From:	PUCWeb Notification
To:	Jan Noriyuki
Subject:	Notice: A comment was submitted to PUCWeb
Date:	Monday, January 30, 2023 9:00:09 AM

The following comment was submitted via PUCWeb:

Name: R k Rannow
Submission Time: Jan 30 2023 8:25AM
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Name of Utility Company: IGC

Case ID: INT-G-22-07

Comment: "I am opposed to IGC rate increase request as gas and energy profits are at a record level. In fact, third quarter (22Q3) profits for oil and gas companies are stunning. In Q2, BP made $8.45B, slightly less in 22Q3 ($8.2B). Extrapolated to an annual basis the number would be $33.4B annually. The five super-majors (Exxon Mobil, Shell, Chevron, Total Energies, and BP) annualized profits (based on Q2 and Q3 numbers extrapolated) average $45.2B per year; 35% higher than BP. How do these profits compare with recent history? Between Q2 in 2003 and Q1 in 2015, the five super-majors averaged a profit of $25B per quarter or $100B annually; $20B/year for each company (on average). These are hefty profits and remarkable because they were fairly consistent over the past 12 years. In terms of natural gas commodity pricing, like nearly everything, the pandemic drove up prices due to labor and execution efficiencies, a direct result of the pandemic. Now that we have moved to an endemic situation, commodity pricing has returned to 2018 prices (Natural gas (USD/MMBtu) 2.7107). The inflation spike of 2021 and 2022 presented real policy challenges for local, regional, and national public leaders. In order to better understand this policy debate, it is imperative to look at prices and how they are being affected. The price of just about everything in the US economy can be broken down into the three main components of cost. These include labor costs, nonlabor inputs, and the “mark-up” of profits over the first two components. Meaningful data on these separate cost components exist for the nonfinancial corporate or NFC sector, and NFC makes up roughly 75% of the entire private sector. Since the COVID-19 recession in the second quarter of 2020, overall prices in the NFC sector rose at an annualized rate of 6.1% (a pronounced acceleration over the 1.8% price growth that characterized the pre-pandemic business cycle of 2007–2019). Furthermore, more than 50% of this increase (53.9%) can be attributed to fatter profit margins, with labor costs contributing less than 8% of this increase. This is not normal. Again, THAT IS NOT NORMAL. Based on facts and evidence, from 1979 to 2019, profits only contributed about 11% to price growth and labor costs over 60%. Nonlabor inputs (an indicator for supply-chain issues) drove-up prices more than usual in the current economic recovery. Based on facts and evidence, the rise in inflation has not been driven by anything that looks like an overheating labor market. Rather, inflation was primarily driven by higher corporate profit margins and supply-chain bottlenecks. It appears poor planning and execution, as well as corporate greed by IGC, resulted in unusually high costs, costs that IGC uses to decrease its tax burden. IGC poor planning and execution costs cannot be pushed onto the consumer, who are already hurting from corporate greed and the noweasing supply chain. Approving IGC price increase is short-sighted and will have negative consequences for more than 98% of Idahoans, as well as businesses. "
