(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF INTERMOUNTAIN GAS COMPANY FOR AUTHORITY TO PLACE INTO EFFECT A NEW DEMAND SIDE MANAGEMENT PRO­GRAM, THE ATTENDANT ACCOUNTING PROCEDURES TO BE USED IN CONNECTION WITH THE NEW PROGRAM, AND TO MODIFY AN EXISTING DEMAND SIDE PROGRAM, ALL TO BE EFFECTIVE AUGUST 1, 1996. | ))))))))))) | CASE NO. INT-G-96-4NOTICE OF APPLICATIONNOTICE OF MODIFIED          PROCEDURENOTICE OF COMMENT/ PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on June 7, 1996, Intermountain Gas Company (IGC; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority 1) to place into effect a new residential low-flow shower head and faucet aerator demand side management (DSM) program (w/related accounting procedures) and 2) to reduce the rebate in the Company’s existing residential water heater rebate program from $100 to $50.

As proposed, the residential low-flow shower head and faucet aerator program would be jointly administered by Intermountain Gas Company and the Niagara Conservation Corporation (Niagara).  The Company contends that the program would operate as follows:

Intermountain would supply Niagara with addresses of Boise, Idaho natural gas water heating customers residing in a single family dwelling or apartment completed prior to 1992.  Niagara would, in turn, mail to 10,000 of these customers information regarding the proposed program, in addition to order forms.

Customers would be offered, free of charge, one kit consisting of a kitchen faucet aerator, a low-flow shower head, a bathroom faucet aerator, Teflon tape, and complete instructions.  Customers may instead wish to order from Niagara, at a cost of five dollars ($5), an enhanced kit equipped for a second bathroom.  An 800 telephone number will also be supplied to provide installation instruction assistance from Niagara.

Customers may respond by returning the order forms, and a $5 check when applicable, to Niagara in a post-paid envelope.  Niagara, in turn, will mail the requested kits to the customers and will also maintain a data base of those customers who responded.  Intermountain will develop a natural gas usage data base using the customer participation list generated by Niagara.  Intermountain estimates a participation level of 2,000 customers generated from the 10,000 customer mailing.

Intermountain and Niagara will follow up with each participating customer to ascertain customer utilization and satisfaction, as well as track post-installation therm consumption.

Intermountain Gas states it will expand its proposed demand side management program to its entire pre-1992 residential water heating customer base if customer acceptance of the program is significant and therm conservation reaches the desired levels.

Under the Company’s residential water heater rebate program, a $100 rebate is allowed for new customers and existing natural gas heating customers who convert to a high efficiency, ASHRAE standard 90-75 water heater.  The Company maintains that market forces necessitate an update to the program.  The Company represents that a $50 rebate is adequate to 1) encourage program participation at current levels and 2) cover the differential costs of piping natural gas equipment.

Intermountain Gas requests an effective date of August 1, 1996.  The Company maintains that the public interest does not require a hearing on its Application and requests that the matter be processed under the Commission’s rules of Modified Procedure.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. INT-G-96-4.  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 Application 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 may 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 Application and the Commission’s use of Modified Procedure in Case No.  INT-G-96-4is Monday, July 22, 1996.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the matter on its merits and enter its Order without a formal hearing.  If comments or protests are filed within the deadline, the Commission will consider them and in its discretion 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-96-4 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYRUSSELL L. WORTHAN, VICE PRESIDENT

IDAHO PUBLIC UTILITIES COMMISSIONGOVERNMENTAL AFFAIRS &

PO BOX 83720    RESOURCE PLANNING

BOISE, IDAHO  83720-0074INTERMOUNTAIN GAS COMPANY

PO BOX 7608

Street Address for Express Mail:BOISE, ID 83707

472 W WASHINGTON STMORGAN W.  RICHARDS, JR

BOISE, IDAHO  83702-5983COUNSEL FOR INTERMOUNTAIN

GAS COMPANY

PO BOX 829

BOISE, ID 83701

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

YOU ARE FURTHER NOTIFIED that the Application in Case No.  INT-G-96-4 can be reviewed at the Commission’s office and at the offices of Intermountain Gas Company during regular business hours.  Intermountain Gas Company is located at 555 South Cole Road, Boise, Idaho, ((208) 377-6000).

DATED at Boise, Idaho this                  day of July 1996.

Myrna J. Walters

Commission Secretary

vld/N:INT-G-96-4.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

July 3, 1996