

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF INTERMOUNTAIN)	
GAS COMPANY’S 2017-2021 INTEGRATED)	CASE NO. INT-G-17-04
RESOURCE PLAN)	
)	NOTICE OF FILING
)	
)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	ORDER NO. 33870

On August 4, 2017, Intermountain Gas Company (Company) filed its Integrated Resource Plan (IRP) for the years 2017-2021. The Company files an IRP every two years to describe the Company’s plans to meet its customers’ future natural gas needs. The IRP must discuss the subjects required by Commission Order Nos. 25342, 27024 and 27098, and Section 303(b)(3) of the Public Utility Regulatory Policies Act (PURPA), 15 U.S.C. § 3202. The Commission reviews the IRP to ensure that it discusses these subjects and represents a diligent effort by the Company to plan for the anticipated supply and demand for natural gas.

With this Order, the Commission outlines the IRP requirements, provides notice of the IRP, and sets a deadline for submitting Petitions to Intervene.

BACKGROUND

A natural gas IRP describes a company’s plans to meet its customers’ future natural gas needs. In Order No. 25342, the Commission adopted IRP requirements for local gas distribution companies in response to amended Section 303 of the Public Utility Regulatory Policies Act of 1978 (PURPA). In Order No. 27024, the Commission shortened the required planning horizon from 20 years to at least 5 years. Order No. 27098 removed any requirement that IRPs formally evaluate potential demand-side management (DSM) programs, and instead directed the companies to explain whether cost-effective DSM opportunities exist. In summary, these three Orders direct gas utilities to file an IRP every two years that includes:

1. A forecast of future gas demand for each customer class, which includes the number, type, and efficiency of gas end-users as well as effects from economic forces on gas consumption;
2. An analysis of gas supply options for each customer class, which includes a projection of spot market versus long-term purchases for both firm and

interruptible markets, an evaluation of the opportunities for using company-owned or contracted storage or production, an analysis of prospects for company participation in a gas futures market, and an assessment of opportunities for access to multiple pipeline suppliers or direct purchases from producers;

3. A comparative analysis of gas purchasing options, and an explanation of whether there are cost-effective DSM opportunities;
4. The integration of the demand forecast and resource evaluations into a long range (at least a five-year) plan describing the strategies designed to meet current and future needs at the lowest cost to the utility and its ratepayers;
5. A short-term (e.g., two-year) plan outlining the specific actions to be taken by the utility in implementing the IRP;
6. A progress report that relates the new plan to the previously filed plan; and
7. Public participation.

Additionally, in the Company's 2013 IRP case, the Commission allowed the Company to stop filing semi-annual lost and unaccounted for gas (LAUF Gas) reports.¹ Instead, the Company was to discuss LAUF Gas in the Company's future Purchased Gas Cost Adjustment (PGA) cases² and IRPs. The IRP's LAUF Gas section must explain the Company's (a) framework for how it has tested for, identified, and remediated equipment measurement errors or leaks, and (b) business process for alleviating measurement errors through its financial accounting of nominations, scheduling, measurements, flow volume allocation, and billing. *See* Order No. 32855. Finally, in the Company's 2015 IRP case, the Commission directed the Company to include more detail in its future IRPs about how the Company calculates avoided costs and uses those calculations to determine whether natural gas DSM opportunities are or are not cost-effective. *See* Order No. 33314.

¹ LAUF Gas is the difference between the amount of natural gas delivered to the Company's distribution system at the city gate and amount of natural gas ultimately recorded at the customers' meters.

² The Company files a PGA each year to adjust rates to reflect changes in the Company's costs to buy natural gas from suppliers—including transportation, storage, and other related costs.

NOTICE OF IRP FILING

YOU ARE HEREBY NOTIFIED that the Company's filing includes a 113-page IRP and over 600 pages of exhibits. The information summarized below is taken from the IRP's Executive Summary section.

YOU ARE FURTHER NOTIFIED that the Company regularly forecasts the demand of its growing customer base and determines how to best meet the load requirements brought on by this demand. The Company's IRP represents a snapshot in time of the Company's ongoing planning process; it describes the currently anticipated conditions over a five-year planning horizon, the anticipated resource selections, and the process for making resource decisions. *See* IRP at 2.

YOU ARE FURTHER NOTIFIED that the Company sells natural gas to two major markets: the residential/commercial market and the industrial market. In 2016, the Company served an average of 313,000 residential customers and 32,000 commercial customers, which is a 2.2% increase in average residential and commercial customers from 2011. Residential and commercial customers use natural gas primarily for space and water heating. Industrial customers use natural gas for boiler and manufacturing applications. The agricultural economy and the price of alternative fuels strongly influences industrial demand for natural gas. In 2016, industrial sales and transportation accounted for 52% of the throughput on Intermountain's system. *Id.* at 2-3.

YOU ARE FURTHER NOTIFIED that the Company forecasts changes in its peak-day loads due to customer growth under base case, high, and low growth economic scenarios. In this IRP, the Company forecasts a base case growth scenario in which its total residential, commercial, and industrial peak-day loads increase each year for five years by an average of 2.68%. The Company says this increase in peak-day loads corresponds to expected growth in the Company's markets for residential and small commercial customers. The Company sees no peak-day delivery deficits over the next five years when it matches its forecasted peak-day delivery against its existing resources. *Id.* at 3- 4.

