



# SNAKE RIVER ALLIANCE

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September 15, 2016

To: Idaho Public Utilities Commission  
  
Intermountain Gas

From: Ken Miller, Clean Energy Program Director, Snake River Alliance

Re: Snake River Alliance Comments In the Matter of Intermountain Gas Company's Application for Authority to Decrease It Prices (2016 Purchased Gas Cost Adjustment).

Case: INT-G-16-03

Dear Commissioners,

On behalf of our members in Intermountain Gas Company's service territory, the Snake River Alliance appreciates this opportunity to comment on the above-referenced case. These comments are submitted pursuant to the Commission's Notice of Modified Procedure (Order No. 33577).

The Snake River Alliance supports Intermountain Gas Company's ("Intermountain") application. However, we note that this annual Purchased Gas Cost Adjustment ("PGA") filing should be considered alongside Intermountain's filing in INT-G-16-02 (Intermountain's Application to Change its Rates and Charges for Natural Gas Service to Natural gas Customers in the State of Idaho), since both cases have simultaneous impacts on the rates paid by Intermountain customers. Inasmuch as it has been 31 years since Intermountain's most recent general rate case, it's important that the Commission review this PGA in the context of INT-G-16-02, and vice-versa.

The Alliance concurs with Intermountain's representation, as accepted by PUC staff, that the filing in INT-G-16-03 will result in an annualized revenue increase of \$17.2 million (7.11 percent) that would result in a bill *decrease* of \$3.48/month (7.55%) for customers using natural gas for space heating and water heating and \$2.03/month (6.50%) for residential customers using natural gas only. We also accept that, if accepted by the PUC, this filing will not directly affect Intermountain's Company earnings.

We concur with Intermountain that PUC approval of this application amounts to a pass-through of gas-related costs to each of Intermountain's customer classes resulting from Intermountain's costs associated to transportation on the Northwest Pipeline; a decrease of Intermountain's Weighted Average Cost of Gas; Intermountain's updated customer allocation of gas-related costs pursuant to the most recent PGA; and other costs and expenses.

We believe these two cases present the Commission with a unique opportunity to explore many issues, including:

- Are there potential relationships between electricity and natural gas energy efficiency measures that may leverage both?
- What are the most cost-effective natural gas DSM programs?
- How can we best monetize the value of natural gas DSM programs and attribute those benefits to customers?
- Is there an opportunity for avoided costs in natural gas investments (such as in new peaking generation plant investments by Idaho Power) due to DSM or other programs?
- What if any are the fuel-switching implications or opportunities that may impact natural gas and electricity customers and their providers?

The Alliance agrees that both INT-G-16-03 and INT-G-16-02 can be processed by the Commission under Modified Procedure but can also be processed, in some fashion, together. We have noticed that there is a perception among some customers that they may face a rate *increase* as a result of INT-G-16-02 (rate case) but not also recognizing they may face a rate *decrease* as a result of INT-G-16-03. In other words, the cumulative or combined impacts of both cases should be presented to customers together.

Inasmuch as the last natural <sup>gas</sup> general rate case occurred 31 years ago, it is unlikely customers will see another natural rate case in the near term. They will, however, see gas price adjustment cases annually, and they are accustomed to seeing those. Generally, those PGA cases have resulted in reduced monthly natural gas bills for Intermountain customers. We support much of Intermountain's defense of these cases, but encourage that both cases are presented in a holistic manner better understood by customers.

## **Conclusion**

The Snake River Alliance appreciates this opportunity to comment on both INT-G-16-02 and -03, and we look forward to continuing a productive dialog on the issues presented in both of these cases.

Intermountain Gas and all interested parties have brought many important issues to into this discussion and have raised thoughtful ideas on how to best proceed with this unique combination of a general rate case and the annual PGA. We appreciate the collaborative efforts by all parties in this case.

Respectfully submitted,



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