

Ronald L. Williams, ISB No. 3034  
Williams Bradbury, P.C.  
1015 W. Hays St.  
Boise, ID 83702  
Telephone: (208) 344-6633  
Email: ron@williamsbradbury.com

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 15**

**Intermountain Gas Company**  
**Unbilled Adjustment**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Rate Tariff	Unbilled Therms	Unbilled Revenues <sup>[2]</sup>	Unbilled Cost of Gas <sup>[2]</sup>
	(a)	(b)	(c)	(d)
1	<u>December 2015</u>			
2	RS-1	5,448,489	\$ 4,141,451	\$ 3,028,761
3	RS-2	26,410,518	17,912,142	13,623,866
4	GS	<u>15,195,106</u>	<u>9,985,160</u>	<u>7,774,880</u>
5	Total	47,054,113	32,038,753	24,427,507
6	<u>June 2016</u>			
7	RS-1	(372,936)	(325,450)	(207,312)
8	RS-2	(3,500,912)	(2,492,124)	(1,805,945)
9	GS	<u>(2,283,203)</u>	<u>(1,615,252)</u>	<u>(1,168,246)</u>
10		(6,157,052)	(4,432,827)	(3,181,503)
11	<u>Net Change</u>			
12	RS-1	5,075,553	3,816,001	2,821,449
13	RS-2	22,909,606	15,420,018	11,817,921
14	GS	<u>12,911,903</u>	<u>8,369,908</u>	<u>6,606,634</u>
15	Total	<u>40,897,061</u>	<u>\$ 27,605,926</u>	<u>\$ 21,246,004</u>
16	Adjustment to Gas Operating Revenues		\$ 27,605,926	
17	Adjustment to Cost of Gas			<u>21,246,004</u>
18	Total		<u>\$ 6,359,922</u>	

**PURPOSE OF ADJUSTMENT**

To remove unbilled revenues and cost of gas expenses from the revenue requirement.

**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] Revenue and cost of gas are calculated using currently effective rates.

**Intermountain Gas Company**  
**Non-Utility LNG Sales Adjustment**

For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description	Actual Amount	Forecasted Amount	Total Amount
	(a)	(b)	(c)	(d)
1	Adjustment to Gas Operating Revenues	\$ (563,230)	\$ (1,250,000)	\$ (1,813,230)
2	Adjustment to Cost of Gas	(461,140)	(1,000,000)	(1,461,140)
3	Total Non-Utility LNG Sales Adjustment	<u>\$ (102,090)</u>	<u>\$ (250,000)</u>	<u>\$ (352,090)</u>

**PURPOSE OF ADJUSTMENT**

To remove revenues and cost of gas expenses related to non-utility sales of liquefied natural gas.

**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.

**Intermountain Gas Company**  
**Franchise Tax Adjustment**  
 For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description	Actual Amount	Forecasted Amount	Total Amount
	(a)	(b)	(c)	(d)
1	Adjustment to Gas Operating Revenues	\$ (4,140,427)	\$ (2,946,727)	\$ (7,087,154)
2	Adjustment to Franchise Taxes	<u>(4,141,133)</u>	<u>(2,946,727)</u>	<u>(7,087,860)</u>
3	Total Franchise Tax Adjustment	<u>\$ 706</u>	<u>\$ -</u>	<u>\$ 706</u>

**PURPOSE OF ADJUSTMENT**

To remove revenues and expenses related to the collection and remittance of franchise taxes.

**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.

**Intermountain Gas Company**  
**Lost Gas Expense Adjustment**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description	Actual	Forecast	Total
	(a)	(b)	(c)	(d)
1	<u>Test Year</u>			
2	Lost Gas Expense	\$ 711,422	\$ 492,055	\$ 1,203,477
3	<u>Normalized</u>			
4	RS-1 Therms	22,660,127	9,812,563	32,472,690
5	RS-2 Therms	119,838,399	60,338,574	180,176,973
6	GS-10 & 11 Therms	70,602,560	37,288,907	107,891,467
7	GS-60 Therms	12,235	45,519	57,754
8	GS-12 (CNG) Therms	4,007	3,426	7,433
9	IS-R Therms	84,621	52,776	137,397
10	IS-C Therms	11,863	4,147	16,010
11	LV Therms	3,093,310	3,224,250	6,317,560
12	T-3 Therms	20,574,067	19,335,220	39,909,287
13	T-4 Therms	138,352,837	126,283,835	264,636,672
14	T-5 Therms	10,367,730	9,408,430	19,776,160
15	Total Therms <sup>[2]</sup>	385,601,756	265,797,647	651,399,403
16	Lost Gas Rate <sup>[3]</sup>			0.2143%
17	Total Lost Gas Therms <sup>[4]</sup>			1,395,949
18	Weighted Average Cost of Gas			\$ 0.28622
19	Lost Gas Expense <sup>[5]</sup>			\$ 399,549
20	Adjustment to Cost of Gas <sup>[6]</sup>			<u>\$ (803,928)</u>

**PURPOSE OF ADJUSTMENT**

To calculate the current level of lost gas expense.

**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, Pages 8 and 12-15.

[3] See Exhibit No. 15, Page 5, Column (b), Line 16.

[4] Line 15 x Line 16.

[5] Line 17 x Line 18.

[6] Line 19 - Line 2.

**Intermountain Gas Company**  
**Average Lost Gas**  
For the Test Year Ending December 31, 2016

Line No.	Description	Oct 2012- Sept 2013	Oct 2013-Sep 2014	Oct 2014- Sep 2015
	(a)	(b)	(c)	(d)
1	Core Purchased Gas	327,556,540	331,807,940	293,930,590
2	Transport Gas	282,638,160	277,902,920	293,573,841
3	LNG Storage Withdrawals (Boil-off)	993,899	7,154,248	1,702,854
4	Imbalance Draft	466,890	-	2,723,140
5	Deliveries to System	611,655,489	616,865,108	591,930,425
6	Core Customer Billed	324,521,587	335,827,672	294,800,808
7	Core Customer Unbilled (Oct True-up)	6,585,356	5,168,187	6,611,279
8	Less: Core Customer Unbilled (prior year)	(4,900,710)	(6,585,356)	(5,168,187)
9	Transport Billed	282,638,160	277,902,920	293,573,841
10	Company Use	400,038	218,129	442,552
11	LNG Injections	542,895	1,710,685	1,491,905
12	Imbalance Pack	-	726,790	-
13	Deliveries to Customers	609,787,326	614,969,027	591,752,198
14	Lost Gas <sup>[1]</sup>	1,868,163	1,896,081	178,227
15	Lost Gas Percentage of System Deliveries <sup>[2]</sup>	0.3054%	0.3074%	0.0301%
16	Lost Gas Three-Year Average <sup>[3]</sup>	0.2143%		

**NOTES**

[1] Line 5 - Line 13.

