

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF INTERMOUNTAIN)
GAS COMPANY’S 2019-2023 INTEGRATED) CASE NO. INT-G-19-07
RESOURCE PLAN)
) NOTICE OF FILING
)
) NOTICE OF
) INTERVENTION DEADLINE
)
) ORDER NO. 34497**

On October 18, 2019, Intermountain Gas Company (“Intermountain or “Company”) filed its Integrated Resource Plan (“IRP”) for 2019-2023. Intermountain 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 several Commission orders and Section 303(b)(3) of the Public Utility Regulatory Policies Act (“PURPA”), 15 U.S.C. § 3202. The Idaho Public Utilities Commission (“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

In Order No. 25342, the Commission adopted IRP requirements for local gas distribution companies in response to amended Section 303 of PURPA.

In Order No. 27024, the Commission shortened the IRP’s planning horizon from 20 years to 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 the Company’s 2013 IRP case, the Commission 1) directed the Company to continue to work to improve public participation in the IRP process; and 2) allowed the Company to stop filing semi-annual lost and unaccounted for gas (“LAUF Gas”) reports.¹ Order No. 32855. The

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

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.

In Intermountain's 2015 IRP case, the Commission directed the Company to include more detail in future IRPs about how the Company calculates avoided costs and uses those calculations to determine whether natural gas DSM opportunities are cost-effective. *See* Order No. 33314.

Finally, in the Company's 2017 IRP case, the Commission directed the Company to convene an IRP advisory group and work with it to develop future IRPs that comprehensively and transparently consider demand, existing resources, and potential supply and demand-side options for meeting any deficits. *See* Order No. 33997.

In summary, these orders direct the Company to file an IRP every two years that includes:

1. A forecast of future gas demand in firm and interruptible markets 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 improvements in the efficient use of gas, 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.

NOTICE OF IRP FILING

YOU ARE HEREBY NOTIFIED that the Company's IRP filing includes a 158-page IRP and ten exhibits that contain extensive information associated with the IRP document. The information summarized below is taken from the IRP's Executive Summary section and other selected sections.

YOU ARE FURTHER NOTIFIED that Intermountain states it regularly forecasts the demand of its growing customer base and determines how to best meet the load requirements brought on by this demand. IRP at 1-2. The Company's IRP represents a snapshot in time of the Company's ongoing planning process; it describes the anticipated conditions over a five-year planning horizon, the anticipated resource selections, and the process for making resource decisions. *Id.* at 1-2.

YOU ARE FURTHER NOTIFIED that Intermountain represents it sells natural gas to two major markets: the residential/commercial market and the large volume market. *Id.* at 1 and 6. In 2018, the Company served 364,512 customers, roughly 330,000 of which are residential customers. *Id.* at 1. Residential and commercial customers primarily use natural gas for space and water heating. *Id.* Industrial customers use natural gas for boiler and manufacturing applications. *Id.* at 1-2. Large volume demand for natural gas is strongly influenced by the agricultural economy and the price of alternative fuels. *Id.* at 2. In 2018, industrial sales and transportation accounted for 50% of the throughput on Intermountain's system. *Id.* at 2.

YOU ARE FURTHER NOTIFIED that the Company states it forecasts changes in its peak-day loads due to customer growth under base case, high, and low growth economic scenarios. *Id.* at 2. 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 2.08% in the base case scenario. *Id.* at 95. Intermountain 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 to enhance the IRP, the Company established the Intermountain Gas Resource Advisory Committee ("IGRAC"). *Id.* at 3. The intent of the

committee is to provide a forum through which public participation can occur as the IRP is developed. *Id.* Advisory committee members were solicited from across Intermountain's service territory as representatives of the communities served by the Company. *Id.* Intermountain states it held meetings across its service territory to ensure travel would not impact the ability of committee members and the public to participate. *Id.* The Company stated it provided a comment period after each meeting to ensure feedback was timely and could be incorporated into the IRP. *Id.*

YOU ARE FURTHER NOTIFIED that the Company also analyzes different geographic areas in its service territory so it can plan to meet any projected deficits in those areas. *Id.* at 8. In this IRP, the Company analyzed the Idaho Falls Lateral, the Sun Valley Lateral, Canyon County Area, the State Street Lateral, Central Ada County, and the All Other segment. *Id.*

