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IDAHO PUBLIC
UTILITIES COMMISSION

December 27, 2022

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

RE: Case No. INT-G-22-08

Dear Ms. Noriyuki:

Attached for consideration by this Commission is an electronic submission of Intermountain Gas Company's Interim Purchased Gas Cost Adjustment Filing with prices proposed to be effective on February 1, 2023.

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

INTERMOUNTAIN GAS COMPANY

CASE NO. INT-G-22-08

**APPLICATION
AND EXHIBITS**

**In the Matter of the Application of INTERMOUNTAIN GAS COMPANY
For Authority to Change its Prices on February 1, 2023**

(Interim Purchased Gas Cost Adjustment Filing)

Preston N. Carter, ISB No. 8462
Givens Pursley LLP
601 W. Bannock St.
Boise, Idaho 83702
Telephone: (208) 388-1200
Attorneys for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of
INTERMOUNTAIN GAS COMPANY
for Authority to Change its Prices

Case No. INT-G-22-08

APPLICATION

Intermountain Gas Company (“Intermountain” or “Company”), a subsidiary of MDU Resources Group, Inc. with general offices located at 555 South Cole Road, Boise, Idaho, pursuant to the Rules of Procedure of the Idaho Public Utilities Commission (“Commission”), hereby requests authority, pursuant to Idaho Code Sections 61-307 and 61-622, to place into effect February 1, 2023 new rate schedules which will increase rates for its RS, GS-1, IS-R, IS-C, and LV-1 customer classes. The proposed changes will increase the Company’s annualized revenues by approximately \$56 million, however, Intermountain’s earnings will not be increased as a result of the proposed changes in prices and revenues. Exhibit No. 1 is a summary of the overall price changes by class of customer and is attached and incorporated by reference. Intermountain’s current rate schedules showing proposed changes are attached as Exhibit No. 2 and incorporated by reference. The resulting proposed rate schedules are attached as Exhibit No. 3 and incorporated by reference. Exhibit No. 4 outlines the derivation of the Proposed Weighted Average Cost of Gas (“WACOG”) and is incorporated by reference.

Please address communications regarding this Application to:

Lori A. Blattner
Director – Regulatory Affairs
Intermountain Gas Company

Post Office Box 7608
Boise, Idaho 83707
Lori.Blattner@intgas.com

and

Preston N. Carter
Givens Pursley LLP
601 W. Bannock St.
Boise, Idaho 83702
prestoncarter@givenspursley.com
stephaniew@givenspursley.com

In support of this Application, Intermountain alleges and states as follows:

I.

Intermountain is a gas utility, subject to the jurisdiction of the Commission, engaged in the sale of and distribution of natural gas within the State of Idaho under authority of Commission Certificate No. 219, issued December 2, 1955, as amended and supplemented by Order No. 6564, dated October 3, 1962.

Intermountain provides natural gas service to the following Idaho communities and counties and adjoining areas:

Ada County - Boise, Eagle, Garden City, Kuna, Meridian, and Star;
Bannock County - Arimo, Chubbuck, Inkom, Lava Hot Springs, McCammon, and Pocatello;
Bear Lake County - Georgetown and Montpelier;
Bingham County - Aberdeen, Basalt, Blackfoot, Firth, Fort Hall, Moreland/Riverside, and Shelley;
Blaine County - Bellevue, Hailey, Ketchum, and Sun Valley;
Bonneville County - Ammon, Idaho Falls, Iona, and Ucon;
Canyon County - Caldwell, Greenleaf, Middleton, Nampa, Parma, and Wilder;
Caribou County - Bancroft, Grace, and Soda Springs;
Cassia County - Burley, Declo, Malta, and Raft River;
Elmore County - Glens Ferry, Hammett, and Mountain Home;
Fremont County - Parker, and St. Anthony;
Gem County - Emmett;
Gooding County - Gooding and Wendell;
Jefferson County - Lewisville, Menan, Rigby, and Ririe;
Jerome County - Jerome;
Lincoln County - Shoshone;
Madison County - Rexburg, and Sugar City;
Minidoka County - Heyburn, Paul, and Rupert;
Owyhee County - Bruneau and Homedale;
Payette County - Fruitland, New Plymouth, and Payette;

Power County - American Falls;
Twin Falls County - Buhl, Filer, Hansen, Kimberly, Murtaugh, and Twin Falls;
Washington County - Weiser.

Intermountain's properties in these locations consist of transmission pipelines, liquefied natural gas storage facilities, compressor stations, distribution mains, services, meters and regulators, and general plant and equipment.

II.