[2] Line 14 / Line 15.

[3] The average of Columns (b), (c), and (d), Line 15.

**Intermountain Gas Company**  
**Normalization Adjustment**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description (a)	Amount (b)
1	<u>Test Year</u>	
2	Gas Operating Revenues <sup>[2]</sup>	\$ 252,342,873
3	Cost of Gas <sup>[3]</sup>	<u>168,759,553</u>
4	Margin	83,583,320
5	<u>Normalized</u>	
6	Gas Operating Revenues <sup>[4]</sup>	251,900,147
7	Cost of Gas <sup>[5]</sup>	<u>168,423,110</u>
8	Margin	83,477,037
9	<u>Adjustment</u>	
10	Gas Operating Revenues <sup>[6]</sup>	(442,726)
11	Cost of Gas <sup>[7]</sup>	<u>(336,443)</u>
12	Margin	<u>\$ (106,283)</u>

**PURPOSE OF ADJUSTMENT**

To normalize therm sales for the test year ending December 31, 2016.

**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. 14, Page 1, Column (b), Line 1 plus Exhibit No. 14, Page 2, Columns (b), (c), and (d), Line 1.

[3] See Exhibit No. 14, Page 1, Column (b), Line 5 plus Exhibit No. 14, Page 2, Columns (b) and (c), Line 5 less Exhibit No. 15, Page 4, Column (d), Line 2.

[4] See Exhibit No. 15, Page 7, Column (e), Line 8 plus Exhibit No. 15, Page 11, Column (c), Line 5.

[5] See Exhibit No. 15, Page 7, Column (f), Line 8 plus Exhibit No. 15, Page 11, Column (d), Line 5 less Exhibit No. 15, Page 4, Column (d), Line 19.

[6] Line 6 - Line 2.

[7] Line 7 - Line 3.

**Intermountain Gas Company**  
**Core Market Sales Normalization Summary**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Rate Tariff	Normalized Therms <sup>[2]</sup>	Normalized Revenue <sup>[3]</sup>	Customer		Total Revenue <sup>[5]</sup>	Normalized Cost of Gas <sup>[6]</sup>
				Charge Revenue <sup>[4]</sup>	Revenue <sup>(e)</sup>		
	(a)	(b)	(c)	(d)	(e)	(f)	
1	RS-1	32,472,690	\$ 25,741,559	\$ 3,102,436	\$ 28,843,995	\$ 18,071,162	
2	RS-2	180,176,973	124,410,197	11,077,964	135,488,161	93,054,807	
3	GS-10 & 11	107,891,467	73,048,310	1,737,424	74,785,734	55,271,003	
4	GS-60	57,754	41,024	218	41,242	29,587	
5	GS-12 (CNG)	7,433	4,732	333	5,065	3,809	
6	IS-R	137,397	93,185	3,840	97,025	70,961	
7	IS-C	16,010	10,580	444	11,024	8,201	
8	Total	320,759,724	\$ 223,349,587	\$ 15,922,659	\$ 239,272,246	\$ 166,509,530	

**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 8, Column (n).

[3] See Exhibit No. 15, Page 9, Column (d).

[4] See Exhibit No. 15, Page 10, Column (n).

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

[6] See Exhibit No. 15, Page 9, the sum of Columns (g), (h), and (i).



**Intermountain Gas Company**  
**Core Market Normalized Therms**  
For the Test Year Ending December 31, 2016<sup>(1)</sup>

