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

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| IN THE MATTER OF THE APPLICATION OF INTERMOUNTAIN GAS COMPANY AND ITS REQUESTED REVISION TO THE COMMIS­SION’S POLICY STATEMENT ON NATURAL GAS INTEGRATED RESOURCE PLANNING. | )  )  )  )  )  )  )  )  )  ) | CASE NO. INT-G-97-2  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE  NOTICE OF COMMENT/  PROTEST DEADLINE  ORDER NO.  26939 |

YOU ARE HEREBY NOTIFIED that on April 25, 1997, Intermountain Gas Company (IGC; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting a revision to the Commission’s generic policy statement regarding Natural Gas Integrated Resource Planning.  Reference Energy Policy Act of 1992 (EPACT); Case No. GNR-G-93-2, Order No. 25342.

In the Commission’s letter dated May 15, 1996 acknowledging the filing of the Company’s 1996 Natural Gas Integrated Resource Plan, the Commission stated:

We encourage the Company to work with Staff as part of the next IRP cycle to jointly review and discuss IRP guidelines and propose recommended changes for Commission consideration, including the reasonableness of the twenty year planning horizon implicitly required by Order No. 25342.

 The Company contends that many of the planning requirements deemed prudent in a fully regulated environment have now been usurped by the pressures of a more open, competitive marketplace.  IGC seeks with its Application to amend the current Integrated Resource Planning guidelines in order to:

(1) More closely align the guidelines with IGC’s current business planning practices, thereby making the process a more meaningful and useful management tool,

(2) Continue to provide for public participation in the overall planning process, and

(3) Streamline the regulatory filing requirements of the process to eliminate costly overheads.

More specifically IGC requests that:

•The forecasting horizon for natural gas supply and demand be limited to a period of five (5) years to more closely align the Plan with current business planning practices.

•Public participation in the planning process continue on a biennial basis to allow for outside comment and validation of the Company’s plan for meeting the forecast demand for natural gas.

•The requirement for an evaluation of traditional demand side management (DSM) measures be eliminated from the guidelines.

The Company represents that the avoided gas costs associated with such programs have shown these traditional programs to be uneconomic in the competitive marketplace.  IGC states that it will instead continue to emphasize load management opportunities that benefit all or some customers without disadvantaging any customer.  IGC represents that it will continue its commitment and responsibility to encourage the efficient use of natural gas and to manage the load growth on its system in a cost effective manner.  The Company supports the efforts made by organizations such as American Gas Association and the Gas Research Institute that, on an industry wide basis, develop products and services designed to enhance and encourage the efficient use of natural gas.

•The filing requirements with the Commission be streamlined to simply include those supply and demand forecasting materials provided and reviewed through the public forum.

The Company contends that public interest does not require a hearing in this matter and requests that its Application 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.  The Company has requested an effective date of June 1, 1997.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. INT-G-97-2.  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.

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-97-2 is Wednesday, June 18, 1997.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

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

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.

YOU ARE FURTHER NOTIFIED that because of the generic implications of the Company’s filing and because of other demands on the Commission’s time, the Commission is unable to process the Company’s Application within the time frame proposed by the Company, i.e. effective date June 1, 1997.  Accordingly, the Commission finds it reasonable to suspend the proposed effective date pending further order of the Commission accepting, rejecting or modifying the Company’s proposal.  Reference Idaho Code 61-622.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the foregoing scheduling be adopted, and that the Company’s proposed effective date be suspended.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of May 1997.

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

cm\O:intg972.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

May 28, 1997