With this Application, Intermountain seeks to pass through to each of its customer classes changes in gas related costs resulting from an increase in the Company's WACOG. If approved, these changes would result in a price increase to Intermountain's RS, GS-1, IS-R, IS-C, and LV-1 customer classes, which are affected by and subject to Intermountain's Rate Schedule PGA, initially approved by this Commission in Order No. 26109, Case No. INT-G-95-1, and additionally approved through subsequent proceedings.

III.

The Commission approved the current prices related to the cost of gas in Order No. 35538, Case No. INT-G-22-04.

IV.

Over the last several months, natural gas prices have climbed across the United States including in the three supply basins that affect the Company's weighted average cost of gas. Several factors contribute to this increase. First, the colder than normal winter weather from mid-November to date is putting upward pressure on daily and future winter month pricing as demand has exceed expectations. In addition, the must flow operational flow order ("OFO") on the south end of the Northwest Pipeline system has provided an incentive for Sumas and Stanfield suppliers to command higher prices knowing that gas must be purchased and flowed south. Finally, certain pipeline maintenance and constraints on southwestern pipelines are also causing an

increased demand of gas from Alberta and the Rockies to serve California load, thus creating further upward pressure on prices. All of these factors have combined to significantly increase the forecast WACOG from what was approved in Order No. 35538.

V.

Commission Order No. 35538 directed the Company to “notify the Commission promptly if an interim filing is needed.” The Company respectfully submits that an interim filing is needed at this time to update the Company’s currently approved WACOG rate to better reflect current natural gas cost levels and reduce the amount of deferred gas costs that will need to be included in the Company’s regular Purchased Gas Cost Adjustment (“PGA”) filing.

VI.

The forecast WACOG based on actual purchases through December 21, 2022 and forecasts through September 30, 2023 is \$0.66399. This compares to \$0.39216 per therm currently included in the Company’s tariffs. Because so much of the year remains a forecast, the Company proposes to mitigate the increase by reducing it in half. The resulting proposed WACOG of \$0.52808 can be seen on Exhibit No. 4, Page 1, Column (b), Line 6. Any variances between the proposed WACOG of \$0.52808 and actual gas costs for the remaining months would be deferred until the Company’s 2023 PGA filing. Line Break Pricing has been updated to reflect the proposed changes as shown on Exhibit No. 2, page 2, Line 19.

VII.

Intermountain believes that the WACOG rate proposed in this Application, subject to the effect of actual supply and demand and based on current market conditions, provides today’s most reasonable forecast of gas costs for the October 2022 – September 2023 period, and reflects a just, fair, and equitable change in gas costs to Intermountain’s RS, GS-1, IS-R, IS-C, and LV-1

customers. Although the proposed WACOG reflects a significant price increase for all customers, the Company is hopeful that this interim filing will mitigate the build-up of deferrals that would need to be collected through the 2023 PGA filing.

VIII.

The Company does not propose to change its gas transportation cost or temporary purchased gas cost adjustment rates at this time. These rates, along with an updated estimate of the WACOG rate, will be adjusted as part of the Company's regular 2023 PGA filing.

IX.

This Application has been brought to the attention of Intermountain's customers through a Customer Notice and by a Press Release sent to daily and weekly newspapers, and major radio and television stations in Intermountain's service area. The Press Release and Customer Notice are attached and incorporated by reference.

X.

Intermountain requests that this matter be handled under modified procedure pursuant to Rules 201-204 of the Commission's Rules of Procedure. Intermountain stands ready for immediate consideration of this matter.

XI.

Intermountain respectfully petitions the Idaho Public Utilities Commission as follows:

a. That the proposed rate schedules submitted as Exhibit No. 3 be approved without suspension and made effective as of February 1, 2023 in the manner shown on Exhibit

No. 3,

b. That this Application be heard and acted upon without hearing under modified procedure,

and

c. For such other relief as this Commission may determine proper.


DATED: December 27, 2022.

INTERMOUNTAIN GAS COMPANY

GIVENS PURSLEY LLP

By 

Lori A. Blattner
Director – Regulatory Affairs

By 

Preston N. Carter
Attorney for Intermountain Gas Company

EXHIBIT NO. 1

CASE NO. INT-G-22-08

INTERMOUNTAIN GAS COMPANY

SUMMARY OF PRICE CHANGES

(1 page)

INTERMOUNTAIN GAS COMPANY

Analysis of Annualized Price Change by Class of Service
Normalized Volumes for Twelve Months Ended December 31, 2021