Line No.	Rate Therms Tariff	Actual Therms												Forecasted Therms				Total
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)			
1	RS-1	7,684,619	4,371,370	2,794,482	1,242,137	724,237	293,845	216,726	296,422	728,914	2,594,464	5,675,192	32,534,565					
2	Weather Normalization Adjustment	(629,545)	75,400	432,503	110,925	(35,623)	-	-	-	-	-	-	(61,875)					
3	Total	7,055,074	4,446,770	3,226,985	1,353,062	688,608	293,845	216,726	296,422	728,914	2,594,464	5,675,192	32,472,690					
4	RS-2	37,144,814	28,927,401	15,239,352	8,565,361	6,797,638	4,609,253	3,991,474	4,398,743	6,318,311	13,298,773	27,722,020	179,323,364					
5	Weather Normalization Adjustment	(2,524,690)	392,633	472,476	1,893,612	890,438	(270,860)	-	-	-	-	-	853,609					
6	Total	34,620,124	29,320,034	17,132,964	9,455,799	6,526,778	4,609,253	3,991,474	4,398,743	6,318,311	13,298,773	27,722,020	180,176,973					
7	GS-10 & 11																	
8	Block 1	4,993,559	4,582,855	3,140,333	1,898,024	1,401,197	855,754	700,054	930,777	1,170,333	3,390,683	4,204,578	30,809,022					
9	Block 2	11,078,206	8,560,109	6,392,244	4,295,661	2,133,158	1,319,575	1,128,716	1,509,540	1,367,342	3,580,287	8,237,564	52,310,134					
10	Block 3	6,213,866	4,303,889	3,151,455	1,627,884	945,385	742,308	690,208	696,204	1,059,661	1,540,578	4,186,705	26,179,814					
11	Total	22,285,631	17,446,833	13,486,551	9,063,878	5,282,541	2,917,637	2,518,978	3,136,521	3,597,336	8,511,548	16,628,847	109,298,970					
12	Migration and Weather Normalization Adjustment																	
13	Block 1	(664,701)	(31,853)	358,510	108,835	(400)	(400)	-	-	-	-	-	(176,127)					
14	Block 2	(859,760)	(33,413)	30,478	142,777	24,299	(3,600)	-	-	-	-	-	(702,819)					
15	Block 3	(275,667)	(77,435)	(60,904)	(41,637)	(25,423)	(17,960)	-	-	-	-	-	(528,555)					
16	Total	(1,800,128)	(142,701)	23,456	459,650	107,711	(33,529)	-	-	-	-	-	(1,407,501)					
17	GS-10 & 11 Adjusted																	
18	Block 1	4,328,858	4,551,002	3,996,734	3,498,843	2,006,859	1,400,797	855,354	930,777	1,170,333	3,390,683	4,204,578	31,034,872					
19	Block 2	10,218,446	8,526,696	6,422,722	4,438,438	2,460,431	1,315,568	1,128,716	1,509,540	1,367,342	3,580,287	8,237,564	51,335,715					
20	Block 3	5,938,199	4,224,434	3,090,551	1,586,247	922,962	724,348	690,208	696,204	1,059,661	1,540,578	4,186,705	25,520,880					
21	Total	20,485,503	17,304,132	13,510,007	9,523,528	5,390,252	2,895,677	2,518,978	3,136,521	3,597,336	8,511,548	16,628,847	107,891,467					
22	GS-60																	
23	Block 1	-	-	-	400	2,627	3,309	3,155	1,858	392	6	-	11,747					
24	Block 2	-	-	-	757	8,451	18,588	9,209	4,737	-	-	-	41,742					
25	Block 3	-	-	-	-	-	4,265	-	-	-	-	-	4,265					
26	Total	-	-	-	1,157	11,078	26,162	12,364	6,595	392	6	-	57,754					
27	GS-12 (CNG)	169	104	351	1,487	182	522	649	349	1,454	231	221	7,433					
28	IS-R	44,420	23,236	12,318	1,933	1,083	383	376	731	1,190	13,007	37,089	137,397					
29	IS-C																	
30	Block 1	958	713	478	307	20	-	-	10	179	1,247	1,973	5,911					
31	Block 2	2,746	1,862	1,283	194	-	-	-	-	-	-	738	6,823					
32	Block 3	2,444	832	-	-	-	-	-	-	-	-	-	3,276					
33	Total	6,148	3,407	1,761	501	26	20	10	1,247	179	1,247	2,711	16,010					

**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.

**Intermountain Gas Company**  
**Core Market Normalized Revenue and Cost of Gas**  
 For the Test Year Ending December 31, 2016<sup>(1)</sup>

Line No.	Description	Therms <sup>[2]</sup>	Revenue Rate/Therm <sup>[3]</sup>	Total Revenue	Fixed Cost of Gas Rate/Therm <sup>[3]</sup>	Variable Cost of Gas Rate/Therm <sup>[3]</sup>	Fixed Cost of Gas	Variable Cost of Gas	Lost Gas Rate/Therm <sup>[4]</sup>	Lost Gas
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	RS-1									
2	April - November	9,406,036	\$ 0.87267	\$ 8,208,365	\$ 0.23005	\$ 0.32584	\$ 2,163,859	\$ 3,064,863	\$ 0.00061	\$ 5,769
3	December - March	23,066,654	0.76011	17,553,194	0.23005	0.32584	5,306,484	7,516,039	0.00061	14,146
4	Total	32,472,690		\$ 25,741,559			\$ 7,470,343	\$ 10,580,902		\$ 19,917
5	RS-2									
6	April - November	65,732,095	\$ 0.71185	46,791,392	\$ 0.18982	\$ 0.32603	12,477,266	21,430,635	\$ 0.00061	40,318
7	December - March	114,444,878	0.67822	77,618,805	0.18982	0.32603	21,723,927	37,312,464	0.00061	70,197
8	Total	180,176,973		\$ 124,410,197			\$ 34,201,193	\$ 58,743,099		\$ 110,515
9	GS-1									
10	April - November	13,953,700	\$ 0.72918	10,174,759	\$ 0.18561	\$ 0.32606	2,589,946	4,549,743	\$ 0.00061	8,559
11	Block 1	17,930,287	0.70745	12,684,782	0.18561	0.32606	3,328,041	5,846,349	0.00061	10,998
12	Block 2	8,078,991	0.68643	5,545,662	0.18561	0.32606	1,499,542	2,634,236	0.00061	4,955
13	Block 3									
14	December - March	17,081,172	0.67933	11,586,671	0.18561	0.32606	3,170,436	5,569,487	0.00061	10,477
15	Block 1	33,405,428	0.65713	21,951,709	0.18561	0.32606	6,200,381	10,892,174	0.00061	20,490
16	Block 2	17,441,889	0.63667	11,104,727	0.18561	0.32606	3,237,389	5,687,102	0.00061	10,698
17	Block 3									
18	Total	107,891,467		\$ 73,046,310			\$ 20,025,735	\$ 35,179,091		\$ 66,177
19	GS-60									
20	April - November	11,747	0.72918	8,566	\$ 0.18561	\$ 0.32606	2,180	3,830	\$ 0.00061	7
21	Block 1	41,742	0.70745	29,530	0.18561	0.32606	7,748	13,610	0.00061	26
22	Block 2	4,285	0.68643	2,928	0.18561	0.32606	792	1,391	0.00061	3
23	Block 3									
24	December - March									
25	Block 1									
26	Block 2									
27	Block 3									
28	Total	57,754		\$ 41,024			\$ 10,720	\$ 18,831		\$ 36
29	GS-12 (CNG)									
30	Total Year	7,433	\$ 0.63667	\$ 4,732	\$ 0.18561	\$ 0.32606	\$ 1,380	\$ 2,424	\$ 0.00061	\$ 5
31	ISR									
32	Total Year	137,397	\$ 0.67922	\$ 93,185	\$ 0.18982	\$ 0.32603	\$ 26,091	\$ 44,796	\$ 0.00061	\$ 84
33	IS-C									
34	Total Year	5,911	\$ 0.67833	\$ 4,010	\$ 0.18561	\$ 0.32606	\$ 1,097	\$ 1,927	\$ 0.00061	\$ 4
35	Block 1	6,823	0.65713	4,484	0.18561	0.32606	1,266	2,225	0.00061	4
36	Block 2	3,276	0.63667	2,086	0.18561	0.32606	608	1,068	0.00061	2
37	Block 3									
38	Total	16,010		\$ 10,580			\$ 2,971	\$ 5,220		\$ 10

**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 6.

[3] Based on currently effective rates.

