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IDAHO PUBLIC  
UTILITIES COMMISSION

June 30, 2021

Ms. Jan Noriyuki  
Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

RE: Case No. INT-G-21-01

Dear Ms. Noriyuki:

Attached for filing in regard to Case No. INT-G-20-01 is an electronic submission of Intermountain Gas Company's Reply Comments in support of the Stipulation and Settlement filed on June 3, 2021 in this matter.

If you should have any questions regarding the attached, please don't hesitate to contact me at (208) 377-6015.

Sincerely,

Lori A. Blattner  
Director, Regulatory Affairs  
Intermountain Gas Company

Enclosure

cc: Mark Chiles  
Preston Carter

Preston N. Carter, ISB No. 8462  
Givens Pursley LLP  
601 W. Bannock St.  
Boise, Idaho 83702  
Telephone: (208) 388-1200  
Facsimile: (208) 388-1300  
[prestoncarter@givenspursley.com](mailto:prestoncarter@givenspursley.com)

*Attorneys for Intermountain Gas Company*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF  
INTERMOUNTAIN GAS  
COMPANY'S APPLICATION FOR  
APPROVAL TO CHANGE  
DEPRECIATION AND  
AMORTIZATION RATES**

**CASE NO. INT-G-21-01**

**INTERMOUNTAIN GAS COMPANY'S  
REPLY COMMENTS**

Intermountain Gas Company ("Intermountain" or "Company") respectfully submits the following Reply Comments in support of Settlement Comments filed by the Idaho Public Utilities Commission Staff ("Staff").

**BACKGROUND**

Intermountain filed an application on January 12, 2021 requesting authority to decrease its depreciation and amortization rates from a combined 2.97% to 2.55%. Intermountain contracted with Concentric Energy Advisors ("Concentric") to perform an update of the depreciation and amortization study filed in Case No. INT-G-17-06. In the Application, Intermountain stated that the results of Concentric's study indicated that Intermountain's currently approved depreciation and amortization rates were over-depreciating Intermountain's assets. Accordingly, in the Application Intermountain requested a decrease in its depreciation and amortization rates to 2.55%.

On February 8, 2021, the Commission issued a Notice of Application and Notice of

Intervention Deadline that, among other things, provided notice and a description of the Application and provided notice of the deadline to petition for intervention in the proceeding. Order No. 34914.

On February 18, 2021, the Commission issued a Notice of Modified Procedure, which, among other things, provided notice that the case would be processed by modified procedure and set a comment deadline of June 8, 2021. Order No. 34960.

Staff and the Company (individually, “Party” or collectively, “Parties”) held settlement conferences on May 20, 2021 and May 25, 2021. As a result of discussions in these settlement conferences the Parties reached an agreement in principle. On June 3, 2021, Intermountain filed a Settlement and Stipulation (“Settlement”) and a Motion for Approval of Stipulation and Settlement requesting Commission approval of the Settlement.

On June 14, 2021, the Commission issued the Notice of Proposed Settlement and Notice of Amended Comment Deadlines.

#### **SETTLEMENT STIPULATION**

The Parties agreed to update the Company’s depreciation and amortization rates as follows:

1. The Parties agree to the depreciation and amortization rates set forth on Settlement Exhibit No. 1, Col. (o).
2. Settlement Exhibit Nos. 2 and 3 provide the supporting calculations, including the retirement rate analysis and detailed depreciation calculations, for the plant accounts that changed from the original Application as a result of this Settlement, including: Account 363 (including all the subaccounts listed in Settlement Exhibit No. 3, Pages 2-6), Account 367, Account 376, Account 378, Account 380, and Account 390. The Parties agree that the depreciation and amortization rates for all other plant accounts should be approved as set forth in the Application.

3. If approved by the Commission, the rates would reflect an effective combined depreciation and amortization rate of 2.41% as seen on Settlement Exhibit No. 1, Line 41, Col. (o).

4. The Parties agree that the rates reflected on Settlement Exhibit No. 1, Col. (o), if approved by the Commission, will be effective as of January 1, 2021.

5. The Parties agree that the reduction in accruals, as reflected on Settlement Exhibit No. 1, Col. (q) shall be deferred starting on July 1, 2023 unless the reduction in depreciation rates have previously been incorporated into base rates through an Order from this Commission.

**INTERMOUNTAIN'S SUPPORT FOR THE SETTLEMENT STIPULATION**

Intermountain believes the Settlement in this case represents a reasonable compromise on the average service life estimates, rate of projected retirements, and net salvage percentages included in this case. Intermountain believes the depreciation and amortization rates resulting from this Settlement will appropriately reflect the cost of the Company's assets over time. The proposed Settlement is a reasonable resolution of the issues and is in the public interest.

For all the reasons presented in these comments, Intermountain urges the Commission to adopt the Settlement submitted in this proceeding as filed, without modification, and to issue an order authorizing the terms of the Settlement with depreciation and amortization rates effective January 1, 2021.

Dated: June 30, 2021

GIVENS PURSLEY LLP



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Preston N. Carter  
Givens Pursley LLP  
*Attorneys for Intermountain Gas Company*

**CERTIFICATE OF SERVICE**

I certify that on June 30, 2021, a true and correct copy of INTERMOUNTAIN GAS COMPANY'S REPLY COMMENTS was served upon all parties of record in this proceeding via the manner indicated below:

**Commission Staff**

Jan Noriyuki, Commission Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd., Bldg. 8, Suite 201-A  
Boise, ID 83714

**Via Electronic Mail**

jan.noriyuki@puc.idaho.gov

Dayn Hardie  
Deputy Attorney General  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd., Bldg. 8, Suite 201-A  
Boise, ID 83714

Dayn.Hardie@puc.idaho.gov



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Lori A. Blattner