Line No.	Description (a)	Average Prices Effective per Case Nos. INT-G-22-04 & INT-G-22-05 Commission Order Nos. 35538 & 35539		Proposed Adjustments Effective 2/1/2023		Proposed Average Prices Effective 2/1/2023		Percent Change (f)	
		Annual Therms/Contract Demand (b)	Revenue (c)	\$/Therm (d)	Revenue (e)	\$/Therm (f)	Revenue (g)		\$/Therm (h)
1	<u>Gas Sales:</u>								
2	RS Residential	271,230,531	\$ 222,691,115	\$ 0.82104	\$ 36,865,654	\$ 0.13592	\$ 259,556,769	\$ 0.95696	16.55%
3	GS-1 General Service	131,836,767	100,103,657	0.75930	17,919,253	0.13592	118,022,910	0.89522	17.90%
4	LV-1 Large Volume	12,399,432	6,967,985	0.56196	1,685,331	0.13592	8,653,316	0.69788	24.19%
5	Total Gas Sales	<u>415,466,730</u>	<u>\$ 329,762,757</u>	<u>\$ 0.79372</u>	<u>\$ 56,470,238</u>	<u>\$ 0.13592</u>	<u>\$ 386,232,995</u>	<u>\$ 0.92964</u>	<u>17.12%</u>

EXHIBIT NO. 2

CASE NO. INT-G-22-08

INTERMOUNTAIN GAS COMPANY

CURRENT TARIFFS

Showing Proposed Price Changes

(8 pages)

INTERMOUNTAIN GAS COMPANY
Comparison of Proposed February 1, 2023 Prices
To Currently Approved Prices

Line No.	Rate Class	Currently Approved Prices	Proposed Adjustment	Proposed February 1, 2023 Prices
	(a)	(b)	(c)	(d)
1	RS	\$ 0.73392	\$ 0.13592	\$ 0.86984
2	GS-1			
3	Block 1	0.75436	\$ 0.13592	0.89028
4	Block 2	0.73088	0.13592	0.86680
5	Block 3	0.70821	0.13592	0.84413
6	Block 4	0.63965	0.13592	0.77557
7	CNG Fuel			
8	Block 1	0.70501	0.13592	0.84093
9	Block 2	0.63645	0.13592	0.77237
10	IS-R ⁽¹⁾	0.73618	\$ 0.13592	0.87210
11	IS-C ⁽²⁾			
12	Block 1	0.75116	\$ 0.13592	0.88708
13	Block 2	0.72768	0.13592	0.86360
14	Block 3	0.70501	0.13592	0.84093
15	Block 4	0.63645	0.13592	0.77237
16	LV-1			
17	Demand Charge	0.30000	-	0.30000
18	Block 1	0.54173	\$ 0.13592	0.67765
19	Block 2	0.52384	0.13592	0.65976
20	Block 3	0.44733	0.13592	0.58325
21	T-3			
22	Block 1	0.03771	-	0.03771
23	Block 2	0.01487	-	0.01487
24	Block 3	0.00496	-	0.00496
25	T-4			
26	Demand Charge	0.28032	-	0.28032
27	Block 1	0.02395	-	0.02395
28	Block 2	0.00847	-	0.00847
29	Block 3	0.00260	-	0.00260

⁽¹⁾ The IS-R price is based on the RS price and receives the same PGA adjustments, except for the Residential Energy Efficiency Credit which was calculated on Exhibit No. 14, Line 3, Column (c) of Case No. INT-G-22-04

⁽²⁾ The IS-C price is based on the GS-1 price and receives the same PGA adjustments

INTERMOUNTAIN GAS COMPANY
Summary of Proposed Tariff Components and Line Break Pricing

Line No.	Description (a)	RS (b)	GS-1 (c)	LV-1 (d)
1	Cost of Gas:			
2	Temporary Purchased Gas Cost Adjustment ⁽¹⁾	\$ (0.00057)	\$ 0.01445	\$ 0.03247
3	Weighted Average Cost of Gas	0.52808	0.52808	0.52808
4	Gas Transportation Cost ⁽¹⁾	0.16364	0.15990	0.08710
5	Total Proposed Cost of Gas	\$ 0.69115	\$ 0.70243	\$ 0.64765
6	Distribution Cost: ⁽²⁾			
7	Block 1	\$ 0.16305	\$ 0.18465	\$ 0.03000
8	Block 2		0.16117	0.01211
9	Block 3		0.13850	0.00307
10	Block 4		0.06994	
11	Demand Charge			0.30000
12	Energy Efficiency Charge	0.01564 ⁽³⁾	0.00320 ⁽⁴⁾	
13	Proposed Prices:			
14	Block 1	\$ 0.86984	\$ 0.89028	\$ 0.67765
15	Block 2		0.86680	0.65976
16	Block 3		0.84413	0.58325
17	Block 4		0.77557	
18	Demand Charge			0.30000
19	Line Break Pricing ⁽⁵⁾	\$ 0.69172		

⁽¹⁾ See Case No. INT-G-22-04

⁽²⁾ See Case No. GNR-U-18-01

⁽³⁾ See Case No. INT-G-22-05

⁽⁴⁾ See Case No. INT-G-20-04

⁽⁵⁾ Sum of Lines 3 and 4, Column (b)

