Office of the Secretary
Service Date
September 16, 2026

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF INTERMOUNTAIN GAS COMPANY'S APPLICATION FOR APPROVAL TO PLACE INTO EFFECT A CHANGE IN ITS DEPRECIATION AND AMORTIZATION RATES	))))))	**CASE NO. INT-G-26-01** **ORDER NO. 37162**

On January 14, 2026, Intermountain Gas Company ("Company") applied to the Idaho Public Utilities Commission ("Commission") requesting authority to increase its depreciation and amortization rates from a combined 2.4% to 2.49%.

On February 4, 2026, the Commission issued a Notice of Application and Notice of Intervention Deadline setting a deadline for interested parties to file a petition to intervene. Order No. 36926. No petitions to intervene were filed.

On March 16, 2026, the Commission issued a Notice of Modified Procedure establishing written comment deadlines. Order No. 36966. On June 8, 2026, the Commission issued an Order Vacating Comment Deadlines set in Order No. 36966. Order No. 37062.

Subsequently, Commission Staff ("Staff") and the Company (individually, "Party" or collectively, "Parties") entered into settlement negotiations. Staff and the Company attended a settlement conference that resulted in a proposed settlement. On July 13, 2026, the Company filed a stipulation and proposed settlement ("Proposed Settlement") and a stipulated motion to approve the Proposed Settlement requesting Commission approval of the Proposed Settlement.

On July 30, 2026, the Commission issued a Notice of Proposed Settlement and Notice of Amended Comment Deadlines, establishing new written comment deadlines. Order No. 37117. Staff filed the only comments.

Based on our review of the record, we issue this Final Order approving the Proposed Settlement.

THE APPLICATION

The Company's current combined depreciation and amortization rates were approved by the Commission in Order No. 35134 in Case No. INT-G-21-01. The Company also received authorization to update its depreciation and amortization rates with the Commission every five years in Order No. 36041 issued in Case No. INT-G-23-05. The Company commissioned an updated depreciation and amortization study based on its books and records as of December 31, 2024—including a $933,798,386 investment balance and a $412,785,793 reserve balance of depreciable property. Application at 3.

The results of the study indicated that the current depreciation and amortization rates were under-depreciating Company assets, prompting the Company's request to increase its depreciation and amortization rates from a combined 2.4% to 2.49%. *Id.* The requested change would increase the Company's annual depreciation and amortization accrual by $877,030. *Id.* at 3–4. The exhibits attached to the Company's Application included (1) a comparison of the current depreciation and amortization rates and annual accruals versus the proposed rates, organized by plant function and account; (2) the depreciation and amortization study, which discussed the methodology used; and (3) details for the six general plant accounts that were analyzed according to amortization accounting, including the present and proposed lives and investment balances. *Id.* at 4.

The Company did not seek a change in its prices associated with the requested change in depreciation and amortization rates. *Id.* The Company requested authorization to record the proposed changes in its depreciation and amortization rates effective on the first day of the month after the issuance of the Commission's Order in this matter. *Id.*

THE SETTLEMENT

The Parties agreed to terms to update the Company's depreciation and amortization rates. Proposed Settlement at 2. Specifically, the Parties agreed:

> 1. …to the depreciation and amortization rates as set forth on [Proposed] Settlement Exhibit No. 1, Column (o).
> 2. [That the Proposed] Settlement Exhibit No. 2 provides the supporting calculations for the plant accounts that changed from the original Application as a result of this [Proposed] Settlement. The Parties agree that the depreciation and amortization rates for all plant accounts not addressed in Exhibit No. 2 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 2.42%, as shown on [Proposed] Settlement Exhibit No. 1, Column (o), line 42.
> 4. …that the rates reflect in [Proposed] Settlement Exhibit No. 1, Column (o), if approved by the Commission will become effective on the first day of the month following the issuance of the Commission's Order approving this [Proposed Settlement].

Id. at 2–3.

