DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

RICK STERLING

LYNN ANDERSON

DAVID SCOTT

WORKING FILE

FROM:SCOTT WOODBURY

DATE:JULY 29, 1997

RE:CASE NO. INT-G-97-2, INTERMOUNTAIN GAS COMPANY

INTEGRATED RESOURCE PLANNING GUIDELINES

REQUESTED REVISION

PETITION FOR RECONSIDERATION

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.

On June 30, 1997, the Commission issued Final Order No. 27024 approving the proposed changes with the exception of the proposed elimination of evaluation of traditional demand side management 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 contending that the Commission’s order is “unreasonable and erroneous” in that the Commission fails to clarify the intent of the DSM recommendations agreed to by the parties during the decision meeting at which Case No. INT-G-97-2 was decided.  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.

Relevant excerpts from the minutes of the referenced decision meeting are attached.  As reflected in the minutes:

Mike McGrath of IGC commented that he sees the Staff request as nothing more than requiring IGC to give a general explanation as to why DSM is cost effective or not.  Don’t see it as requiring a lot of time.  Don’t see it as adding additional burden on the Company; simply keeping an open mind if DSM is effective.

Rick Sterling said he would concur that that was Staff’s interpretation.  Don’t think we are looking for any elaborate details.  Thinks Staff is looking for an analysis that is appropriate for the scope of the program and its possibility of being cost effective.

Also attached is a copy of the Commission’s related Order No. 25342 in

Case No. GNR-G-93-2.  It is suggested by Staff that the established guidelines provide the Company with sufficient latitude and flexibility so as to comport with the parties understanding and without change fairly reflects the Company’s continued obligation to consider the overall cost effectiveness of conservation and DSM.

Commission Decision

How does the Commission wish to treat the Company’s filing?  Should the Petition for Reconsideration be granted?  Does the Commission find its prior order requires amendment or clarification?

Scott Woodbury

jo/lmemos\intg972.sw