,985</u>	<u>\$ 10,299,702</u>	<u>\$ 11,494,687</u>	<u>\$ 6,085,259</u>	<u>\$ 17,579,946</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 08, Page 1, Column (d).

[3] See Exhibit No. 14, Page 2.

[4] Column (b) + Column (c).

[5] Column (d) + Column (e).

[6] See T. Dedden's Exhibit 09, Page 1, Column (d), line 17.

[7] Reflects statutory income tax rates at 39.81%: Federal at 35% and Idaho at 7.4%.

Intermountain Gas Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2016^[1]

Line No.	Description	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Unbilled Adjustment ^[2]	Non-Utility LNG Sales Adjustment ^[3]	Franchise Tax Adjustment ^[4]	Lost Gas Expense Adjustment ^[5]	Normalization Adjustment ^[6]	Non-Executive Incentive Compensation Expense Adjustment ^[7]	Executive Compensation Expense Adjustment ^[8]	Other Revenue And Expense Adjustment ^[9]	Interest Expense Adjustment ^[10]	Income Tax Adjustment ^[11]	Total Operating Statement Adjustments	
1	Gas Operating Revenues	\$ 27,605,926	\$ (1,813,230)	\$ (7,087,154)	\$ -	\$ (442,726)	\$ -	\$ -	\$ 6,791	\$ -	\$ -	\$ 18,262,816	
2	Other Revenues	-	-	-	-	-	-	-	6,791	-	-	6,791	
3	Total Operating Revenue	27,605,926	(1,813,230)	(7,087,154)	-	(442,726)	-	-	6,791	-	-	18,269,607	
4	Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	
5	Cost of Gas	21,246,004	(1,461,140)	-	(803,928)	(336,443)	-	-	-	-	-	18,644,493	
6	Operation & Maintenance	-	-	-	-	-	-	-	-	-	-	-	
7	Production	-	-	-	-	-	-	-	-	-	-	-	
8	Natural Gas Storage, Terminating, and Processing	-	-	-	-	-	-	-	-	-	-	-	
9	Transmission	-	-	-	-	-	(3,297)	-	-	-	-	(3,297)	
10	Distribution	-	-	-	-	-	(118,581)	-	-	-	-	(118,581)	
11	Customer Accounts	-	-	-	-	-	(111,430)	-	-	-	-	(111,430)	
12	Customer Service and Informational	-	-	-	-	-	-	-	-	-	-	-	
13	Sales	-	-	-	-	-	(26,782)	-	-	-	-	(26,782)	
14	Administrative and General	-	-	-	-	-	(113,179)	(1,215,209)	-	-	-	(1,328,388)	
15	Other	-	-	-	-	-	-	162,811	(256,321)	-	-	(83,510)	
16	Depreciation	-	-	-	-	-	-	-	-	-	-	-	
17	Payroll Taxes	-	-	-	-	-	(32,728)	(68,332)	-	-	-	(101,060)	
18	Property Taxes	-	-	-	-	-	-	-	-	-	-	-	
19	Franchise Taxes	-	-	(7,087,860)	-	-	-	-	-	-	-	(7,087,860)	
20	Interest Expense	-	-	-	-	-	-	-	-	(4,348,423)	-	(4,348,423)	
21	Total Operating Expense	21,246,004	(1,461,140)	(7,087,860)	(803,928)	(336,443)	(405,997)	(1,120,730)	(256,321)	(4,348,423)	-	5,425,162	
22	Before Incomes Taxes	-	-	-	-	-	-	-	-	-	2,544,743	2,544,743	
23	Income Taxes	-	-	-	-	-	-	-	-	-	-	-	
24	Total Operating Expenses	21,246,004	(1,461,140)	(7,087,860)	(803,928)	(336,443)	(405,997)	(1,120,730)	(256,321)	(4,348,423)	2,544,743	7,969,905	
25	Net Operating Income	\$ 6,359,922	\$ (352,090)	\$ 706	\$ 803,928	\$ (106,283)	\$ 405,997	\$ 1,120,730	\$ 263,112	\$ 4,348,423	\$ (2,544,743)	\$ 10,299,702	

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 Exhibit No. 15, Page 1, Column (d), Lines 16 and 17.

[3] See Exhibit No. 15, Page 2, Column (d), Lines 1 and 2.

[4] See Exhibit No. 15, Page 3, Column (d), Lines 1 and 2.

[5] See Exhibit No. 15, Page 4, Column (d), Line 20.

[6] See Exhibit No. 15, Page 6, Column (b), Lines 10 and 11.

[7] See Exhibit No. 15, Page 17, Column (b), Lines 11-16.

[8] See Exhibit No. 15, Page 19, Column (d), Lines 4-6.

[9] See Exhibit No. 15, Page 22, Column (d), Lines 12 and 13.

[10] See Exhibit No. 15, Page 23, Column (d), Line 1.

[11] See Exhibit No. 15, Page 25, Column (c), Line 7b.