

**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 MODIFIED  
 ) PROCEDURE  
 )  
 ) ORDER NO. 34537  
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On October 18, 2019, Intermountain Gas Company (“Intermountain or “Company”) filed its Integrated Resource Plan (“IRP”) for the years 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<sup>1</sup> 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.

After the Company filed its IRP, the Commission issued an Order providing Notice of Filing, setting a deadline for interventions, and directing the parties to confer about a proposed schedule and report their proposal to the Commission. Order No. 34497. The Idaho Conservation League (“ICL”) was granted intervention into the case. *See* Order No. 34522. Finally, the Commission issued Notice of Parties on January 8, 2020.

Staff, the Company and ICL agreed on a schedule for processing this case, which Staff proposed to the Commission. With this Order, the Commission adopts the proposed schedule and notifies the public that this case will be processed via Modified Procedure under Rules 201-204 of the Commission’s Rules of Procedure, IDAPA 31.01.01.201-.204.

**BACKGROUND**

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

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<sup>1</sup> *See* Order Nos. 25342, 27024, 27098, 32855, 33314 and 33997.

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. *See* Order No. 32855. 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.

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.

#### **THE 2019-2023 IRP**

Intermountain's IRP explains 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. 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.*

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. The Company also states that industrial customers use natural gas for boiler and manufacturing applications. *Id.* at 1-2. Intermountain asserts large volume demand for natural gas is strongly influenced by the agricultural economy and the price of alternative fuels. *Id.* at 2. The Company alleges that in 2018, industrial sales and transportation accounted for 50% of the throughput on Intermountain's system. *Id.*

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.* 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 asserts it 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.

Intermountain asserts that to enhance the IRP, the Company established the Intermountain Gas Resource Advisory Committee (“IGRAC”). *Id.* at 3. The intent of IGRAC 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 represents it provided a comment period after each meeting to ensure feedback was timely and could be incorporated into the IRP. *Id.*

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.* The Commission’s Notice of Filing provides more detail on the Company’s IRP. *See* Order No. 34497.

**PARTIES’ PROPOSED SCHEDULE**

Staff, the Company and ICL conferred informally and agreed to the following schedule under Modified Procedure:

- |                |                        |
|----------------|------------------------|
| April 23, 2020 | Comment deadline       |
| May 4, 2020    | Company reply deadline |

The Commission finds it reasonable to adopt the parties’ proposed schedule.

**NOTICE OF MODIFIED PROCEDURE**

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure,

IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this IRP must file a written comment in support or in opposition with the Commission **by April 23, 2020**.

IDAPA 31.01.01.202.02. All comments must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this IRP filing may be mailed to the Commission and parties at the addresses reflected below:

**For the Commission:**

Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, Idaho 83720-0074

Street Address for Express Mail:

11331 W. Chinden Blvd.  
Bldg. 8, Suite 201-A  
Boise, Idaho 83714

**For the Company:**

Preston N. Carter  
Givens Pursley LLP  
601 W. Bannock Street  
Boise, Idaho 83702  
[pnc@givenspursley.com](mailto:pnc@givenspursley.com)  
[kendrah@givenspursley.com](mailto:kendrah@givenspursley.com)

Lori A. Blattner  
Director – Regulatory Affairs  
Intermountain Gas Company  
P.O. Box 7608  
Boise, Idaho 83707  
[Lori.Blattner@intgas.com](mailto:Lori.Blattner@intgas.com)

**For the Commission Staff of  
the Idaho Public Utilities Commission:**

John R. Hammond Jr.  
Deputy Attorney General  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd.  
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Boise, Idaho 83714  
P.O. Box 83720  
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[john.hammond@puc.idaho.gov](mailto:john.hammond@puc.idaho.gov)

**For the Idaho Conservation League:**

Benjamin J. Otto  
710 N. 6<sup>th</sup> Street  
Boise, Idaho 83701  
[botto@idahoconservation.org](mailto:botto@idahoconservation.org)

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the parties at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company may file reply comments, if necessary, **by May 4, 2020.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

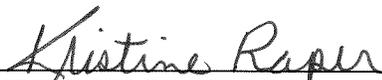
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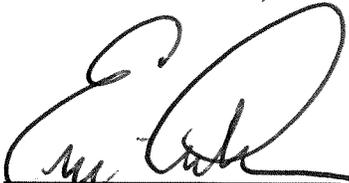
**ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons who desire to submit comments must do so by April 23, 2020. The Company must file a reply, if any, by May 4, 2020.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *31st* day of January 2020.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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