I.P.U.C. Gas Tariff Rate Schedules Tenth Revised <u>Eleventh</u>	Sheet No. 1 (Page 1 of 1)
Name of Utility	Intermountain Gas Company

IDAHO PUBLIC UTILITIES COMMISSION
Approved **Effective**
Sept. 27, 2022 **Oct. 1, 2022**
Per ON 35538 & 35539
Jan Noriyuki Secretary

Rate Schedule RS RESIDENTIAL SERVICE

APPLICABILITY:

Applicable to any customer using natural gas for residential purposes.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge:	\$5.50 per bill
Per Therm Charge:	\$0.73392 * <u>\$0.86984</u>

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	(\$0.00057)
	2) Weighted average cost of gas	\$0.39216 <u>\$0.52808</u>
	3) Gas transportation cost	\$0.16364
Distribution Cost:		\$0.16305
EE Charge:		\$0.01564

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

ENERGY EFFICIENCY CHARGE ADJUSTMENT:

This tariff is subject to an adjustment for costs related to the Company's Energy Efficiency program as provided for in Rate Schedule EEC-RS. The Energy Efficiency Charge is separately stated on customer bills.

SERVICE CONDITIONS:

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: Intermountain Gas Company By: Lori A. Blattner Effective: October 1, 2022 <u>February 1, 2023</u>	Title: Director – Regulatory Affairs
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I.P.U.C. Gas Tariff Rate Schedules Sixty-Fifth Revised <u>Sixty-Sixth</u> Sheet No. 3 (Page 1 of 2)	
Name of Utility	Intermountain Gas Company

IDAHO PUBLIC UTILITIES COMMISSION
Approved **Effective**
Sept. 27, 2022 **Oct. 1, 2022**
Per ON-35538
Jan Noriyuki Secretary

**Rate Schedule GS-1
GENERAL SERVICE**

APPLICABILITY:

Applicable to customers whose requirements for natural gas do not exceed 2,000 therms per day, at any point on the Company's distribution system. Requirements in excess of 2,000 therms per day may be allowed at the Company's discretion.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge:	\$9.50 per bill			
Per Therm Charge:	Block One:	First	200 therms per bill @	\$0.75436 *\$0.89028
	Block Two:	Next	1,800 therms per bill @	\$0.73088 *\$0.86680
	Block Three:	Next	8,000 therms per bill @	\$0.70824 *\$0.84413
	Block Four:	Over	10,000 therms per bill @	\$0.63965 *\$0.77557

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01445		
	2) Weighted average cost of gas	\$0.39216 \$0.52808		
	3) Gas transportation cost	\$0.15990		
Distribution Cost:	Block One:	First	200 therms per bill @	\$0.18465
	Block Two:	Next	1,800 therms per bill @	\$0.16117
	Block Three:	Next	8,000 therms per bill @	\$0.13850
	Block Four:	Over	10,000 therms per bill @	\$0.06994
EE Charge:	\$0.00320			

Issued by: Intermountain Gas Company
By: Lori A. Blattner Title: Director – Regulatory Affairs
Effective: October 1, 2022 February 1, 2023

I.P.U.C. Gas Tariff Rate Schedules Sixty-Fifth Revised <u>Sixty-Sixth</u> Sheet No. 3 (Page 2 of 2)	
Name of Utility	Intermountain Gas Company

IDAHO PUBLIC UTILITIES COMMISSION
Approved **Effective**
Sept. 27, 2022 **Oct. 1, 2022**
Per ON-35538
Jan Noriyuki Secretary

**Rate Schedule GS-1
GENERAL SERVICE
(Continued)**

For separately metered deliveries of gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines.

Customer Charge:	\$9.50 per bill		
Per Therm Charge:	Block One: First 10,000 therms per bill @	\$0.70501*	\$0.84093
	Block Two: Over 10,000 therms per bill @	\$0.63645*	\$0.77237
*Includes the following:			
Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01445	
	2) Weighted average cost of gas	\$0.39216	\$0.52808
	3) Gas transportation cost	\$0.15990	
Distribution Cost:	Block One: First 10,000 therms per bill @	\$0.13850	
	Block Two: Over 10,000 therms per bill @	\$0.06994	

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

ENERGY EFFICIENCY CHARGE ADJUSTMENT:

This tariff is subject to an adjustment for costs related to the Company's Energy Efficiency program as provided for in Rate Schedule EEC-GS. The Energy Efficiency Charge is not applicable to gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines. The Energy Efficiency Charge is separately stated on customer bills.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: Intermountain Gas Company
By: Lori A. Blattner Title: Director – Regulatory Affairs
Effective: October 1, 2022 <u>February 1, 2023</u>

