BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF INTERMOUNTAIN GAS COMPANY FOR AUTHORITY TO CHANGE ITS PURCHASED GAS COST ADJUSTMENT TARIFF LANGUAGE. | ))))))) | CASE NO. INT-G-95-1NOTICE OF APPLICATIONNOTICE OF MODIFIED       PROCEDURENOTICE OF COMMENT/ PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on April 14, 1995 Intermountain Gas Company (IGC; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to update and change its Purchased Gas Cost Adjustment (PGA) tariff language.  Reference Idaho Code §§ 61-307 and 61-622.  The Company’s filing responds in part to Commission and Staff concerns addressed in the Company’s last PGA case, Case No. INT-G-94-3, Order No. 25597 (attached).

The PGA mechanism is used by IGC to adjust rates to reflect changes in the cost of gas purchased from Northwest Pipeline and other suppliers, including transportation costs, gathering charges, etc., associated with such gas.  The current PGA tariff methodology was approved in Order No. 22058, Case No. INT-G-88-2.  The methodology authorizes the use of historic case volumes and allocations when computing price changes.  The Company contends that a regular update to these volumes and allocators will more accurately capture its cost to serve each customer class, thereby helping to mitigate the magnitude for any future pass-back or recovery of demand charges.

The proposed changes to the PGA tariff include provisions which allow for

1.an annual update to the sales volumes used to calculate proposed price changes,

2.updating the demand cost determinants in place to serve the updated sales volumes

3.updated demand cost allocations and

4.a provision to defer demand charge over or under collections for subsequent pass-back or collection.

The Application states that the purpose of the proposed tariff changes is to update the established mechanism to pass through or defer future price adjustments.  There will be no revenue impact resulting from the proposed tariff update until such time that the provisions are employed for the purpose of modifying current rates, generally July 1 of each year.

The Company contends that the public interest in this matter does not require a hearing. The Company requests that the case be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Rules 201-204 of the Commission’s Rules of Procedure.

The Company’s filing in this docket is available for public inspection during regular business hours at the offices of Intermountain Gas Company.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. INT-G-95-1.  The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented and that the issues raised by the Company’s filing may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Company’s filing and the use of Modified Procedure in Case No. INT-G-95-1 is Wednesday, May 17, 1995.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written or protests are received within the deadline, the Commission may consider the matter and enter its Order without a hearing.  If comments or protests are filed within the deadline, the Commission will consider them and may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. INT-G-95-1 must be mailed to:

COMMISSION SECRETARY

IDAHO PUBLIC UTILITIES COMMISSION

PO BOX 83720

BOISE, ID  83720-0074

Street Address for Express Mail:

472 W WASHINGTON ST

BOISE, ID  83702-5983

All comments filed should contain the case caption and the case number shown on the first page of this document.

DATED at Boise, Idaho this                  day of  May 1995.

Myrna J. Walters

Commission Secretary

VLD/N-INT-G-95-1.SW