YOU ARE FURTHER NOTIFIED that the Idaho Falls Lateral (“IFL”) is 104 miles long and serves cities between Pocatello and St. Anthony in eastern Idaho. *Id.* at 128. In the base case scenario, customers in the IFL are expected to increase by 7,772 (a 2.92% annualized growth rate) over the IRP period. *Id.* at 91. Intermountain states its previous system enhancements give it the capacity to serve the IFL for the next five years. *Id.* at 129. Another IFL capacity enhancement for this IRP period is the addition of a second liquefied natural gas (“LNG”) storage tank at the Rexburg LNG Facility in 2022. *Id.* The Company asserts the second tank will increase total storage at the facility, which is desired as potential vaporization flow requirements increase out of this facility. *Id.*

YOU ARE FURTHER NOTIFIED that the Sun Valley Lateral (“SVL”) is 68 miles long and has almost its entire demand at the far end of the lateral away from the gas source. *Id.* at 129. In the base case scenario, customers in the SVL are projected to increase by 1,304 (a 2.26% annualized growth rate) over the IRP period. *Id.* at 91. With continued demand growth, a second compressor station has been selected to enhance the SVL further downstream from the existing Jerome Compressor. *Id.* at 129. The Company asserts this second station to be completed in 2021 and will increase capacity beyond the remaining five-year growth outlook of this IRP. *Id.*

YOU ARE FURTHER NOTIFIED that the Canyon County Area (“CCA”) consists of an interconnected system of high-pressure pipelines that serve communities from Star Road west to Highway 95. *Id.* at 127. In the base case scenario, customers in the CCA are expected to increase by 14,854 (a 5.75% annualized growth rate) over the IRP period. *Id.* at 91. For this IRP,

the Company represents that three enhancement projects are needed to meet projected growth demands throughout Canyon County. *Id.* at 127. First, the 5-inch Orchard Avenue Extension project, which is expected to be completed in 2020, extends 4.5 miles into a significant growth area not currently supported by a nearby high-pressure pipeline. *Id.* Next, the second phase of the 12-inch Ustick/Caldwell enhancement would extend the existing 2018 pipeline 2 more miles to the east which is to be completed in 2021. *Id.* at 127-128. Last, the 8-inch Happy Valley enhancement would extend the high-pressure pipeline 2 miles further into south Nampa that will be built in 2022. *Id.* at 128.

YOU ARE FURTHER NOTIFIED that the State Street Lateral (“SSL”) in northwest Boise is 16.2 miles long. *Id.* at 125. It primarily serves residential and commercial customers. *Id.* In the base case scenario, SSL customers are expected to increase by 7,055 customers (a 2.69% annualized growth rate) for the IRP period. *Id.* at 91. The Company asserts this area is ideally suited for a pipeline retest that would establish a higher maximum allowable operating pressure and allow Intermountain to maximize its existing facilities’ potential before investing in new infrastructure. *Id.* at 125. The retest can be performed in phases over multiple years, which will increase capacity as growth is experienced while minimizing the length of pipe that must be taken out of service at one time. *Id.*

YOU ARE FURTHER NOTIFIED that the Central Ada County area (“CAC”) in the Boise area consists of multiple high-pressure and intermediate pressure pipeline systems. *Id.* at 126. In the base case scenario, CAC customers are expected to increase by 6,622 customers (a 2.49% annualized growth rate) during the IRP period. *Id.* at 91. Intermountain states that, like the SSL, the existing, large diameter pipeline on Victory Road could be retested to increase its operating pressure and resulting flow capacity. *Id.* at 126. The Company represents this increased operating pressure is designed to match the Chinden and Cloverdale operating pressure, and the retest is an initial step to create a consistent, connected system between the pipelines. *Id.* at 126. Phase one of the retest is scheduled for completion in 2021. *Id.* at 126-127. The retest begins at the Meridian gate station and extends about 2.5 miles. *Id.* at 127.

YOU ARE FURTHER NOTIFIED that, in summary, the Company states 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. *Id.* at 3. The Company asserts it 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. *Id.* The Company states it 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. *Id.* The Company states these options allow its core market and firm transportation customers to rely on uninterrupted service now and for years to come. *Id.*

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 under 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 do not have to intervene but may present their views by submitting written comments to the Commission.

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

For the Company:

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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.

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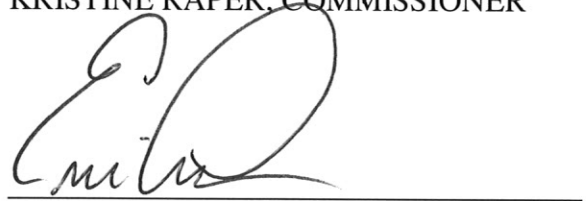
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *5th*
day of December 2019.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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