I.P.U.C. Gas Tariff	
Rate Schedules	
Twenty-First Revised Twenty-Second	Sheet No. 4 (Page 1 of 2)
Name of Utility	Intermountain Gas Company

IDAHO PUBLIC UTILITIES COMMISSION
Approved **Effective**
Sept. 27, 2022 **Oct. 1, 2022**
Per ON-35538
Jan Noriyuki Secretary

**Rate Schedule IS-R
RESIDENTIAL INTERRUPTIBLE SNOWMELT SERVICE**

APPLICABILITY:

Applicable to any residential customer otherwise eligible to receive service under Rate Schedule RS who has added natural gas snowmelt equipment after 6/1/2010. The intended use of the snowmelt equipment is to melt snow and/or ice on sidewalks, driveways or any other similar appurtenances. Any and all such applications meeting the above criteria will be subject to service under Rate Schedule IS-R and will be separately and individually metered. All service hereunder is interruptible at the sole discretion of the Company.

FACILITY REIMBURSEMENT CHARGE:

All new interruptible Snowmelt service customers are required to pay for the cost of the Snowmelt meter set and other related facility and equipment costs, prior to the installation of the meter set. Any request to alter the physical location of the meter set and related facilities from Company's initial design may be granted provided, however, the Company can reasonably accommodate said relocation and Customer agrees to pay all related costs.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge: \$5.50 per bill
Per Therm Charge: ~~\$0.73648~~ * \$0.87210

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01733
	2) Weighted average cost of gas	\$0.39216 <u>\$0.52808</u>
	3) Gas transportation cost	\$0.16364
Distribution Cost:		\$0.16305

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

<p>Issued by: Intermountain Gas Company By: Lori A. Blattner Title: Director – Regulatory Affairs Effective: October 1, 2022 <u>February 1, 2023</u></p>
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I.P.U.C. Gas Tariff	
Rate Schedules	
Twentieth Revised Twenty-First	Sheet No. 5 (Page 1 of 2)
Name of Utility	Intermountain Gas Company

IDAHO PUBLIC UTILITIES COMMISSION
Approved **Effective**
Sept. 27, 2022 **Oct. 1, 2022**
Per ON-35538
Jan Noriyuki Secretary

Rate Schedule IS-C
SMALL COMMERCIAL INTERRUPTIBLE SNOWMELT SERVICE

APPLICABILITY:

Applicable to any customer otherwise eligible to receive gas service under Rate Schedule GS-1 who has added natural gas snowmelt equipment after 6/1/2010. The intended use of the snowmelt equipment is to melt snow and/or ice on sidewalks, driveways or any other similar appurtenances. Any and all such applications meeting the above criteria will be subject to service under Rate Schedule IS-C and will be separately and individually metered. All service hereunder is interruptible at the sole discretion of the Company.

FACILITY REIMBURSEMENT CHARGE:

All new interruptible Snowmelt service customers are required to pay for the cost of the Snowmelt meter set and other related facility and equipment costs, prior to the installation of the meter set. Any request to alter the physical location of the meter set and related facilities from Company's initial design may be granted provided, however, the Company can reasonably accommodate said relocation and Customer agrees to pay all related costs.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge:	\$9.50 per bill			
Per Therm Charge:	Block One:	First	200 therms per bill @	\$0.75116 *\$0.88708
	Block Two:	Next	1,800 therms per bill @	\$0.72768 *\$0.86360
	Block Three:	Next	8,000 therms per bill @	\$0.70504 *\$0.84093
	Block Four:	Over	10,000 therms per bill @	\$0.63645 *\$0.77237

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01445		
	2) Weighted average cost of gas	\$0.39246 \$0.52808		
	3) Gas transportation cost	\$0.15990		
Distribution Charge:	Block One:	First	200 therms per bill @	\$0.18465
	Block Two:	Next	1,800 therms per bill @	\$0.16117
	Block Three:	Next	8,000 therms per bill @	\$0.13850
	Block Four:	Over	10,000 therms per bill @	\$0.06994

Issued by: Intermountain Gas Company By: Lori A. Blattner Title: Director – Regulatory Affairs Effective: October 1, 2022 February 1, 2023
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I.P.U.C. Gas Tariff	
Rate Schedules	
Seventy-Second Revised <u>Seventy-Third</u>	Sheet No. 7 (Page 1 of 2)
Name of Utility	Intermountain Gas Company

IDAHO PUBLIC UTILITIES COMMISSION
Approved **Effective**
Sept. 27, 2022 **Oct. 1, 2022**
Per ON-35538
Jan Noriyuki Secretary

**Rate Schedule LV-1
LARGE VOLUME FIRM SALES SERVICE**

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedule LV-1 or any customer not previously served under this schedule whose usage does not exceed 500,000 therms annually, upon execution of a one-year minimum written service contract for firm sales service in excess of 200,000 therms per year.

