(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  ORDER NO.  27098 |

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 (IRP).  Reference Energy Policy Act of 1992 (EPACT); Case No. GNR-G-93-2, Order No. 25342.

On June 30, 1997, the Commission issued Final Order No. 27024 in Case No. INT-G-97-2 approving the proposed changes with the exception of the proposed elimination of evaluation of traditional demand side management (DSM) measures.  The Commission stated:

We believe it is unwise at this time to forego consideration in the planning process of conservation and demand side management measures.  The public interest requires consideration of a full spectrum of opportunities available to the Company, including conservation and efficiency measures which would be of direct benefit to its customers.

On July 18, 1997, IGC filed a Petition for Reconsideration (and/or Amendment) of Order No. 27024 contending that the Commission’s Order failed to clarify the intent of the DSM recommendations agreed to by the parties during the public decision meeting at which Case No. INT-G-97-2 was decided.  Reference Idaho Code §§ 61-626, 61-624; IDAPA 31.01.01.326, -.331.01.  More specifically, the Company contends that Commission Staff recommended, and IGC concurred, that traditional IRP DSM evaluations would be supplanted with a general explanation as to why there were no cost effective DSM opportunities.

Commission Findings:

In its underlying Application in this case, the Company proposed eliminating the required evaluation in its IRP of traditional demand side management (DSM) measures.  The Commission has reviewed its prior Order No. 27024, the underlying generic Order No. 25342, and the filings of record and decision meeting minutes in Case No. INT-G-97-2.  The Company essentially requests clarification of its prospective obligation regarding DSM programs in IRP planning.  Reference IDAPA 31.01.01.325  The Company by letter filed August 4, 1997 has suggested, and with minor changes we approve and find reasonable, the following clarifying language:

It is no longer a requirement that gas IRPs include formal evaluations of costs and benefits of potential DSM programs as they have been provided for in previous IRPs under the previous guidelines set forth in Case No. GNR-G-93-2 Order No. 24981.  Instead, a general explanation with each IRP filing of whether there are cost effective DSM opportunities will be sufficient.

In approving the foregoing language the Commission finds that the resultant natural gas IRP guidelines provide the Company with sufficient latitude and flexibility to assess changed market conditions as they affect Company planning while continuing to consider the overall cost effectiveness of conservation and DSM.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Intermountain Gas Company, a natural gas utility, pursuant to the authority of Idaho Code Title 61 and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et.seq.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby adopt the foregoing language regarding utility evaluation of Demand Side Management in natural gas Integrated Resource Plans as clarification of the Commission’s prior Order No. 27024 in Case No. INT-G-97-2.  Also Reference Case No. GNR-G-93-2, Order No. 25342.

THIS IS A FINAL ORDER ON RECONSIDERATION.  Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

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

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

August 11, 1997