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IDAHO PUBLIC  
UTILITIES COMMISSION

**Tariff Advice Case No. INT-TAG-23-01**

September 29, 2023

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

RE: Intermountain Gas Company  
Tariff Advice No. 23-03

Dear Ms. Noriyuki:

Enclosed for filing with this Commission is a copy of Intermountain Gas Company's ("Intermountain" or "Company") proposed revisions to Section C of its General Service Provisions. The proposed edits to Section C are presented in Attachment No. 1. The resulting proposed Section C is presented in Attachment No. 2.

The proposed revisions outlined below are in line with Commission Order No. 34735 in Case No. INT-G-20-01 which authorizes the Company to "file an annual tariff advice to update the Allowable Investment Factors, the Service Line Cost per Foot, and the construction overhead charge." (*See* Order No. 34735 at 9.) In addition to these proposed revisions, the Company has also revised Attachment No. 3, pages 2-3 to reflect the updated embedded costs from the Company's most recent general rate case in Case No. INT-G-22-07.

1. The update to the Allowable Investment Factors in Section 4.3 includes a change in the compound inflation factor and an update to the embedded costs on pages 2-3 of Attachment No. 3 to reflect the most recent information from Case No. INT-G-22-07. The embedded costs update follows the same methodology approved by the Commission in Order No. 34735.

The compound inflation factor is updated to include inflation data for the first eight months of 2023. The Company adjusts for inflation of the embedded costs from its last general rate case to ensure that new applicants are treated the same as existing customers in terms of the amount of facilities for which their Allowable Investment will pay. Case No. INT-G-22-07 included costs through the end of 2022 which is why the Company's adjustment begins with January 2023.

The calculation of the proposed Allowable Investment Factors, including the

adjustments discussed above, is shown in Attachment No. 3.

2. The update to its service line cost per foot in Section 5.2 is based on a new three-year average of service line costs divided by the feet installed during the same years. The proposed three-year average service line cost per foot is shown in Attachment No. 4.
3. The change in the construction overhead rate in Section 5.3(c) reflects the Company's currently calculated rate.
4. Finally, the Company has also provided clean tariffs as Attachment No. 5 should the Commission approve the tariff revisions as filed.

The Company requests that the proposed revisions become effective one month after Commission approval to give the Company enough time to implement the changes to its systems and forms. Therefore, the Company proposes a Commission approval date of November 1, 2023, and an effective date of December 1, 2023.

If you have any questions or require additional information regarding the attached, please contact me at (208) 377-6015.

Sincerely,

*/s/ Lori A. Blattner*

Lori A. Blattner  
Director – Regulatory Affairs  
Intermountain Gas Company

Enclosures

cc:  
Mark Chiles  
Preston Carter

I.P.U.C. Gas Tariff Section C <del>Sixth</del> <sup>Seventh</sup> Revised	Sheet No. 4
Name of Utility	<b>Intermountain Gas Company</b>

**IDAHO PUBLIC UTILITIES COMMISSION**  
**Approved** **Effective**  
~~Sept. 12, 2023~~ ~~Sept. 12, 2023~~  
 Per ON 35918 & 35890  
**Jan Noriyuki Secretary**

<b>Natural Gas Appliances Annual Therm Estimates</b>	
Range	23
Seasonal Fireplace	50
Grill	15
Clothes Dryer	28
Water Heater	240

(b) For commercial applicants:

The therm usage estimate will be determined by the Company on a case-by-case basis. The estimate will be based on the climate zone, the heated structure square footage, commercial property type, and applicable gas appliances.

4.3 To determine the Allowable Investment per applicant, multiply the estimated annual therm usage per applicant by the applicable Allowable Investment Factor below to calculate the Allowable Investment in dollars:

<b>Allowable Investment Factors</b>			
<b>Customer Type</b>	<b>Service</b>	<b>Main</b>	<b>Combined</b>
Residential	0.6 <del>5</del> <sup>4</sup> <del>34</del>	0.7 <del>97</del> <sup>6</sup> <del>98</del>	1.4 <del>51</del> <sup>3</sup> <del>32</del>
Commercial	0.4 <del>75</del> <sup>4</sup> <del>86</del>	0.5 <del>23</del> <sup>5</sup> <del>93</del>	1.0 <del>79</del> <sup>0</sup> <del>998</del>

4.4 The applicant agrees to install and activate gas appliances pursuant to the signed agreement(s) and the therm usage estimates used to determine the Allowable Investment.

