

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF INTERMOUNTAIN) CASE NO. INT-G-20-05
GAS COMPANY’S APPLICATION FOR)
AUTHORITY TO CHANGE ITS PRICES)

) ORDER NO. 34797

On August 14, 2020, Intermountain Gas Company (“Intermountain” or “Company”) applied to change its rates effective October 1, 2020. If approved, the Company’s proposal would increase the Company’s annualized revenues by \$8.6 million. The Company’s proposal also would increase the price of natural gas for RS Residential customers by 3.66% or an average of \$1.41 per month, increase the price for GS-1 General Service customers 4.29% or an average of \$7.11 per month, increase the price for LV-1 Large Volume customers 5.10%, and decrease the price for T-3 Transportation customers 3.02%, decrease the price for T-4 Demand Charge customers 1.02%, and not change the prices for T-4 Transportation customers.

On September 4, 2020, the Commission issued a Notice of Application and Notice of Modified Procedure setting deadlines for interested persons to file comments and for the Company to file a reply. Order No. 34776. Commission Staff and one member of the public filed comments. The Company did not reply.

Having reviewed the record, the Commission issues this Order approving the Application.

THE APPLICATION

With this Application, the Company seeks to pass through to its customers changes in gas-related costs resulting from: (1) costs billed to the Company from firm transportation providers (including Northwest Pipeline LLC); (2) replacement of long-term segmented Northwest Pipeline LLC capacity received from third parties with firm Northwest Pipeline LLC capacity held directly by the Company; (3) an increase to the Company’s Weighted Average Cost of Gas (“WACOG”); (4) an updated customer allocation of gas-related costs pursuant to the Company’s Purchased Gas Cost Adjustment (“PGA”) provision; (5) the inclusion of temporary surcharges and credits for one year relating to natural gas purchases and interstate transportation costs from Intermountain’s deferred gas accounts; (6) benefits generated from the Company’s management of its storage and firm capacity rights on various pipeline systems; (7) benefits associated with the sale of liquefied

natural gas from the Company's Nampa, Idaho facility; (8) a portion of the costs accrued related to the Company's latest general rate case, Case No. INT-G-16-02; and (9) the recovery of deferred in-person customer payment fees. Application at 4. The Company also seeks to eliminate the temporary surcharges and credits approved in INT-G-19-06 that have been included in its rates the past 12 months. Additionally, the Company requests the Commission revert to requiring Deferred Gas Cost Balances reports on a quarterly rather than a monthly basis, as directed in Order No. 34448, but commits to notifying the Commission if an interim filing is needed.

COMMENTS

Staff filed the only party comments and recommended the Commission approve the Company's Application. Staff's analysis indicates the PGA proposal would not affect the Company's earnings, the deferred costs are prudent and properly calculated, and the Company's WACOG request is reasonable. Staff Comments at 2. Staff compared the Company's projected cost to purchase natural gas to forecasts from several national and regional organizations and concluded the Company's projected natural gas costs are reasonable. *Id.* at 5. Staff determined the Company's strategies and practices in buying, managing, storing, and transporting gas in response to market conditions are flexible and provide price stability for customers. *Id.* Staff noted that this year's Lost and Unaccounted for Gas rate is -0.1795% (found gas), well below the maximum allowable level of 0.85% established in Commission Order No. 30649. *Id.* at 7-8. Staff determined that the Company's proposal to increase its Line Break Rate from \$0.38991 per therm to \$0.39010 per therm was consistent with Order No. 33139. *Id.* at 8. Staff conducted a true-up for deferred tax liability from the Tax Cuts and Jobs Act of 2017 in the amount of \$32,995 to be credited to customers through the PGA. *Id.* Staff verified the annual calculations and confirmed the Company properly amortized expenses associated with its 2016 rate case. *Id.* Staff verified the balance of deferred in-person payment fees associated with customer pay transactions handled by Western Union were correct. *Id.* at 9. Staff concurred that quarterly Deferred Gas Cost Balances reports, with a commitment to notify the Commission if an interim filing is needed, is reasonable. *Id.* Staff noted that one member of the public objected to the proposed price increase because it is double the increase in the Consumer Price Index. *Id.*

COMMISSION FINDINGS AND DECISION

The Company is a gas corporation and public utility, and the Commission has jurisdiction over it and the issues in this case under Title 61 of the Idaho Code, and more

specifically, *Idaho Code* §§ 61-117, 61-129, 61-307, 61-501, and 61-502. The Commission must establish just, reasonable, and sufficient rates for utilities subject to its jurisdiction. *Idaho Code* § 61-502. Based on our review of the record, we find that the Company's proposed rate changes to Schedules RS, GS-1, LV-1, T-3, and T-4 accurately capture the Company's prudently incurred variable costs. We thus find it fair, just, and reasonable to approve the Company's proposed schedule changes. We also find it reasonable to require quarterly deferred cost reports given the Company's assurance that it will file a notice with the Commission if needed.

ORDER

IT IS HEREBY ORDERED that the Company's Application for authority to change its prices is approved – for a total annualized revenue increase of \$8.6 million, with new rates to take effect on October 1, 2020. The Company's proposed tariffs are approved as filed.

IT IS FURTHER ORDERED that the Company's obligation to file Deferred Gas Balances reports is revised from monthly to quarterly. The Company shall notify the Commission promptly if an interim filing is needed.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of October 2020.



PAUL KJELLANDER, PRESIDENT

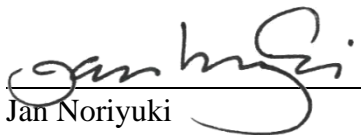


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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