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IDAHO PUBLIC
UTILITIES COMMISSION

JAYME B. SULLIVAN
BOISE CITY ATTORNEY

ABIGAIL R. GERMAINE
Deputy City Attorney
BOISE CITY ATTORNEY'S OFFICE
150 N. Capitol Blvd.
P.O. Box 500
Boise, ID 83701-0500
Telephone: (208) 384-3870
Facsimile: (208) 384-4454
Idaho State Bar No.: 9231
Email: agermaine@cityofboise.org

Attorney for Intervenor

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF INTERMOUNTAIN GAS
COMPANY'S APPLICATION FOR
AUTHORITY TO REVISE ITS GENERAL
SERVICE PROVISIONS RELATED TO THE
INSTALLATION AND EXTENSION OF
NATURAL GAS MAINS AND SERVICES

Case No. INT-G-20-01

**CITY OF BOISE CITY'S
FORMAL COMMENTS**

COMES NOW, the city of Boise City, herein referred to as "Boise City" and pursuant to Rule 202 of the Rules of Procedure of the Idaho Public Utility Commission (IDAPA 31.01.01.202) and, pursuant to that Notice of Modified Procedure, Order No. 34636, filed on April 21, 2020, hereby submits its formal written comments and states as follows:

1. Boise City has an interest in the equitable assessment of costs for the installation and extension of natural gas mains and services both as a customer of Intermountain Gas and for the City's role in ensuring the public benefit to residents and businesses, economic development,

and environmental protection. In addition, the City has identified goals that encourage the transition to clean and renewable energy sources. Achieving these goals will be reliant upon increasing customer participation in natural gas efficiency programs, expanding geothermal systems, increasing the usage of renewable natural gas.

2. On January 27, 2020, Intermountain Gas Company (“Intermountain”) filed this Application, Application for Authority to Revise its General Service Provisions Related to the Installation and Extension of Natural Gas Mains and Services, which among other items, describes Intermountain using an embedded cost methodology approach to calculate the Allowable Investment for residential and commercial line extension projects. Intermountain Gas Company’s Application (“Application”), at 5. Intermountain states that the proposed tariff calculates the Allowable Investment by estimating the annual therm usage of the customer, then multiplying the estimated annual therm usage by the Allowable Investment Factor. *Id.* Intermountain also proposes a methodology to determine the cost of installation for Service Lines, Main extensions, and Line Extensions. *Id.* at 6-7.

3. Boise City acknowledges that the financial impacts of the proposed tariff will vary based on the nature of the type of installation or extension, whether it constitutes an extension of a main, a main and a service line, or a service line only. The proposed tariff indicates that the allowable investment will decrease for service line extensions. Boise City is curious as to whether the decrease in the allowable investment will affect individual customer costs, including increasing the cost of residential and commercial construction projects in Boise, where particularly, housing prices and affordability remain a significant concern. The proposed tariff also indicates that the

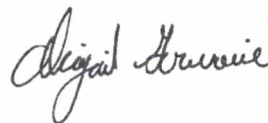
allowable investment will increase for projects that involve installation or extension of a main line and a service line. Application at 8-9.

4. The proposed tariff includes a construction overhead of 11.92%. Boise City requests additional information and justification for the use of this overhead percentage. Application, Exhibit No. 2, Rate Schedule C, Section 5.

5. The supporting report for the proposed tariff includes 80% efficient furnaces as part of the analysis, while at the same time mentioning that these will no longer meet minimum code requirements after January 1, 2020. Considering this, Boise City requests explanation of why the 80% efficient furnaces were used in the analysis instead of the 95% efficient furnaces, which would likely be used in new construction resulting from main line and/or service line extensions. Application, Exhibit No. 3, Musgrove Engineering Residential Energy Consumption Study, 2-4; 12-13.

6. Boise City requests that the Commission obtain clarity on the questions identified within the comments herein and determine the appropriateness of the noted aspects of the methodology while considering the proposed tariff. Boise City would encourage Intermountain to provide supplemental information relating to the comments for the methodology raised by the City's comments and consider appropriate revisions to the proposed tariff, if appropriate.

DATED this 10th day of June 2020.



Abigail R. Germaine
Deputy City Attorney

CERTIFICATE OF SERVICE

I hereby certify that I have on this 10th day of June 2020, served the foregoing documents

on all parties of counsel as follows:

Lori A. Blattner
Director – Regulatory Affairs
Intermountain Gas Company
P.O. Box 7608
Boise, Idaho 83707
Lori.Blattner@intgas.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means w/ Consent
- Other: _____

Preston N. Carter
Givens Pursley LLP
601 W. Bannock Street
Boise, Idaho 83702
pnc@givenspursley.com
kendrah@givenspursley.com

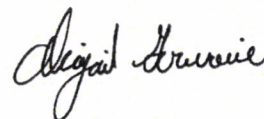
- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means w/ Consent
- Other: _____

Diane Hanian
Commission Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702
diane.holt@puc.idaho.gov
secretary@puc.idaho.gov

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means w/ Consent
- Other: _____

Benjamin J. Otto
Idaho Conservation League
710 N 6th Street
Boise, ID 83701
botto@idahoconservation.org

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means w/ Consent
- Other: _____



Abigail R. Germaine
Deputy City Attorney