4.5 The Company may calculate the Allowable Investment for applicants with structures or business operations which are non-permanent on a case-by-case basis.

## 5. PROJECT COST

5.1 In the event the Company can defray any of the trench and backfill costs, for example by sharing a trench with other utilities, the cost reduction will be included in the Main extension cost or Service cost estimates.

5.2 The Service Line Project Cost estimate is determined by multiplying the on-property Service Line length by \$~~44.09~~<sup>15</sup>~~.18~~ per foot.

Issued by: <b>Intermountain Gas Company</b> By: Lori A. Blattner	Title: Director – Regulatory Affairs
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I.P.U.C. Gas Tariff Section C <del>Fourth</del> <sup>Fifth</sup> Revised	Sheet No. 5
Name of Utility	<b>Intermountain Gas Company</b>

**IDAHO PUBLIC UTILITIES COMMISSION**  
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5.3 The Main Extension Project Cost estimate is based on the Gas Facilities (excluding Services) required to serve the gas load of the requesting applicant. This includes but is not limited to Main, regulator stations, valves and Main fittings.

- (a) The Company will provide a Project Cost estimate to the applicant prior to execution of an agreement.
- (b) The estimate will exclude costs for Company Betterment.
- (c) The Company includes construction overhead charges in the amount of ~~9.00~~10.97%.
- (d) The Main extension Project Cost will be divided by the number of estimated Service Points to calculate the Main extension Project Cost per applicant.

## 6. OTHER PAYMENTS

6.1 The Company may require advanced payment from the applicant in the following situations:

- (a) As a guarantee when proposed structures and Services are temporary in nature or the gas load is unpredictable.
- (b) When the Company conducts pre-construction engineering studies to improve the accuracy of cost estimates.

6.2 If an advanced payment is collected according to Section 6.1(a), the Company will refund an amount equal to the Allowable Investment to customers who meet the terms outlined in the General Agreement for guaranteed usage. Refunds will not exceed the amount of the advanced payment.

6.3 If an advanced payment is collected according to Section 6.1(b), and the actual cost of installation is less than the estimated cost, the difference will be refunded to the customer.

## 7. VESTED INTEREST AND DEPOSIT REFUNDS

7.1 A customer or developer is eligible for refund of a payment made for Project Costs in excess of the Allowable Investment for Mains when additional Service Points, not used in the original calculation or in a previous refund calculation, connect to the Main extension within five years from installation.

- (a) The Company will conduct annual reviews to determine if additional customers have connected to the Main and turned on gas service.
- (b) Intermountain will take the steps outlined in Section 4 to calculate the Allowable Investment for Mains for each additional customer.
- (c) The Company will refund to the original applicant or developer the equivalent of the Allowable Investment for Mains for each additional customer. Refunds will be made up to the total upfront payment, but not to exceed the Project Cost in excess of Allowable Investment for Mains.

Issued by: <b>Intermountain Gas Company</b> By: Lori A. Blattner	Title: Director – Regulatory Affairs
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Name  
of Utility

**Intermountain Gas Company**

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<b>Allowable Investment Factors</b>			
<b>Customer Type</b>	<b>Service</b>	<b>Main</b>	<b>Combined</b>
Residential	0.654	0.797	1.451
Commercial	0.486	0.593	1.079

- 4.4 The applicant agrees to install and activate gas appliances pursuant to the signed agreement(s) and the therm usage estimates used to determine the Allowable Investment.
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Issued by: **Intermountain Gas Company**

By: Lori A. Blattner

Title: Director – Regulatory Affairs

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**INTERMOUNTAIN GAS COMPANY**  
**Line Extension Allowable Investment Factors**

