

## **Idaho Natural Gas Utilities**

### **Intermountain Gas Company**

	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Transportation</b>	<b>Total</b>
<b>2011 Customers</b>	282,309	30,139	10	107	312,565
<b>% of Total</b>	90%	10%	0%	0.04%	100%
<b>2010 Customers</b>	275,522	29,673	9	105	305,309
<b>Therms (millions)</b>	222	111	3	241	577
<b>% of Total</b>	38%	19%	1%	42%	100%
<b>2010 Therms</b>	212.5	106.5	25.6	221.8	566.5
<b>Revenue (millions)</b>	\$185.4	\$86.5	\$1.8	\$8.3	\$282
<b>% of Total</b>	66%	31%	1%	3%	100%
<b>2010 Revenue</b>					\$326.8

### **Avista Utilities**

	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Transportation</b>	<b>Total</b>
<b>Customers</b>	66,294	8,435	95	8	74,832
<b>% of Total</b>	89%	11%	0%	0%	100%
<b>2010 Customers</b>	65,050	8,303	100	8	73,461
<b>Therms (millions)</b>	48	28	2	45	123
<b>% of Total</b>	39%	23%	2%	37%	100%
<b>2010 Therms</b>	48	27.7	1.9	48.8	126.3
<b>Revenue (millions)</b>	\$48	\$23	\$2	\$0.4	\$73
<b>% of Total</b>	65%	31%	3%	1%	100%
<b>2010 Revenue</b>					\$83.54

### **Questar Gas**

	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Transportation</b>	<b>Total</b>
<b>Customers</b>	1799	231	0	0	2030
<b>% of Total</b>	89%	11%	0%	0%	100%
<b>2010 Customers</b>	1730	227	1	0	1958
<b>Therms (millions)</b>	1.4	0.85	0	0	2.26
<b>% of Total</b>	62%	38%	0%	0%	100%
<b>2010 Therms</b>	1.26	0.76	0.10	0	2.12
<b>Revenue (millions)</b>	\$1.13	\$0.59	\$0.00	\$0.00	\$1.72
<b>% of Total</b>	63.11%	34.50%	2.39%	0.00%	100.00%
<b>2010 Revenue</b>					\$1.65

Case No. INT-G-11-01, Order No. 32372  
September 30, 2011

## **Intermountain Gas rates decline 5.3 percent**

Natural gas rates for customers of Intermountain Gas Company are declining an average 5.3 percent effective Oct. 1.

Low demand growth due to lingering economic conditions and increases in natural gas supply are the primary reasons the company's weighted average cost of gas (WACOG) continues to decline.

The portion of customer bills that is based on the WACOG (gas supply and transportation cost) decreases from 49.2 cents per therm to 45.3 cents, resulting in about an average \$2.17 per month reduction for residential customers.

There are two major components to natural gas rates, a base rate and the PGA. Base rates cover fixed costs that rarely change. The PGA includes variable costs and is designed to more closely align actual rates with the variable portion of gas rates. The variable rates included in the PGA include: 1) the cost of purchased gas from suppliers, which is largely dependent on wholesale market prices; 2) the cost to transport natural gas and 3) the cost to store it.

Company officials say supplies of natural gas nationwide continue to remain strong with natural gas production at an all-time high.

The annual adjustment does not impact company earnings, whether the PGA is an increase or decrease. The amount collected in the PGA variable portion of rates can be used only to meet gas supply, transportation, storage and other related expenses and cannot go to increase company earnings.

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Case No. AVU-G-11-01, Order No. 32371  
September 30, 2011

## **Rate case settlement results in decrease to customers**

The Idaho Public Utilities Commission is granting Avista Utilities a base rate electric increase of about 1.1 percent and a **base rate gas increase of 1.6 percent**. However, due to decreases in other rate components, billed rates for customers actually decrease effective Oct. 1.

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The overall rate decrease to electric customers is an average 2.4 percent for all customer classes (2.1 percent to residential class) and an average 0.8 percent to gas customers (0.5 percent to residential class).

A residential natural gas customer using an average of 62 therms would see a 20-cent per month decrease for a revised monthly bill of \$60.96. The billed rate decreases from the current 91.5 cents per therm to 90.7 cents per therm.

Part of the base electric and gas rate increase include an increase in the monthly customer service charge from \$5 to \$5.25 per month for electric customers and from \$4 to \$4.25 per month for natural gas customers.

A key part of the settlement is that Avista agrees to not collect another base electric or gas rate increase before April 1, 2013. (This does not include yearly tracker adjustments such as the Power Cost Adjustment or Purchased Gas Cost Adjustment and energy efficiency rider adjustments.)

**NATURAL GAS ADJUSTMENTS** include three increases and one decrease for net overall rate decrease of 1 percent.

**Base rate increase** of \$1.1 million, or 1.6 percent. (Case No. AVU-G-11-01).

**Deferred state income tax increase** of \$470,423. This was previously approved as part of the settlement of the 2010 rate case. Deferred state income tax benefits are no longer available to reduce rates. (Case No. AVU-G-10-01, Order No. 32070)

**Purchased Gas Adjustment (PGA) increase** of \$776,190 or an average 1 percent. The PGA operates much like the electric PCA, matching anticipated gas supply and transportation costs with actual cost. (Case No. AVU-G-11-04, Order No. 32370)

**Energy efficiency rider decrease** of \$2.4 million or an average 3.5 percent. The rider is used to fund conservation programs that reduce the company's need to buy gas supply at greater cost than the cost of the conservation programs. For residential customers, the decrease in the rider is from about 5.7 cents per therm to 2.7 cents per therm. Avista estimates that during 2010, natural gas efficiency programs resulted in natural gas savings of about 1.9 million therms. (Case No. AVU-G-11-03, Order No. 32366)

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Case No. INT-G-11-03, Order No. 32450  
February 2, 2012

## **Intermountain seeks second decrease this year**

On Dec. 22, Intermountain Gas Company sought commission approval to decrease the variable portion of its rates by an average 4.5 percent effective Feb. 1, 2012.

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The “prolific availability” of U.S. shale gas production, record storage of natural gas supply and the lack of hurricane activity and cold weather are all contributing factors cited by Intermountain Gas Company in its fifth consecutive request for a reduction in natural gas rates.

Intermountain Gas serves about 312,000 customers in 74 communities across southern Idaho.

If approved by the commission, the portion of rates that covers natural gas supply and transportation would decline from 45.35 cents per therm to 41.8 cents. That represents about half the total summer residential rate of 86 cents per therm and winter residential rate of 75 cents.

Intermountain Gas also cited completion of the Ruby gas pipeline (from southeast Wyoming to south-central Oregon) as another factor contributing to lower gas supply prices. The Ruby pipeline has displaced other traditional natural gas supplies and softened prices at the Alberta Energy Company hub (AECO) that makes up a significant portion of Intermountain’s gas supply portfolio.

This is Intermountain Gas Company’s fifth consecutive request for a reduction in natural gas rates.