[4] See Exhibit No. 15, Page 4, Column (d), Line 16 multiplied by Exhibit No. 15, Page 4, Column (d), Line 18.

**Intermountain Gas Company**  
**Core Market Customer Charge Revenue**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Rate Tariff (a)	Actual Jan-16 (b)	Actual Feb-16 (c)	Actual Mar-16 (d)	Actual Apr-16 (e)	Actual May-16 (f)	Actual Jun-16 (g)	Forecasted Jul-16 (h)	Forecasted Aug-16 (i)	Forecasted Sep-16 (j)	Forecasted Oct-16 (k)	Forecasted Nov-16 (l)	Forecasted Dec-16 (m)	Total (n)
1	Customers													
2	RS-1	67,871	67,909	67,792	67,488	67,149	66,759	66,821	66,905	66,986	67,167	67,274	67,357	
3	RS-2	238,657	239,101	239,620	239,913	240,209	240,504	241,150	241,746	242,300	242,944	243,367	243,796	
4	GS-10 & 11	32,179	32,174	32,149	32,089	32,034	31,963	32,028	32,081	32,130	32,221	32,275	32,329	
5	GS-60	-	-	-	2	10	19	21	18	18	17	4	-	
6	GS-12 (CNG)	3	3	3	3	3	3	2	3	3	3	3	3	
7	IS-R	81	82	82	84	84	85	85	85	85	85	85	85	
8	IS-C	7	8	8	8	8	9	9	9	9	9	9	9	
	Total	338,798	339,277	339,654	339,587	339,497	339,342	340,116	340,847	341,541	342,446	343,017	343,579	
9	Customer Charge <sup>[2]</sup>													
10	RS-1	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	
11	RS-2	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	
12	GS-10 & 11	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	
13	GS-60	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	
14	GS-12 (CNG)	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	
15	IS-R	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	
16	IS-C	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	
17	Customer Charge Revenue													
18	RS-1	\$ 441,162	\$ 441,409	\$ 440,648	\$ 440,720	\$ 440,873	\$ 440,898	\$ 440,953	\$ 440,918	\$ 440,990	\$ 441,018	\$ 441,085	\$ 441,152	\$ 3,102,436
19	RS-2	1,551,271	1,554,157	1,557,530	1,559,783	1,562,036	1,564,289	1,566,542	1,568,795	1,571,048	1,573,301	1,575,554	1,577,807	11,077,964
20	GS-10 & 11	305,701	305,653	305,416	305,178	304,940	304,702	304,464	304,226	303,988	303,750	303,512	303,274	1,737,537
21	GS-60	-	-	-	4	20	38	42	36	36	34	8	-	218
22	GS-12 (CNG)	29	29	29	29	29	29	19	29	29	29	29	29	333
23	IS-R	527	533	533	533	533	533	533	533	533	533	533	533	3,840
24	IS-C	67	76	76	76	76	76	76	76	76	76	76	76	444
25	GS Rate Migration Adjustment	(38)	(29)	(29)	(6)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(113)
26	Total	\$ 2,298,716	\$ 2,301,827	\$ 2,304,203	\$ 2,306,579	\$ 2,308,955	\$ 2,311,331	\$ 2,313,707	\$ 2,316,083	\$ 2,318,459	\$ 2,320,835	\$ 2,323,211	\$ 2,325,587	\$ 15,922,659

**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] Based on currently effective rates.

**Intermountain Gas Company**  
**Industrial Sales Normalization Summary**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Rate Tariff	Normalized Therms <sup>[2]</sup>	Normalized Revenue <sup>[3]</sup>	Normalized Cost of Gas <sup>[4]</sup>
	(a)	(b)	(c)	(d)
1	LV-1	6,317,560	\$ 3,127,950	\$ 2,723,963
2	T-3	39,909,287	714,239	(13,435)
3	T-4	264,636,672	8,136,475	(382,832)
4	T-5	19,776,160	649,237	(14,567)
5	Total	<u>330,639,679</u>	<u>\$ 12,627,901</u>	<u>\$ 2,313,129</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 Exhibit No. 15, Pages 12-15, Column (n).

[3] See Exhibit No. 15, Page 16, Column (d).

[4] See Exhibit No. 15, Page 16, the sum of Columns (g), (h), and (j).

**Intermountain Gas Company**  
**Industrial - LV-1 Normalized Therms**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Rate Therms Tariff	(a)	Actual Therms Jan-16	(b)	Actual Therms Feb-16	(c)	Actual Therms Mar-16	(d)	Actual Therms Apr-16	(e)	Actual Therms May-16	(f)	Actual Therms Jun-16	(g)	Forecasted Therms Jul-16	(h)	Forecasted Therms Aug-16	(i)	Forecasted Therms Sep-16	(j)	Forecasted Therms Oct-16	(k)	Forecasted Therms Nov-16	(l)	Forecasted Therms Dec-16	(m)	Total Therms Year	(n)
1	LV-1																											
2	Block 1		631,407		575,963		572,022		476,854		468,888		448,284		437,000		464,425		468,975		543,275		654,775		655,800		6,397,668	
3	Block 2		-		-		-		-		-		-		-		-		-		-		-		-		-	
4	Block 3		-		-		-		-		-		-		-		-		-		-		-		-		-	
5	Total		631,407		575,963		572,022		476,854		468,888		448,284		437,000		464,425		468,975		543,275		654,775		655,800		6,397,668	
6	LV-1 Migration Adjustment																											
7	Block 1		(19,933)		(40,896)		(19,567)		288		-		-		-		-		-		-		-		-		(80,108)	
8	Block 2		-		-		-		-		-		-		-		-		-		-		-		-		-	
9	Block 3		-		-		-		-		-		-		-		-		-		-		-		-		-	
10	Adjusted LV-1																											
11	Block 1		611,474		535,067		552,455		477,142		468,888		448,284		437,000		464,425		468,975		543,275		654,775		655,800		6,317,560	
12	Block 2		-		-		-		-		-		-		-		-		-		-		-		-		-	
13	Block 3		-		-		-		-		-		-		-		-		-		-		-		-		-	
14	Total		611,474		535,067		552,455		477,142		468,888		448,284		437,000		464,425		468,975		543,275		654,775		655,800		6,317,560	