Line No.	Description (a)	Residential (b)	Commercial (c)
1	<b>Services Allowable Investment Factor</b>		
2	Service Line Extension Embedded Cost per Therm:		
3	FERC Account 380 <sup>[1]</sup>	\$ 0.041712	\$ 0.031019
4	FERC Account 385 <sup>[2]</sup>	0.002575	0.001915
5	Total	\$ 0.044287	\$ 0.032934
6	Compound Inflation Factor <sup>[3]</sup>	105.2%	105.2%
7	Service Line Extension Embedded Cost per Therm (Line 5 times Line 6)	\$ 0.046574	\$ 0.034635
8	Weighted Asset Life:		
9	FERC Account 380 - Asset Life <sup>[4]</sup>	58	58
10	FERC Account 380 - Embedded Cost per Therm <sup>[1]</sup>	\$ 0.041712	\$ 0.031019
11	Weighting Factor (Line 9 times Line 10)	2.419315	1.799122
12	FERC Account 385 - Asset Life <sup>[5]</sup>	40	40
13	FERC Account 385 - Embedded Cost per Therm <sup>[2]</sup>	\$ 0.002575	\$ 0.001915
14	Weighting Factor (Line 12 times Line 13)	0.103007	0.076601
15	Weighted Asset Life (Sum of Lines 11 and 14 divided by Line 5)	57.0	57.0
16	Weighted Average Cost of Capital <sup>[6]</sup>	6.97%	6.97%
17	Services Allowable Investment Factor (\$/therm) <sup>[7]</sup>	\$ 0.654	\$ 0.486
18	<b>Mains Allowable Investment Factor</b>		
19	Main Line Extension Embedded Cost per Therm:		
20	FERC Account 374 <sup>[8]</sup>	\$ 0.000408	\$ 0.000304
21	FERC Account 376 <sup>[9]</sup>	0.050406	0.037485
22	FERC Account 378 <sup>[10]</sup>	0.002557	0.001901
23	Total	\$ 0.053371	\$ 0.039690
24	Compound Inflation Factor <sup>[3]</sup>	105.2%	105.2%
25	Main Line Extension Embedded Cost per Therm (Line 23 times Line 24)	\$ 0.056127	\$ 0.041739
26	Weighted Asset Life:		
27	FERC Account 374 - Asset Life <sup>[11]</sup>	56	56
28	FERC Account 374 - Embedded Cost per Therm <sup>[8]</sup>	\$ 0.000408	\$ 0.000304
29	Weighting Factor (Line 27 times Line 28)	0.022865	0.017003
30	FERC Account 376 - Asset Life <sup>[12]</sup>	70	70
31	FERC Account 376 - Embedded Cost per Therm <sup>[9]</sup>	\$ 0.050406	\$ 0.037485
32	Weighting Factor (Line 30 times Line 31)	3.528446	2.623926
33	FERC Account 378 - Asset Life <sup>[13]</sup>	43	43
34	FERC Account 378 - Embedded Cost per Therm <sup>[10]</sup>	\$ 0.002557	\$ 0.001901
35	Weighting Factor (Line 33 times Line 34)	0.109937	0.081754
36	Weighted Asset Life (Sum of Lines 29, 32 and 35 divided by Line 23)	68.6	68.6
37	Weighted Average Cost of Capital <sup>[6]</sup>	6.97%	6.97%
38	Mains Allowable Investment Factor (\$/therm) <sup>[14]</sup>	\$ 0.797	\$ 0.593

**NOTES**

<sup>[1]</sup> See Attachment No. 3, Page 3, Lines 6 and 16, Column (g)

<sup>[2]</sup> See Attachment No. 3, Page 3, Lines 9 and 19, Column (g)

<sup>[3]</sup> See Attachment No. 3, Page 4, Line 2, Column (n)

<sup>[4]</sup> See Attachment No. 3, Page 3, Lines 6 and 16, Column (b)

<sup>[5]</sup> See Attachment No. 3, Page 3, Lines 9 and 19, Column (b)

<sup>[6]</sup> Case No. INT-G-22-07, Stipulation and Settlement, Exhibit No. 1

<sup>[7]</sup> The present value of Line 7 discounted by the weighted average cost of capital on Line 16 over the weighted life of the assets on Line 15

<sup>[8]</sup> See Attachment No. 3, Page 3, Lines 2 and 12, Column (g)

<sup>[9]</sup> See Attachment No. 3, Page 3, Lines 4 and 14, Column (g)

<sup>[10]</sup> See Attachment No. 3, Page 3, Lines 5 and 15, Column (g)

<sup>[11]</sup> See Attachment No. 3, Page 3, Lines 2 and 12, Column (b)

<sup>[12]</sup> See Attachment No. 3, Page 3, Lines 4 and 14, Column (b)

<sup>[13]</sup> See Attachment No. 3, Page 3, Lines 5 and 15, Column (b)

