DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

TERRI CARLOCK

DAVID SCOTT

WORKING FILE

FROM:SCOTT WOODBURY

DATE:DECEMBER 17, 1998

RE:CASE NO. INT-T-98-1

RIGBY/LEWISVILLE PETITION

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

Staff Analysis

The Lewisville/Rigby Petition resulted in a geographic project analysis by the Company that has provided natural gas service to 12 customers.  Staff believes that the remaining petitioners, while still without service, nevertheless understand better the cost of service extension and reasons for non-service.  Staff recommends that the INT-G-98-1 case docket be closed.

Commission Decision

Does the Commission agree that it is appropriate to close the case docket in INT-G-98-1?  If not, what is the Commission’s preference?

Scott Woodbury

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