**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.

**Intermountain Gas Company**  
**Industrial - T-3 Normalized Therms**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Rate Therms Tariff	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
		Actual Therms Jan-16	Actual Therms Feb-16	Actual Therms Mar-16	Actual Therms Apr-16	Actual Therms May-16	Actual Therms Jun-16	Actual Therms Jul-16	Forecasted Therms Aug-16	Forecasted Therms Sep-16	Forecasted Therms Oct-16	Forecasted Therms Nov-16	Forecasted Therms Dec-16	Total Therms Year	
1	T-3														
2	Block 1	563,596	564,977	580,557	567,904	569,134	560,253	660,170	650,100	639,520	670,680	649,240	597,980	7,274,111	
3	Block 2	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000	
4	Block 3	<u>2,788,083</u>	<u>2,484,455</u>	<u>2,811,710</u>	<u>2,537,543</u>	<u>2,420,415</u>	<u>2,286,300</u>	<u>2,171,060</u>	<u>1,945,300</u>	<u>1,754,260</u>	<u>2,390,960</u>	<u>2,440,530</u>	<u>3,265,420</u>	<u>29,296,036</u>	
5	Total	3,601,679	3,299,432	3,642,267	3,355,447	3,239,549	3,096,553	3,081,230	2,845,400	2,643,780	3,311,640	3,339,770	4,113,400	39,570,147	
6	T-3 Migration Adjustment														
7	Block 1	20,778	25,476	49,025	60,062	87,617	96,182	-	-	-	-	-	-	339,140	
8	Block 2	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Block 3	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Adjusted T-3														
11	Block 1	584,374	590,453	629,582	627,966	656,751	656,435	660,170	650,100	639,520	670,680	649,240	597,980	7,613,251	
12	Block 2	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000	
13	Block 3	<u>2,788,083</u>	<u>2,484,455</u>	<u>2,811,710</u>	<u>2,537,543</u>	<u>2,420,415</u>	<u>2,286,300</u>	<u>2,171,060</u>	<u>1,945,300</u>	<u>1,754,260</u>	<u>2,390,960</u>	<u>2,440,530</u>	<u>3,265,420</u>	<u>29,296,036</u>	
14	Total	3,622,457	3,324,908	3,691,292	3,415,509	3,327,166	3,192,735	3,081,230	2,845,400	2,643,780	3,311,640	3,339,770	4,113,400	39,909,287	

**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.

**Intermountain Gas Company**  
**Industrial - T-4 Normalized Therms**

For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Rate Therms Tariff	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
		Actual Therms Jan-16	Actual Therms Feb-16	Actual Therms Mar-16	Actual Therms Apr-16	Actual Therms May-16	Actual Therms Jun-16	Actual Therms Jul-16	Actual Therms Aug-16	Actual Therms Sep-16	Actual Therms Oct-16	Actual Therms Nov-16	Actual Therms Dec-16	Total Therms Year	
1	T-4														
2	Block 1	10,831,993	10,332,852	10,329,441	9,250,060	9,018,455	8,459,377	8,310,590	8,305,619	8,662,312	9,310,356	10,528,033	11,249,950	114,589,038	
3	Block 2	8,623,497	8,469,141	8,804,916	7,499,231	7,149,462	5,830,445	5,701,601	6,374,843	6,707,486	7,251,257	7,655,180	8,849,709	88,916,768	
4	Block 3	11,359,829	9,088,602	7,786,681	3,518,006	3,835,575	2,565,366	2,988,349	2,081,977	3,385,774	7,328,953	7,978,695	8,153,191	70,070,998	
5	Total	30,815,319	27,890,595	26,921,038	20,267,297	20,003,492	16,855,188	17,000,540	16,762,439	18,755,572	23,890,566	26,161,908	28,252,850	273,576,804	
6	T-4 Migration and Special Contracts Adjustment														
7	Block 1	(718,299)	(677,800)	(757,344)	(654,383)	(818,157)	(774,109)	(737,040)	(748,000)	(746,000)	(786,000)	(723,000)	(800,000)	(8,940,132)	
8	Block 2	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Block 3	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Adjusted T-4														
11	Block 1	10,113,694	9,655,052	9,572,097	8,595,677	8,200,298	7,685,268	7,573,550	7,557,619	7,916,312	8,524,356	9,805,033	10,449,950	105,648,906	
12	Block 2	8,623,497	8,469,141	8,804,916	7,499,231	7,149,462	5,830,445	5,701,601	6,374,843	6,707,486	7,251,257	7,655,180	8,849,709	88,916,768	
13	Block 3	11,359,829	9,088,602	7,786,681	3,518,006	3,835,575	2,565,366	2,988,349	2,081,977	3,385,774	7,328,953	7,978,695	8,153,191	70,070,998	
14	Total	30,097,020	27,212,795	26,163,694	19,612,914	19,185,335	16,081,079	16,263,500	16,014,439	18,009,572	23,104,566	25,438,908	27,452,850	264,636,672	

**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.

**Intermountain Gas Company**  
**Industrial - T-5 Normalized Therms**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Rate Therms Tariff	Actual Therms		Actual Therms		Actual Therms		Forecasted Therms		Forecasted Therms		Forecasted Therms		Forecasted Therms		Total Therms Year	
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)			
1	T-5																
2	Demand	45,435	45,435	45,435	45,435	45,435	45,435	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	540,720
3	Commodity	1,345,688	1,261,503	1,357,265	1,309,806	1,344,669	1,301,037	1,326,885	1,275,235	1,282,450	1,286,550	1,325,435	1,286,550	1,325,485	1,325,485	1,325,485	15,742,008
4	Over-Run	437,768	245,505	383,994	435,728	400,438	544,329	211,770	179,130	378,160	481,640	198,840	481,640	136,850	136,850	136,850	4,034,152
5	T-5 Migration Adjustment																
6	Demand	(750)	(750)	(750)	(750)	(750)	(750)	-	-	-	-	-	-	-	-	-	(4,500)
7	Commodity	-	-	(18,406)	(22,500)	(23,250)	(22,500)	-	-	-	-	-	-	-	-	-	(86,656)
8	Over-Run	-	-	18,406	22,500	23,250	22,500	-	-	-	-	-	-	-	-	-	86,656
9	Adjusted T-5																
10	Demand	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	44,685	536,220
11	Commodity	1,345,688	1,261,503	1,338,859	1,287,306	1,321,419	1,278,537	1,326,885	1,275,235	1,282,450	1,286,550	1,325,435	1,286,550	1,325,485	1,325,485	1,325,485	15,655,352
12	Over-Run	437,768	245,505	402,400	458,228	423,688	566,829	211,770	179,130	378,160	481,640	198,840	481,640	136,850	136,850	136,850	4,120,808