MONTHLY RATE:

Demand Charge:	\$0.30000 per MDFQ therm			
Per Therm Charge:	Block One:	First	250,000 therms per bill @	\$0.54173* <u>\$0.67765</u>
	Block Two:	Next	500,000 therms per bill @	\$0.52384* <u>\$0.65976</u>
	Block Three:	Over	750,000 therms per bill @	\$0.44733* <u>\$0.58325</u>

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment			
	Block One and Two			\$0.03247
	Block Three			\$0.05210
	2) Weighted average cost of gas			\$0.39246 <u>\$0.52808</u>
	3) Gas transportation cost (Block One and Two only)			\$0.08710
Distribution Cost:	Block One:	First	250,000 therms per bill @	\$0.03000
	Block Two:	Next	500,000 therms per bill @	\$0.01211
	Block Three:	Over	750,000 therms per bill @	\$0.00307

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. The customer shall negotiate with the Company, a mutually agreeable Maximum Daily Firm Quantity (MDFQ), which will be stated in and in effect throughout the term of the service contract.
3. The monthly Demand Charge will be equal to the MDFQ times the Demand Charge rate. Demand Charge relief will be afforded to those LV-1 customers when circumstances impacted by force majeure events prevent the Company from delivering natural gas to the customer's meter.

Issued by: Intermountain Gas Company	Title: Director – Regulatory Affairs
By: Lori A. Blattner	
Effective: October 1, 2022 <u>February 1, 2023</u>	

EXHIBIT NO. 3

CASE NO. INT-G-22-08

INTERMOUNTAIN GAS COMPANY

PROPOSED TARIFFS

(6 pages)

Name
of Utility **Intermountain Gas Company**

Rate Schedule RS RESIDENTIAL SERVICE

APPLICABILITY:

Applicable to any customer using natural gas for residential purposes.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge:	\$5.50 per bill
Per Therm Charge:	\$0.86984*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	(\$0.00057)
	2) Weighted average cost of gas	\$0.52808
	3) Gas transportation cost	\$0.16364
Distribution Cost:		\$0.16305
EE Charge:		\$0.01564

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

ENERGY EFFICIENCY CHARGE ADJUSTMENT:

This tariff is subject to an adjustment for costs related to the Company's Energy Efficiency program as provided for in Rate Schedule EEC-RS. The Energy Efficiency Charge is separately stated on customer bills.

SERVICE CONDITIONS:

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Name
of Utility

Intermountain Gas Company

Rate Schedule GS-1 GENERAL SERVICE

APPLICABILITY:

Applicable to customers whose requirements for natural gas do not exceed 2,000 therms per day, at any point on the Company's distribution system. Requirements in excess of 2,000 therms per day may be allowed at the Company's discretion.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge:	\$9.50 per bill		
Per Therm Charge:	Block One:	First	200 therms per bill @ \$0.89028*
	Block Two:	Next	1,800 therms per bill @ \$0.86680*
	Block Three:	Next	8,000 therms per bill @ \$0.84413*
	Block Four:	Over	10,000 therms per bill @ \$0.77557*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01445
	2) Weighted average cost of gas	\$0.52808
	3) Gas transportation cost	\$0.15990

Distribution Cost:	Block One:	First	200 therms per bill @ \$0.18465
	Block Two:	Next	1,800 therms per bill @ \$0.16117
	Block Three:	Next	8,000 therms per bill @ \$0.13850
	Block Four:	Over	10,000 therms per bill @ \$0.06994

EE Charge:	\$0.00320
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Issued by: **Intermountain Gas Company**

By: Lori A. Blattner

Title: Director – Regulatory Affairs

Effective: February 1, 2023

Name
of Utility

Intermountain Gas Company

**Rate Schedule GS-1
GENERAL SERVICE
(Continued)**

For separately metered deliveries of gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines.

Customer Charge:	\$9.50 per bill		
Per Therm Charge:	Block One: First 10,000 therms per bill @		\$0.84093*
	Block Two: Over 10,000 therms per bill @		\$0.77237*
*Includes the following:			
Cost of Gas:	1) Temporary purchased gas cost adjustment		\$0.01445
	2) Weighted average cost of gas		\$0.52808
	3) Gas transportation cost		\$0.15990
Distribution Cost:	Block One: First 10,000 therms per bill @		\$0.13850
	Block Two: Over 10,000 therms per bill @		\$0.06994

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

ENERGY EFFICIENCY CHARGE ADJUSTMENT:

This tariff is subject to an adjustment for costs related to the Company's Energy Efficiency program as provided for in Rate Schedule EEC-GS. The Energy Efficiency Charge is not applicable to gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines. The Energy Efficiency Charge is separately stated on customer bills.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