The Parties agreed to support the Proposed Settlement before the Commission, and that neither Party would appeal a Commission order authorizing the Proposed Settlement. *Id.* at 3. If the Proposed Settlement was challenged by any person not a Party to the Proposed Settlement, the Parties reserved the right to file testimony, to conduct cross-examination, and to put on such case that they deemed suitable to respond fully to the issues presented, including the right to bring up issues that were incorporated in the Proposed Settlement. *Id.* Notwithstanding that reservation of rights, the Parties agreed they would continue supporting the Commission's approval of the terms of the Proposed Settlement. *Id.*

If the Commission rejected any part or all of the Proposed Settlement or if it imposed any added material conditions on its approval, the Parties reserved the right, upon written notice to the Commission and the other Party, within 14 days of the date of the Commission's decision, to withdraw from the Proposed Settlement. *Id.* at 4. In such case, no Party would be prejudiced or bound by the terms of the Proposed Settlement, and each Party would be entitled to request the Commission to reconsider its order, to file testimony as it chooses, conduct cross examination, and do all other things it deemed appropriate to put on such case. *Id.*

STAFF COMMENTS

Staff recommended that the Commission accept the Proposed Settlement. Staff Comments at 2. Staff put together the following table that detailed the stipulated changes made to the Application because of the Proposed Settlement:

Table No. 1

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COST	COMPANY IOWA CURVE	SETTLMENT IOWA CURVE	NET SALVAGE PERCENTAGE
361.00	STRUCTURES & IMPROVEMENTS - NAMPA	9,568,070	38-S 5.0	41-S 5.0	-8%
361.10	STRUTURES & IMPROVEMENTS - REXBURG	1,967,519	25-R 3.0	25-R 3.0	-12%
362.00	GAS HOLDERS NAMPA	10,132,429	40-R 4.0	40-R 4.0	-14%
363.00	MEASUREMENT & REG EQUIPMENT - NAMPA	270,146	47-S 4.0	45-R 2.5	-6%
376.00	DISTRIBUTION MAINS	331,142,799	70-R 3.5	71-R 4.0	-50%
380.00	SERVICES	256,371,253	58-R 3.0	60-R 3.0	-75%
385.00	INDUSTRIAL MEASURES & REG. STATION EQUIPMENT	12,763,496	40-R 1.0	42-R 1.5	-12%
392.10	TRANSPORTATION EQUIPMENT	13,719,078	10-L 2.0	10-L 2.0	19%
396.00	POWER OPERATED EQUIPMENT	3,779,184	10-L 0.0	10-L 0.0	50%

Id. at 2–3. Staff believed the Proposed Settlement accurately reflected the "estimated average service lives, projected retirement patterns, and net salvage percentages for" the relevant accounts. *Id.* at 2. Staff explained that the Proposed Settlement reduced the annual depreciation and amortization expense set forth in the Application by about $666,770. *Id.* Staff also stated that the Proposed Settlement produced a "combined depreciation and amortization rate of 2.42%." *Id.*

Staff represented that the Proposed Settlement adjusted the retirement patterns and average service lives for five of the Company's asset accounts. *Id.* at 3. Staff stated that the Proposed Settlement changed the net salvage percentages for six asset accounts. *Id.* at 4. Staff used the five-year and historical approaches to analyze net salvage values because Staff believed those two approaches best represented trends and provided the most information. *Id.* Staff believed the Proposed Settlement represented what the Parties agreed to for net salvage percentages. *Id.* Finally, Staff agreed with the effective date proposed by the Company, which was the first day of the month after the Commission's final order in this case. *Id.*

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, -502, and -503.

The Commission has reviewed the record in this case. Based on our review, we find it fair, just, and reasonable to accept and approve the Proposed Settlement as filed, effective October 1, 2026. The Commission appreciates the Parties working together to reasonably settle the Company's depreciation and amortization rate changes as more fully described in the Proposed Settlement.

ORDER

IT IS HEREBY ORDERED that the Proposed Settlement is approved as filed, effective October 1, 2026.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21 days of the service date of this Order regarding any matter decided in this Order. Within seven 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 16th day of September 2026 .

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez
Commission Secretary
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