

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF INTERMOUNTAIN GAS COMPANY FOR) CASE NO. INT-G-17-06
APPROVAL TO PLACE INTO EFFECT A)
CHANGE IN ITS DEPRECIATION AND) NOTICE OF
AMORTIZATION RATES) SETTLEMENT STIPULATION
)
) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 33990
)**

On October 27, 2017, Intermountain Gas Company filed an Application seeking approval to change its composite depreciation and amortization rates. The Company asked to: (1) increase its composite depreciation rate from 3.05% (3.09% when weighted by December 31, 2016 assets) to 3.18%;¹ and (2) decrease its total General Plant account amortizations from \$2,066,577 to \$1,648,415.² The Company indicated it needed to make changes because its most recent studies show that overall, it has under-depreciated its assets and over-amortized General Plant accounts. The Company stated it is not proposing to increase the prices that customers pay for natural gas service in this case. The Company requested that the increase to the annual composite depreciation rate be effective January 1, 2018, consistent with the beginning of its annual financial reporting period.

The Commission issued a Notice of Application and set a deadline for interventions. Order No. 33934. No interventions were received. A settlement conference was then noticed and held on January 10, 2018, and further discussions ensued. On February 12, 2018, Commission Staff filed a Motion to approve a Settlement Stipulation agreed to by the Company and Staff (collectively, the Parties). The Motion asked the Commission to accept the Stipulation and implement revised depreciation and amortization schedules effective January 1, 2018.

The Commission now issues this Notice of Settlement Stipulation and Notice of Modified Procedure setting comment deadlines.

¹ As shown in Exhibit 1 of the Application.

² As shown on Exhibit 2 of the Application.

NOTICE OF SETTLEMENT STIPULATION

YOU ARE HEREBY NOTIFIED that the Settlement Stipulation in Case No. INT-G-17-06, plus its attachments, has been filed with the Commission and is 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 "Open Natural Gas Cases," then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that the Parties have signed a Settlement Stipulation regarding the issues in this case. The settlement was reached following settlement discussions in January 2018. Stipulation at 2.

YOU ARE FURTHER NOTIFIED that the Parties agree the Settlement Stipulation represents a "represents a fair, just and reasonable compromise of all the issues raised in the proceeding, is in the public interest and its acceptance by the Commission represents a reasonable resolution of the multiple issues identified by the Settling Parties in this case." *Id.*

YOU ARE FURTHER NOTIFIED that the Parties agree to depreciation rates set forth in Attachment A to the Stipulation, recommend acceptance of all other depreciation account accruals shown in the Application's Exhibits in this case, and recommend acceptance of the changes in amortization expenses shown in the Application's Exhibits in Case No. INT-G-17-06. *Id.* at 3. As a result of the Stipulation, the Company's overall depreciation rate would be 2.78%, as compared to the originally proposed 3.18%. *Id.*

YOU ARE FURTHER NOTIFIED that the Company is not seeking new rates because of its requested changes to the depreciation rates. *Id.* at 2.

YOU ARE FURTHER NOTIFIED that the Parties agree to further discuss, outside of this proceeding, possible changes to the accounting structure for its liquid natural gas plants at Nampa and Rexburg, Idaho, and the appropriate depreciation study cycle (that is, a three year cycle or something else) going forward.

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY 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 31.01.01.201-204. 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 party or member of the public desiring to state a position on this Application may file a written comment in support or in opposition with the Commission **by no later than 21 days from the service date of this Order.** IDAPA 31.01.01.202.02. All comments 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 this Application may be mailed to the Commission and Company at the addresses reflected below:

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

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Michael P. McGrath, Director – Regulatory
Affairs
Intermountain Gas Company
PO Box 7608
Boise, ID 83707
E-mail: mike.mcgrath@intergas.com

Ronald L. Williams
Williams Bradbury PC
1015 W. Hays St.
Boise, ID 83702
E-mail: ron@williamsbradbury.com

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. Click the “Case Comment or Question Form” under the “Consumers” tab, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail address listed above.

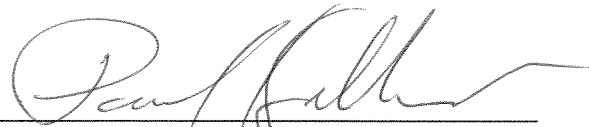
YOU ARE FURTHER NOTIFIED that the Company may file reply comments, if necessary, **by no later than 7 days from the comment deadline.**

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.

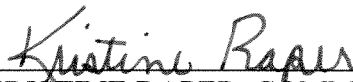
ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Parties and persons interested in submitting comments on the Stipulation must do so no later than 21 days from the service date of this Order. The Company must file a reply, if any, no later than 7 days from the comment deadline.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 2/5th day of February 2018.



PAUL KJELLANDER, PRESIDENT

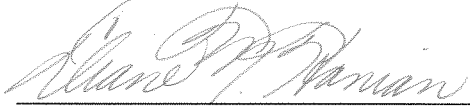


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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