Issued by: **Intermountain Gas Company**

By: Lori A. Blattner

Title: Director – Regulatory Affairs

Effective: February 1, 2023

Name of Utility **Intermountain Gas Company**

Rate Schedule IS-R RESIDENTIAL INTERRUPTIBLE SNOWMELT SERVICE

APPLICABILITY:

Applicable to any residential customer otherwise eligible to receive service under Rate Schedule RS who has added natural gas snowmelt equipment after 6/1/2010. The intended use of the snowmelt equipment is to melt snow and/or ice on sidewalks, driveways or any other similar appurtenances. Any and all such applications meeting the above criteria will be subject to service under Rate Schedule IS-R and will be separately and individually metered. All service hereunder is interruptible at the sole discretion of the Company.

FACILITY REIMBURSEMENT CHARGE:

All new interruptible Snowmelt service customers are required to pay for the cost of the Snowmelt meter set and other related facility and equipment costs, prior to the installation of the meter set. Any request to alter the physical location of the meter set and related facilities from Company's initial design may be granted provided, however, the Company can reasonably accommodate said relocation and Customer agrees to pay all related costs.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge: \$5.50 per bill

Per Therm Charge: \$0.87210*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01733
	2) Weighted average cost of gas	\$0.52808
	3) Gas transportation cost	\$0.16364

Distribution Cost: \$0.16305

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

Issued by: **Intermountain Gas Company**

By: Lori A. Blattner

Title: Director – Regulatory Affairs

Effective: February 1, 2023

Name of Utility **Intermountain Gas Company**

**Rate Schedule IS-C
 SMALL COMMERCIAL INTERRUPTIBLE SNOWMELT SERVICE**

APPLICABILITY:

Applicable to any customer otherwise eligible to receive gas service under Rate Schedule GS-1 who has added natural gas snowmelt equipment after 6/1/2010. The intended use of the snowmelt equipment is to melt snow and/or ice on sidewalks, driveways or any other similar appurtenances. Any and all such applications meeting the above criteria will be subject to service under Rate Schedule IS-C and will be separately and individually metered. All service hereunder is interruptible at the sole discretion of the Company.

FACILITY REIMBURSEMENT CHARGE:

All new interruptible Snowmelt service customers are required to pay for the cost of the Snowmelt meter set and other related facility and equipment costs, prior to the installation of the meter set. Any request to alter the physical location of the meter set and related facilities from Company's initial design may be granted provided, however, the Company can reasonably accommodate said relocation and Customer agrees to pay all related costs.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge:	\$9.50 per bill			
Per Therm Charge:	Block One:	First	200 therms per bill @	\$0.88708*
	Block Two:	Next	1,800 therms per bill @	\$0.86360*
	Block Three:	Next	8,000 therms per bill @	\$0.84093*
	Block Four:	Over	10,000 therms per bill @	\$0.77237*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01445
	2) Weighted average cost of gas	\$0.52808
	3) Gas transportation cost	\$0.15990

Distribution Charge:	Block One:	First	200 therms per bill @	\$0.18465
	Block Two:	Next	1,800 therms per bill @	\$0.16117
	Block Three:	Next	8,000 therms per bill @	\$0.13850
	Block Four:	Over	10,000 therms per bill @	\$0.06994

Rate Schedule LV-1 LARGE VOLUME FIRM SALES SERVICE

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedule LV-1 or any customer not previously served under this schedule whose usage does not exceed 500,000 therms annually, upon execution of a one-year minimum written service contract for firm sales service in excess of 200,000 therms per year.

MONTHLY RATE:

Demand Charge:	\$0.30000 per MDFQ therm			
Per Therm Charge:	Block One:	First	250,000 therms per bill @	\$0.67765*
	Block Two:	Next	500,000 therms per bill @	\$0.65976*
	Block Three:	Over	750,000 therms per bill @	\$0.58325*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment			
		Block One and Two		\$0.03247
		Block Three		\$0.05210
	2) Weighted average cost of gas			\$0.52808
	3) Gas transportation cost (Block One and Two only)			\$0.08710
Distribution Cost:	Block One:	First	250,000 therms per bill @	\$0.03000
	Block Two:	Next	500,000 therms per bill @	\$0.01211
	Block Three:	Over	750,000 therms per bill @	\$0.00307

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

SERVICE CONDITIONS:

- All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
- The customer shall negotiate with the Company, a mutually agreeable Maximum Daily Firm Quantity (MDFQ), which will be stated in and in effect throughout the term of the service contract.
- The monthly Demand Charge will be equal to the MDFQ times the Demand Charge rate. Demand Charge relief will be afforded to those LV-1 customers when circumstances impacted by force majeure events prevent the Company from delivering natural gas to the customer's meter.

