



Case No. INT-G-16-03, Order No. 33577

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www.puc.idaho.gov

Intermountain Gas PGA is proposed 7.11 percent decrease

BOISE (August 26, 2016) – The Idaho Public Utilities Commission will take comment through September 15 on an Intermountain Gas Company application to decrease the variable portion of customer rates by about 7.11 percent.

Every Oct. 1, the variable portion of rates for Intermountain Gas customers, called the Purchased Gas Cost Adjustment or PGA, is adjusted upward or downward to reflect changes in the company's costs to buy natural gas from its suppliers and also changes in transportation, storage and other variable costs.

Significant shale gas reserves that produced an over-abundance of supply reduced Intermountain's weighted average cost of gas, or WACOG. In this application, Intermountain seeks to reduce its WACOG from 32.8 cents per therm to 29.7 cents per therm. The WACOG represents just under half of a residential customer's overall rate.

If the commission were to grant Intermountain's request, a residential customer who uses natural gas for both space and water heating would see a reduction of about \$3.48 per month, while residential customers who use natural gas just for space heating would receive about a \$2.03 monthly reduction. A commercial customer would receive a decrease of about \$14.23 per month. The new rates would be effective Oct. 1.

The company also has an application before the commission to increase the fixed portion, or base rate, by an average 4 percent. (Case No. INT-G-16-02). That case will likely be decided by next March. It is the first Intermountain Gas base rate case since 1985.

To comment on the PGA, customers can go to the commission website at www.puc.idaho.gov. Under the "Consumers" heading, click on "Case Comment Form," and include the case number, INT-G-16-03. Comments can also be mailed through Sept. 15 to P.O. Box 83720, Boise, ID, 83720-0074.

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