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

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| IN THE MATTER OF THE PETITION OF RIGBY AND LEWISVILLE, IDAHO RESIDENTS FOR NATURAL GAS SERVICE. | )))) | CASE NO. INT-G-98-1ORDER NO. 27840 |

On February 9, 1998, a Petition was filed with the Idaho Public Utilities Commission (Commission) by nearly 250 residents of Rigby and Lewisville, Idaho.  The petitioners desire natural gas service from Intermountain Gas Company (IGC; Company) but found the Company estimated cost for service connection to be unreasonable.

Following receipt of the Petition, the Company reassessed the related costs of extension, separated the potential extensions into four geographic project areas and met with petitioners and Commission Staff.  The geographic project area approach was used by the Company because of widely dissimilar costs in providing service to the area.

The Company has expressed a willingness to provide natural gas service to petitioners but indicates that with only six to twelve customers per mile the extension costs would be relatively high.  The estimated average contribution per customer that would be required for the entire project would be $3,525.  Because some customers are quite remote, the cost varies considerably.  The four geographic sub-projects vary in average contribution cost from $1,243 to $5,539.

The Commission is informed that the Company has completed service to the low-cost sub-project (12 customers—connection fees $200 to $2,700) but has been unable to solicit enough willing participants in the higher cost remaining sub-projects to extend service.  The relative cost of contribution increases as identified potential customers elect to not participate.

COMMISSION FINDINGS

The Lewisville/Rigby Petition resulted in a geographic project analysis by the Company that has provided natural gas service to 12 customers.  The Commission believes that the remaining petitioners, while still without service, nevertheless understand better the cost of service extension and reasons for non-service.  We find that the Company has responsibly addressed the Petition filed in this case.  The Commission appreciates the Company’s efforts in this matter and trust that it will continue to monitor the feasibility of future extension of service to this area.  In the meantime, the Commission finds it reasonable that the INT-G-98-1 case docket be closed.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Intermountain Gas Company, a gas utility, and the issues presented in this case pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

O R D E R

In consideration of the foregoing, IT IS HEREBY ORDERED that the docket in Case No. INT-G-98-1 is closed.

THIS IS A FINAL ORDER.  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 December 1998.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:INT-T-98-1.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

December 24, 1998