EXHIBIT NO. 4

CASE NO. INT-G-22-08

INTERMOUNTAIN GAS COMPANY

PROPOSED WEIGHTED AVERAGE COST OF GAS

(1 page)

INTERMOUNTAIN GAS COMPANY
Proposed Weighted Average Cost of Gas

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	(a)	(b)
1	2022-2023 Estimated Per Therm WACOG	\$ 0.66399
2	Currently Approved WACOG ⁽¹⁾	0.39216
3	Difference	<u>\$ 0.27183</u>
4	Proposed Increase Mitigation	<u>(0.13591)</u>
5	Proposed WACOG Adjustment	<u>\$ 0.13592</u>
6	Total Proposed WACOG	<u><u>\$ 0.52808</u></u>

⁽¹⁾ See Case No. INT-G-22-04

NEWS RELEASE
and
CUSTOMER NOTICE

CASE NO. INT-G-22-08

INTERMOUNTAIN GAS COMPANY

(4 pages)



Intermountain Gas Company files price increase request as part of interim PGA

BOISE, ID – December 27, 2022 – Intermountain Gas Company today filed an interim purchased gas cost adjustment (PGA) application with the Idaho Public Utilities Commission to increase its prices by approximately 17.1% or \$56.5 million. If approved, the increase would be effective Feb. 1, 2023.

The primary reason for the filing, Case No. INT-G-22-08, is a significant increase in the commodity price for natural gas. Over the past several months, natural gas prices have climbed across the United States. Within Intermountain’s service area, high demand, lower-than-average natural gas storage levels and insufficient pipeline capacity into the region have impacted prices. Global events and an increase in liquefied natural gas exports also have created strong upward pricing pressure.

Intermountain typically files PGAs on an annual basis to balance out an over collection or under collection of natural gas costs. Because commodity prices have increased so dramatically, the company filed an interim increase to mitigate the under-collection balance. If left unchanged until later in the year, the monthly increase for customers would be greater because of the under-collection balance.

Intermountain’s earnings will not increase as a result of this filing. Because the price Intermountain pays for natural gas is passed through directly to customers, there is no financial benefit to the company from this proposed price increase.

If approved, a typical residential customer would see an increase of \$8.58, or 16.6%, per month based on average weather and usage. Commercial customers, on average, would see an increase of \$43.10, or 17.9%, per month.

As a way to help customers better budget their energy costs, Intermountain offers a Level Pay program that helps even out monthly payments. Customers struggling to pay their bills may also qualify for federal or state energy assistance and should contact Intermountain to find out more or arrange a payment plan to help manage any past due balance on their account.

“The rebounding economy, a slow ramp up of drilling activity and limited natural gas pipeline capacity are factors in increased commodity prices,” said Scott Madison, executive vice president of business development and gas supply for Intermountain.

Intermountain urges all customers to use energy wisely. For more information about the company’s energy efficiency program and available rebates for installing high efficiency equipment, visit www.intgas.com/saveenergy. Conservation tips, information on government payment energy assistance and programs to help consumers level out their energy bills over the year can be found on the company’s website www.intgas.com.

The request is a proposal and is subject to public review and approval by the PUC. A copy of the application is available for review at the commission, its homepage www.puc.idaho.gov, as well as the company’s website www.intgas.com. Written comments regarding the application may be filed with the commission. Customers may also subscribe to the commission’s RSS feed to review periodic updates via email.

Intermountain Gas Company is a natural gas distribution company serving approximately 404,800 residential, commercial and industrial customers in 74 communities in southern Idaho. Intermountain is a subsidiary of MDU Resources Group, Inc., a member of the S&P MidCap 400 and the S&P High-Yield Dividend Aristocrats indices, and is Building a Strong America® by providing essential products and services through its regulated energy delivery and construction materials and services businesses. For more information about MDU Resources, see the company's website at www.mdu.com. For more information about Intermountain, visit www.intgas.com.

Media Contact: Mark Hanson at 701-530-1093 or mark.hanson@mduresources.com or Laura Lueder at 701-530-1095 or laura.lueder@mduresources.com.



Customer Notice

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In December, a separate notice detailing a price increase request, Case No. INT-G-22-07, accompanied customer bills. The notice failed to include the information below, noting it is a request and is subject to approval as well as where the application could be reviewed and comments filed.

This request as well as the December request are proposals and are subject to public review and approval by the PUC. A copy of the applications are available for review at the commission, its homepage www.puc.idaho.gov, as well as the company's website www.intgas.com. Written comments regarding the applications may be filed with the commission. Customers may also subscribe to the commission's RSS feed to review periodic updates via email.

Intermountain Gas Company | Customer Service: 800-548-3679 | M-F, 7:30am - 6:30pm | www.intgas.com