**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.



**Intermountain Gas Company**  
**Industrial Normalized Revenue and Cost of Gas**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description (a)	Therms <sup>[2]</sup> (b)	Revenue		Fixed Cost of Gas		Variable Cost of Gas		Fixed Cost of Gas (g)	Variable Cost of Gas (h)	Lost Gas	
			Rate/Therm <sup>[3]</sup> (c)	Total Revenue (d)	Rate/Therm <sup>[3]</sup> (e)	Cost of Gas Rate/Therm <sup>[3]</sup> (f)	Rate/Therm <sup>[4]</sup> (i)	Lost Gas (j)				
1	LV-1											
2	Block 1	6,317,560	\$ 0.49512	\$ 3,127,950	\$ 0.10275	\$ 649,129	\$ 2,070,959	\$ 0.00061	\$ 3,875		\$ 0.00061	\$ 3,875
3	Block 2	-	0.45663	-	0.10275	-	-	0.00061	-		0.00061	-
4	Block 3	-	0.33442	-	-	-	-	0.00061	-		0.00061	-
5	Total	6,317,560		\$ 3,127,950		\$ 649,129	\$ 2,070,959				\$ 0.00061	\$ 3,875
6	T-3											
7	Block 1	7,613,251	\$ 0.05465	\$ 416,064	-	\$ (7,233)	\$ 4,670	0.00061	\$ 4,670		0.00061	\$ 4,670
8	Block 2	3,000,000	0.02205	66,150	-	(2,850)	1,840	0.00061	1,840		0.00061	1,840
9	Block 3	29,296,036	0.00792	232,025	-	(27,831)	17,969	0.00061	17,969		0.00061	17,969
10	Total	39,909,287		\$ 714,239		\$ (37,914)	\$ 24,479				\$ 0.00061	\$ 24,479
11	T-4											
12	Block 1	105,648,906	\$ 0.05777	\$ 6,103,337	-	\$ (217,637)	\$ 64,802	0.00061	\$ 64,802		0.00061	\$ 64,802
13	Block 2	88,916,768	0.01928	1,714,315	-	(183,169)	54,539	0.00061	54,539		0.00061	54,539
14	Block 3	70,070,998	0.00455	318,823	-	(144,346)	42,979	0.00061	42,979		0.00061	42,979
15	Total	264,636,672		\$ 8,136,475		\$ (545,152)	\$ 162,320				\$ 0.00061	\$ 162,320
16	T-5											
17	Demand	536,220	\$ 0.84253	\$ 451,781	-	\$ -	\$ -	-	\$ -		-	\$ -
18	Commodity	15,655,352	0.00111	17,377	-	(21,135)	9,603	0.00061	9,603		0.00061	9,603
19	Over-Run	4,120,808	0.04370	180,079	-	(5,563)	2,528	0.00061	2,528		0.00061	2,528
20	Total			\$ 649,237		\$ (26,698)	\$ 12,131				\$ 0.00061	\$ 12,131

**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, Pages 12-15, Column (n).

[3] Based on currently effective rates.

[4] See Exhibit No. 15, Page 4, Column (d), Line 16 multiplied by Exhibit No. 15, Page 4, Column (d), Line 18.

**Intermountain Gas Company**  
**Non-Executive Incentive Compensation Expense Adjustment**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description	Amount
	(a)	(b)
1	<u>Test Year</u>	
2	Incentive Compensation Expense	\$ 1,038,672
3	Payroll Tax Expense	70,942
4	<u>Pro Forma</u>	
5	Incentive Compensation Expense <sup>[2]</sup>	665,403
6	Payroll Tax Expense <sup>[3]</sup>	38,214
7	<u>Adjustment</u>	
8	Incentive Compensation Expense	(373,269)
9	Payroll Tax Expense	(32,728)
10	Total Incentive Compensation Adjustment	<u>\$ (405,997)</u>
11	Adjustment to Transmission	\$ (3,297)
12	Adjustment to Distribution	(118,581)
13	Adjustment to Customer Accounts	(111,430)
14	Adjustment to Sales	(26,782)
15	Adjustment to Administrative and General	(113,179)
16	Adjustment to Payroll Taxes	(32,728)
17	Total Incentive Compensation Adjustment	<u>\$ (405,997)</u>

**PURPOSE OF ADJUSTMENT**

To remove the earnings metric from the Company's non-executive incentive compensation expense.

**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 18, Column (f), Line 6.

[3] See Exhibit No. 15, Page 18, Column (g), Line 6.

**Intermountain Gas Company**  
**Non-Executive Incentive Compensation Expense Calculation**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Paygrade Tier	Allocated		Percentage Payout	Incentive Compensation	Remove		Adjusted Incentive Compensation	Payroll Tax
		Salary By Tier	(b)			(c)	(d)		
1	Tier 1	\$	2,779,899	5.00%	\$ 138,995	-33.33%	\$ 92,668	\$ 7,089	
2	Tier 2		5,121,248	7.00%	358,487	-33.33%	239,003	18,283	
3	Tier 3		2,616,994	10.00%	261,699	-33.33%	174,475	10,533	
4	Tier 4		102,063	15.00%	15,309	-25.00%	11,482	166	
5	Tier 5		<u>985,167</u>	20.00%	<u>197,033</u>	-25.00%	<u>147,775</u>	<u>2,143</u>	
6	Total	\$	<u>11,605,371</u>		<u>\$ 971,523</u>		<u>\$ 665,403</u>	<u>\$ 38,214</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.

