Office of the Secretary
Service Date
September 26, 2025

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF INTERMOUNTAIN GAS COMPANY'S REQUEST FOR AUTHORITY TO CHANGE ITS PRICES	)	CASE NO. INT-G-25-04 ORDER NO. 36771

On August 7, 2025, Intermountain Gas Company ("Company") applied to the Idaho Public Utilities Commission ("Commission") requesting authority to implement new rate schedules, effective October 1, 2025, which will increase its annualized revenues by $303,638, due to increases in the Company's gas related costs ("Application"). Under the proposed changes, the typical residential customer's monthly bill would decrease by $0.06, or 0.03 percent. On average, large volume and transport customers would see their bills increase between $435.10 and $649.24, or 5.06–11.3 percent, depending on their rate schedule.

On August 22, 2025, the Commission issued a Notice of Application and Notice of Modified Procedure setting comment deadlines. Order No. 36735. Commission Staff ("Staff") filed the only comments.

Having reviewed the record in this case, we now issue this Order approving the Company's Application with the modification discussed below.

BACKGROUND

The Company's rates include a base-rate component and a gas-related cost, Purchased Gas Cost Adjustment ("PGA"), component. The base-rate component is intended to cover the Company's fixed costs to serve its customers. The Company's PGA is a Commission-approved mechanism that adjusts rates up or down to reflect changes in the Company's costs to buy natural gas from suppliers—including changes in transportation, storage, and other related costs. The Company defers these costs into its PGA account and then passes them on to customers through an increase or decrease in rates.

In Order No. 26109, the Commission approved the Company's use of temporary pricing for certain rate schedules to be determined by a PGA based on gas-related costs. The Company's current temporary prices related to the cost of gas were approved in Order No. 36338 and are effective from October 1, 2024, through September 30, 2025.

THE APPLICATION

The Company requested authority to pass through to each of its customer classes: (1) costs incurred by the Company from firm transportation providers; (2) increases in the Company's Weighted Average Cost of Gas ("WACOG"); (3) newly determined customer allocation of gas-related costs under the Company's PGA provision; (4) one year temporary surcharges and credits related to natural gas purchases and interstate transportation expenses from the Company's deferred gas cost accounts; (5) benefits from the Company's management of storage and firm capacity rights on various pipeline systems; and (6) benefits related to the sale of liquefied natural gas ("LNG") from the Company's Nampa, Idaho facility. Application at 4. Accordingly, the Company also sought authority to remove the temporary surcharges and credits related to the cost of gas from the Company's present prices. *Id.*

The Company represented the proposed changes to its gas-related costs would result in a price decrease for the Company's RS, GS-1, IS-R, and IS-C customer classes. *Id.* The Company stated the proposed changes would result in a price increase for the Company's LV-1, T-3, and T-4 customer classes. *Id.*

The Company requested that the filing requirement for the Deferred Gas Cost Balance, LNG Sales Cost Benefit Analysis, and WACOG reports be maintained at a quarterly frequency. *Id.* at 12.

According to the Company, it notified its customers of the changes proposed in the Application through a Customer Notice and a Press Release that was sent to daily and weekly newspapers and major television and radio stations within the Company's service area. *Id.* at 10. Additionally, the Company provided copies of the Application, its Exhibits, and Workpapers to parties that regularly intervene in the Company's rate filings with the Commission. *Id.*

STAFF COMMENTS

Staff recommended the Commission approve the Company's Application with additional instruction that the Company file an adjustment to its PGA-related rates if gas prices significantly deviate from projections. Staff Comments at 3, 9. Staff's analysis supported the Company's position that the PGA proposal would not affect the Company's earnings, that the deferred costs were prudent and properly calculated, and that the Company's proposed WACOG request of $0.28734 is reasonable. *Id.*

Staff also supported the Company's request to maintain the quarterly filing requirement for Deferred Gas Cost Balance, LNG Sales Cost Benefit Analysis, and WACOG reports implemented by Order No. 34448. *Id.* at 9. Staff stated that quarterly filing is reasonable considering the Company's express commitment to notifying the Commission if an interim filing is needed. *Id.*

Staff believed the Company's press release and customer notice regarding the Application satisfied the requirements of IDAPA 31.010.01.125. *Id.*

COMMISSION DECISION AND FINDINGS

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, the Commission approves the Company's PGA Application to increase its annualized revenues by $303,638. Relatedly, the Commission approves the WACOG amount of $0.28734.

The Commission also finds that the Company's proposed changes to Schedules RS, GS-1, LV-1, IS-R, IS-C, T-3, and T-4 accurately capture the Company's prudently incurred variable costs. We find it fair, just, and reasonable to approve the Company's proposed tariff rate schedule changes.

We also find that quarterly reports reflecting WACOG projections, LNG Sales Cost Benefit Analysis, and Deferred Gas Cost Balances provide useful information and assist Staff with determining whether to perform its audit earlier than planned and whether an interim filing might be needed. We approve continued quarterly reporting with the understanding that the Company will notify the Commission of any major changes outside the quarterly reporting window. If market conditions change significantly, we direct Company file an adjustment to its PGA-related rates.

ORDER

IT IS HEREBY ORDERED that the Company's Application to increase revenues by $303,638 is approved. The Commission approves the WACOG amount of $0.28734. These rates shall be effective from October 1, 2025, through September 30, 2026. The Company's proposed tariffs are approved as filed.

IT IS FURTHER ORDERED that the Company shall continue to file quarterly reports reflecting WACOG projections, LNG Sales Cost Benefit Analysis, and Deferred Gas Cost Balances.

IT IS FURTHER ORDERED that the Company shall promptly file for an adjustment to its PGA-related rates if gas prices significantly deviate from projections.

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 regarding 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. *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26th day of September 2025.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Laura Calderon Robles
Interim Commission Secretary

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