

## **DECISION MEMORANDUM**

**TO:           COMMISSIONER ANDERSON  
              COMMISSIONER HAMMOND  
              COMMISSIONER LODGE  
              COMMISSION SECRETARY  
              COMMISSION STAFF  
              LEGAL**

**FROM:       MATTHEW SUESS**

**DATE:       OCTOBER 24, 2023**

**SUBJECT:   TARIFF ADVICE REGARDING REVISIONS TO SECTION C OF  
              INTERMOUNTAIN GAS COMPANY’S GENERAL SERVICE  
              PROVISIONS**

### **BACKGROUND**

On September 29, 2023, Intermountain Gas Company (“Company”) filed Tariff Advice Case No. INT-TAG-23-01 (“Tariff Advice”) with the Idaho Public Utilities Commission (“Commission”) requesting to revise Section C of the tariff’s General Service Provisions, Installation and Extension of Natural Gas Mains and Services for Residential and Commercial Customers. The Company’s Tariff Advice proposes to update the Allowable Investment Factors (“AIF”), the Service Line Cost per Foot (“SLCPF”), and the construction overhead charge in accordance with Commission Order No. 34735 (“Order”). The Company requests these revisions be approved by November 1, 2023, and become effective on December 1, 2023.

### **STAFF ANALYSIS**

Staff reviewed the updates proposed in the Tariff Advice and recommends the Commission approve the revised Section C of the tariff, as filed, with an effective date of December 1, 2023. The Company is required by the Order to file an annual tariff advice, by October 1, to update the three AIFs and other standard charges. The Company filed this year’s Tariff Advice on September 29, 2023.

Staff reviewed the Company's workpapers, calculations, and data inputs for the three proposed AIFs, the SLCPF and overhead standard charges. Through its review, Staff verified that the calculation methods used to update Section C of the tariff are consistent with the Order.

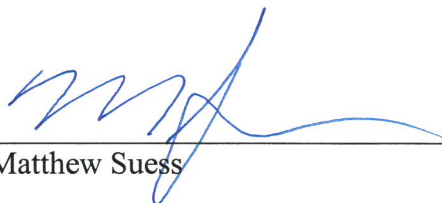
For Service Line extensions, the proposed AIFs increased between 2.3 and 3.2 percent, and the SLCPF increased 7.7 percent. For Main Line extensions, the proposed AIFs increased between 13.4 and 14.2 percent, and the construction overhead charge increased from 9.0 to 11.0 percent. Staff believes these higher AIFs and standard charges are reasonable due to ongoing inflationary pressure on labor and materials.

### **RECOMMENDATION**

Staff recommends the Commission approve the revised tariff sheet as filed, reflecting updates to the AIFs, the SLCPF, and the construction overhead charge, with an effective date of December 1, 2023.

### **COMMISSION DECISION**

Does the Commission wish to accept the Company's proposed revisions and the submitted revised Section C tariff sheet with an effective date of December 1, 2023?



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Matthew Sues

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