**Intermountain Gas Company**  
**Executive Compensation Expense Adjustment**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description	Actual	Forecasted	Total
	(a)	(b)	(c)	(d)
1	Adjustment to Operation and Maintenance Expense <sup>[2]</sup>	\$ (348,974)	\$ (703,424)	\$ (1,052,398)
2	Adjustment to Payroll Tax Expense <sup>[3]</sup>	<u>(24,930)</u>	<u>(43,402)</u>	<u>(68,332)</u>
3	Total Executive Compensation Adjustment	<u>\$ (373,904)</u>	<u>\$ (746,826)</u>	<u>\$ (1,120,730)</u>
4	Adjustment to Administrative and General			\$ (1,215,209)
5	Adjustment to Other			162,811
6	Adjustment to Payroll Taxes			<u>(68,332)</u>
7	Total			<u>\$ (1,120,730)</u>

**PURPOSE OF ADJUSTMENT**

To remove executive and certain non-executive incentive compensation and supplemental income expenses and the related payroll tax expenses.

**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, the sum of Pages 20 and 21, Column (d), Line 1.

[3] See Exhibit No. 15, the sum of Pages 20 and 21, Column (d), Line 2.

**Intermountain Gas Company**  
**Other Incentive Compensation Expense**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description	Actual	Forecasted	Total
	(a)	(b)	(c)	(d)
1	Adjustment to Operation and Maintenance Expense <sup>[2]</sup>	\$ (338,217)	\$ (434,695)	\$ (772,912)
2	Adjustment to Payroll Tax Expense	<u>(13,706)</u>	<u>(32,602)</u>	<u>(46,308)</u>
3	Total Other Incentive Compensation Adjustment	<u>\$ (351,923)</u>	<u>\$ (467,297)</u>	<u>\$ (819,220)</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] Includes executive and certain non-executive incentive compensation expenses based on earnings per share

**Intermountain Gas Company**  
**Executive Supplemental Income Expense**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description (a)	Actual (b)	Forecasted (c)	Total (d)
1	Adjustment to Operation and Maintenance Expense <sup>[2]</sup>	\$ (10,757)	\$ (268,729)	\$ (279,486)
2	Adjustment to Payroll Tax Expense	<u>(11,224)</u>	<u>(10,800)</u>	<u>(22,024)</u>
3	Total Executive Supplemental Income Expense Adjustment	<u>\$ (21,981)</u>	<u>\$ (279,529)</u>	<u>\$ (301,510)</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] Includes Supplemental Executive Retirement Plan and Supplemental Income Security Plan compensation expenses.

**Intermountain Gas Company**  
**Other Revenue and Expenses Adjustment**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description (a)	Actual (b)	Forecasted (c)	Total (d)
1	Income:			
2	Non-Utility Revenue Adjustment	\$ -	\$ (142)	\$ (142)
3	Interest Income Adjustment	<u>6,933</u>	<u>-</u>	<u>6,933</u>
4	Subtotal	6,933	(142)	6,791
5	Expense:			
6	Arid Club Dues Adjustment	(2,723)	(1,410)	(4,133)
7	Donations Adjustment	(68,926)	(112,591)	(181,517)
8	Civic, Political, and Related Activities Adjustment	(36,859)	(33,394)	(70,253)
9	Other Deductions Adjustment	<u>(418)</u>	<u>-</u>	<u>(418)</u>
10	Subtotal	<u>(108,926)</u>	<u>(147,395)</u>	<u>(256,321)</u>
11	Total Other Expenses Adjustment	<u>\$ 115,859</u>	<u>\$ 147,253</u>	<u>\$ 263,112</u>
12	Adjustment to Other Revenues			\$ 6,791
13	Adjustment to Other			<u>(256,321)</u>
14	Total			<u>\$ 263,112</u>

**PURPOSE OF ADJUSTMENT**

To remove non-utility revenues and expenses.

**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.

**Intermountain Gas Company**  
**Interest Expense Adjustment**  
 For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description	Actual	Forecasted	Total
	(a)	(b)	(c)	(d)
1	Adjustment to Interest Expense	\$ (2,032,150)	\$ (2,316,273)	\$ (4,348,423)

**PURPOSE OF ADJUSTMENT**

To remove interest expense.

