(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 TEMPORARY PRICE ADDER THAT ENABLES NATURAL GAS SERVICE TO THE TOWN OF HOMEDALE, IDAHO.                                                                                         | ))))))) | CASE NO. INT-G-97-1NOTICE OF APPLICATIONNOTICE OF MODIFIED          PROCEDURENOTICE OF COMMENT/ PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that On April 8, 1997, Intermountain Gas Company (IGC; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to place into effect a five-year temporary price adder that will enable the extension of natural gas service to the town of Homedale, Idaho.  Reference Idaho Code 61-307; 61-622.  The Company represents that Homedale is contiguous to IGC’s current service territory.

IGC proposes that prices for natural gas service to RS-1, RS-2 and GS-1 customer classes in the town of Homedale be $0.28184/therm higher than prices charged to the Company’s other customers.  As represented, the price adder eliminates any need for existing customers to subsidize IGC’s incremental investment in the project.  The rules and regulations relating to natural gas service in the town of Homedale will otherwise be consistent with the Company’s existing tariffs for other areas.

As clarified in Company correspondence filed with the Commission April 21, 1997, the proposed price adder will apply, in lieu of a contribution in aid to construction, for new natural gas services to customers

1.located within identified area on a submitted Homedale City Map (see attached);

2.for customers whose property is adjacent to the initial steel main (see attachment 2) or plastic distribution system, and whose home or business is within 200 feet of the public right-of-way.  This condition is meant to exclude residents and businesses located within the city limits of Wilder.

Any customers not meeting the above conditions, who are further than 200 feet from the natural gas line constructed to serve the city of Homedale will be evaluated for line extension based on the Company’s current main and service extension policy.  The additional margin of the proposed Homedale price adder will not be used as part of the main and service financial evaluation.  If any contribution in aid of construction is warranted from the financial valuation, the customer will be required to pay the contribution in addition to being subject to the Homedale price adder.

The proposed effective date for the price adder is September 1, 1997.  The Company has requested Commission approval by June 1 to allow for the construction and completion of the project.

IGC contends that there is an economic demand and local governmental support for extension of natural gas service to Homedale.  The Company’s Application is accompanied by workpapers (market penetration, capital expenditures, financial analysis).

IGC represents that the public interest in this matter does not require a hearing and recommends that the Application be processed under Modified Procedure.  Reference Commission Rules of Procedure 201-204.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. INT-G-97-1.  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 Application and the use of Modified Procedure in Case No. INT-G-97-1 is Tuesday, May 20, 1997.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that the if no protests or comments are received within the deadline, the Commission may consider the matter and enter its Order without a hearing.  If protests or comments 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 the Company’s Application (and related workpapers) in Case No. INT-G-97-1 is available for inspection during regular business hours at the offices of the Idaho Public Utilities Commission, 472 West Washington, Boise, Idaho, and at Intermountain Gas Company’s general business office, which is located at 555 South Cole Road, Boise, Idaho.

YOU ARE FURTHER NOTIFIED that written comments concerning this Application must be mailed to the Public Utilities Commission and the Intermountain Gas Company at the addresses following below:

COMMISSION SECRETARYRUSSELL L.  WORTHAN, VICE PRESIDENT

IDAHO PUBLIC UTILITIES COMMISSIONGOVERNMENTAL AFFAIRS & RESOURCE PLANNING

PO BOX 83720INTERMOUNTAIN GAS COMPANY

BOISE, IDAHO  83720-0074PO BOX 7608

BOISE, ID 83707

Street Address for Express Mail:

And

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983MORGAN W.  RICHARDS, JR., ESQ.

PO BOX 829

BOISE, ID 83701

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

DATED at Boise, Idaho this day of April 1997.

Myrna J. Walters

Commission Secretary

vld/N:INT-G-97-1.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 30, 1997