YOU ARE FURTHER NOTIFIED that the Company also analyzes different geographic areas so it can plan to meet any projected deficits in those areas. In this IRP, the Company analyzed the Idaho Falls Lateral, the Sun Valley Lateral, the Canyon County Region, the State Street Lateral, and the Central Ada Area. *Id.* at 5-10.

YOU ARE FURTHER NOTIFIED that the Idaho Falls Lateral is 104 miles long and serves cities between Pocatello and St. Anthony in eastern Idaho. It serves about 15% of the Company's customers and 14% of the Company's projected peak-day delivery for January 2017. The Company says that matching the Idaho Falls Lateral's forecasted peak-day delivery against its existing peak-day capacity shows that the Company can meet this area's peak-day demands for the five-year IRP period. The Company also notes that the Company can use its portable liquefied natural gas (LNG) facility in Rexburg to reduce system peak loads and meet customer demand by supplementing firm capacity on the lateral during peak-day events. The Company plans to use the Rexburg LNG facility's additional capacity in 2021. *Id.* at 5-6.

YOU ARE FURTHER NOTIFIED that the Sun Valley Lateral serves about 3% of the Company's total customers and 3% of the Company's projected peak-day delivery for January 2017. The Company says matching the Sun Valley Lateral's forecasted peak-day delivery against its existing peak-day distribution capacity (199,500 therms) shows that the Company can meet this area's peak-day demands for the five-year IRP period. *Id.* at 6-7.

YOU ARE FURTHER NOTIFIED that the Canyon County Lateral serves about 14% of the Company's total customers and 19% of the Company's projected peak-day delivery for January 2017. The Company says matching the Canyon County Lateral's forecasted peak-day delivery against its existing peak-day distribution capacity (860,000 therms in 2019 and 930,000 therms in 2020) shows that the Company can meet this area's peak-day demands during the five-year IRP period. The IRP notes this region's diverse industrial customer base currently has limited ability to mitigate peak-day delivery by switching to alternative fuels. The Company is thus exploring other ways to enhance this area's distribution capability, mainly regarding potential biogas production. *Id.* at 7-8.

YOU ARE FURTHER NOTIFIED that the State Street Lateral in northwest Boise is 16.2 miles long. It primarily serves residential and commercial customers that comprise about 14% of the Company's total customers and 15% of the Company's projected peak-day delivery for January 2017. The Company says matching the State Street Lateral's forecasted peak-day delivery against its existing peak-day distribution capacity (670,000 therms in 2019 and 765,000 therms in 2020) shows that the Company can meet this area's peak-day demands for the five-year IRP period. *Id.* at 9.

YOU ARE FURTHER NOTIFIED that the Central Ada Area in the Boise area consists of multiple high-pressure pipeline systems. It serves a diverse base of residential and commercial customers that comprise about 15% of the Company's total customers and 12% of the Company's projected peak-day delivery for January 2017. The Company says matching the Central Ada Area's forecasted peak-day delivery against its existing peak-day distribution capacity (710,000 therms) shows that the Company can meet this area's peak-day demands during the five-year IRP period. *Id.* at 10.

YOU ARE FURTHER NOTIFIED that, in summary, the IRP analyzed residential, commercial, and industrial customer growth and its impact on the Company's distribution system using design weather conditions under various scenarios for Idaho's economy. The Company measured peak-day delivery under each customer growth scenario against the available natural gas delivery systems to project the magnitude and timing of delivery deficits on a total Company and regional perspective. The Company analyzed the resources needed to meet any projected deficits within a framework of options to help determine the most cost-effective means to manage the deficits. The Company says these options allow its core market and firm transportation customers to rely on uninterrupted service now and for years to come. *Id.* at 11.

YOU ARE FURTHER NOTIFIED that the IRP and its exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Natural Gas Cases" and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* § 61-501. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons who wish to intervene in this matter to obtain the rights of party (e.g., to file formal discovery, or present evidence or cross-examine witnesses at a hearing) must file a Petition to Intervene with the Commission pursuant to the

Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days from the service date of this Order.** Such persons shall also provide the Commission Secretary with their electronic mail address to facilitate further communications in this matter. After the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties that identifies the parties and assigns exhibit numbers to each party in this proceeding. Once the Notice of Parties has issued, Commission Staff shall informally confer with the Company and any intervening parties about how to further process this case, and shall then report back to the Commission on a proposed case schedule.

YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination are not required to intervene but may present their views by submitting written comments to the Commission.

YOU ARE FURTHER NOTIFIED that the following person is designated as the Company's representatives in this matter:

Michael McGrath
Director—Regulatory Affairs
Intermountain Gas Company
555 South Cole Road
P.O. Box 7608
Boise, ID 83707

ORDER

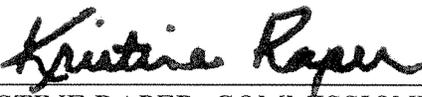
IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene no later than 21 days from the service date of this Order. Once the deadline for intervention has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter, and report the proposed schedule to the Commission.

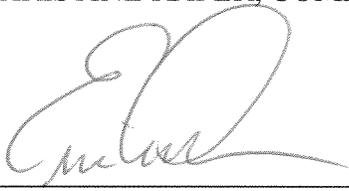
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ^{8th}
day of September 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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