**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.



**Intermountain Gas Company**  
**Income Tax Calculation**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description (a)	Forecasted (b)	Adjustments (c)	Proforma Amount (d)
1	Total Operating Revenue <sup>[2]</sup>	\$ 236,530,903	\$ 18,269,607	\$ 254,800,510
2	Total Operating Expenses Before Interest Expense and Income Taxes <sup>[3]</sup>	230,782,020	9,773,585	240,555,605
3	Interest Charges <sup>[4]</sup>	<u>4,348,423</u>	<u>1,503,661</u>	<u>5,852,084</u>
4	Pre-Tax Income <sup>[5]</sup>	1,400,460	6,992,361	8,392,821
5	Permanent Tax Adjustments:			
6	401K Dividend Deduction	(123,189)	-	(123,189)
7	50% Meals and Entertainment	81,713	-	81,713
8	Club Dues	4,133	(4,133)	-
9	Lobbying Expenses	<u>70,253</u>	<u>(70,253)</u>	<u>-</u>
10	Total Permanent	32,910	(74,386)	(41,476)
11	Temporary Tax Adjustments:			
12	Accrued 401K Pension	(5,508)	-	(5,508)
13	Bad Debt Expenses	(39,018)	-	(39,018)
14	Charitable Contributions	181,517	(181,517)	-
15	Customer Advances	267,239	(695,816)	(428,577)
16	Deferred Compensation - Officers	(246,020)	246,020	-
17	Incentive Compensation	1,038,672	(373,269)	665,403
18	LNG Sales Deferred Revenue	101,582	(101,582)	-
19	Payroll Taxes - Incentive Compensation	70,942	(32,728)	38,214
20	Postretirement Benefit Costs	(235,697)	-	(235,697)
21	SISP/SERP Expense - Current	(627)	627	-
22	SISP/SERP Expense Officers	(536,050)	536,050	-
23	SISP/SERP Expense Officers - PBO	334,864	(334,864)	-
24	Unamortized Loss on Reacquired Debt	72,216	-	72,216
25	Uniform Capitalization	(36,695)	624,355	587,660
26	Vacation Pay	38,692	-	38,692
27	AFUDC Debt - CWIP	(303,594)	303,594	-
28	AFUDC Equity - CWIP	26,353	(26,353)	-
29	Capitalized Interest - CWIP	(955)	955	-
30	Contribution in aid of construction - CWIP	939,024	(939,024)	-
31	Plant Temporary Differences Federal	<u>412,038</u>	<u>(193,684)</u>	<u>218,354</u>
32	Total Temporary	<u>2,078,975</u>	<u>(1,167,236)</u>	<u>911,739</u>
33	Total Tax Adjustments <sup>[6]</sup>	2,111,885	(1,241,622)	870,263
34	Taxable income before state income taxes <sup>[7]</sup>	<u>3,512,345</u>	<u>5,750,739</u>	<u>9,263,084</u>
35	State Current Income Tax Calculation:			
36	Taxable income before state income taxes	3,512,345	5,750,739	9,263,084
37	Bonus Modification	<u>(5,336,799)</u>	-	<u>(5,336,799)</u>
38	State taxable income	(1,824,454)	5,750,739	3,926,285
39	State tax rate	7.40%	7.40%	7.40%
40	State income tax (expense)/benefit before adjustments	135,010	(425,555)	(290,545)
41	State Net Operating Loss	-	-	-
42	State Tax Credits	-	-	-
42	Permanent Building Fund	(10)	-	(10)
42	Investment tax credit recapture	(18,856)	-	(18,856)
43	Investment tax credit	-	145,273	145,273
44	Return and other adjustments	-	-	-
45	Total State Current Income Taxes (expense)/benefit	<u>116,144</u>	<u>(280,282)</u>	<u>(164,138)</u>

**Intermountain Gas Company**  
**Income Tax Calculation**  
For the Test Year Ending December 31, 2016<sup>[1]</sup>

Line No.	Description (a)	Forecasted (b)	Adjustments (c)	Proforma Amount (d)
46	State Deferred Income Tax Calculation			
47	Deferred Gas Cost and SERP timing differences <sup>[8]</sup>	(536,050)	536,050	-
48	State deferred tax rate	7.40%	7.40%	7.40%
49	State NOL	-	-	-
50	State Deferred Income Taxes (expense)/benefit <sup>[9]</sup>	(39,668)	39,668	-
51	Total State Income Taxes (expense)/benefit <sup>[10]</sup>	<u>76,476</u>	<u>(240,614)</u>	<u>(164,138)</u>
52	Federal Current Income Tax Calculation:			
53	Taxable income before state income taxes	3,512,345	5,750,739	9,263,084
54	State income tax - Current year	116,144	(280,282)	(164,138)
55	Federal taxable income	3,628,489	5,470,457	9,098,946
56	Federal tax rate	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>
57	Federal income tax (expense)/benefit before adjustments	(1,269,971)	(1,914,660)	(3,184,631)
58	Federal Net Operating Loss	-	-	-
59	State Net Operating Loss	-	-	-
60	Federal Tax Credits	-	-	-
61	State Tax Credits	-	-	-
62	FIN 48 Adjustments	-	-	-
63	Return and other adjustments	-	-	-
64	Total Federal Current Income Taxes (expense)/benefit	<u>(1,269,971)</u>	<u>(1,914,660)</u>	<u>(3,184,631)</u>
65	Federal Deferred Income Tax Calculation			
66	Non fixed asset & CWIP timing differences <sup>[11]</sup>	2,176,634	(1,483,249)	693,385
67	Federal deferred tax rate	<u>35.00%</u>	<u>35.00%</u>	<u>35.00%</u>
68	Deferred taxes	761,822	(519,137)	242,685
69	Deferred Gas Cost & SERP timing differences <sup>[8]</sup>	(536,050)	536,050	-
70	Federal deferred tax rate <sup>[12]</sup>	<u>32.41%</u>	<u>32.41%</u>	<u>32.41%</u>
71	Deferred taxes	(173,734)	173,734	-
72	Utility fixed asset timing differences <sup>[13]</sup>	412,038	(193,684)	218,354
73	Federal deferred tax rate <sup>[14]</sup>	<u>22.75%</u>	<u>22.75%</u>	<u>22.75%</u>
74	Deferred taxes	93,745	(44,066)	49,679
75	Federal Deferred Income Taxes (expense)/benefit <sup>[15]</sup>	681,833	(389,469)	292,364
76	Total Federal Income Taxes (expense)/benefit <sup>[16]</sup>	<u>(588,138)</u>	<u>(2,304,129)</u>	<u>(2,892,267)</u>
77	ITC Amortization	306,187		306,187
78	Total tax (expense)/benefit <sup>[17]</sup>	<u>\$ (205,475)</u>	<u>\$ (2,544,743)</u>	<u>\$ (2,750,218)</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 Exhibit No. 14, Page 1, Columns (b), (c), and (d), Line 3.

[3] See Exhibit No. 14, Page 1, Column (b), (c), and (d), the sum of Lines 5-19.

[4] Interest expense for purposes of calculating income tax expense is calculated as the weighted average cost of debt multiplied by average rate base.

[5] Line 1 - Line 2 - Line 3.

[6] Line 10 + Line 32.

[7] Line 4 + Line 33.

[8] See Line 22. The IPUC requires the flow-through of state income taxes. However, deferred taxes related to deferred gas costs, the Supplemental Income Security Plan and the Supplemental Executive Retirement Plan are not required to be flowed through. There are no deferred gas costs in this filing and SISP and SERP expenses have been removed.

[9] Line 47 x Line 48 - Line 49.

[10] Line 45 + Line 50.

[11] Line 32 - Line 22 - Line 28 - Line 31.

[12] Federal statutory tax rate of 35% less the Federal tax effect of the Idaho statutory rate of 7.4%.

[13] See Line 31.

[14] This is the Average Rate Assumption Method rate.

[15] Line 68 + Line 71 + Line 74.

[16] Line 64 + Line 75.

[17] Line 51 + Line 76 + Line 77.