<sup>[14]</sup> The present value of Line 25 discounted by the weighted average cost of capital on Line 37 over the weighted life of the assets on Line 36

**INTERMOUNTAIN GAS COMPANY**  
**Class Line Extension Embedded Costs**

Line No.	Description (a)	Total Company (b)	Residential (c)	Commercial (d)
1	<b><u>Line Extension Costs Embedded in Current Rates</u></b>			
2	Case No. INT-G-22-07 Commission Ordered Depreciation <sup>[1]</sup>	\$ 22,007,089		
3	Case No. INT-G-22-07 Commission Ordered Operating Income at 6.97% <sup>[1]</sup>	26,854,614		
4	Tax Gross-Up <sup>[1]</sup>	<u>9,392,938</u>		
5	Line Extension Embedded Costs (Sum of Lines 2 - 4)	\$ 58,254,641		
6	<b><u>Class Allocation of Line Extension Embedded Costs</u></b>			
7	Case No. INT-G-22-07 Proposed Distribution & Customer Rate Base <sup>[3]</sup>	\$ 334,701,962		
8	Case No. INT-G-22-07 Commission Ordered Rate Base <sup>[1]</sup>	<u>385,288,577</u>		
9	Proposed Distribution Rate Base Percentage (Line 7 divided by Line 8)	86.87%		
10	Case No. INT-G-22-07 Class Base Revenue Requirement <sup>[2]</sup>		\$ 73,360,477	\$ 26,811,471
11	Case No. INT-G-22-07 Total Base Revenue Requirement <sup>[2]</sup>		<u>111,398,580</u>	<u>111,398,580</u>
12	Class Base Revenue Requirement Percentage (Line 10 divided by Line 11)		65.85%	24.07%
13	Class Line Extension Embedded Costs <sup>[4]</sup>		<u>\$ 33,326,150</u>	<u>\$ 12,179,898</u>

**NOTES**

<sup>[1]</sup> Case No. INT-G-22-07, Stipulation and Settlement, Exhibit No. 1

<sup>[2]</sup> Case No. INT-G-22-07, Stipulation and Settlement, Exhibit No. 2

<sup>[3]</sup> Case No. INT-G-22-07, R. Amen Exhibit No. 2-Update, Page 32

<sup>[4]</sup> Line 5, Column (b) times Line 9, Column (b) times Line 12 Columns (c) and (d), respectively.



**INTERMOUNTAIN GAS COMPANY**  
**Line Extension Embedded Cost per Therm by Distribution Account**

Line No.	Description	Total Company Depreciation Life <sup>[1]</sup>	Total Company Distribution Plant in Service <sup>[2]</sup>	% by Account	Class Line Extension Embedded Cost by Account <sup>[3]</sup>	Class Billing Determinants (Therms) <sup>[4]</sup>	Class Line Extension Embedded Cost per Therm by Account <sup>[5]</sup>
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<b>Residential</b>						
2	FERC Account 374 - Dist Land & Land Rights	56	\$ 2,102,230	0.35%	\$ 116,273	284,776,158	\$0.000408
3	FERC Account 375 - Dist Structures & Improvements	53	96,343	0.02%	5,329	284,776,158	\$0.000019
4	FERC Account 376 - Dist Mains	70	259,532,576	43.07%	14,354,531	284,776,158	\$0.050406
5	FERC Account 378 - Dist Meas & Reg Sta Equip - Gen	43	13,163,797	2.18%	728,079	284,776,158	\$0.002557
6	FERC Account 380 - Dist Services	58	214,768,642	35.64%	11,878,675	284,776,158	\$0.041712
7	FERC Account 381 - Dist Meters	48	80,614,323	13.38%	4,458,711	284,776,158	\$0.015657
8	FERC Account 383 - Dist House Regulators	50	19,006,002	3.15%	1,051,206	284,776,158	\$0.003691
9	FERC Account 385 - Dist Ind Reg Sta	40	13,259,048	<u>2.20%</u>	733,347	284,776,158	\$0.002575
10	Total		<u>\$ 602,542,961</u>	100.00%	<u>\$ 33,326,150</u>		
11	<b>Commercial</b>						
12	FERC Account 374 - Dist Land & Land Rights	56	\$ 2,102,230	0.35%	\$ 42,495	139,956,787	\$0.000304
13	FERC Account 375 - Dist Structures & Improvements	53	96,343	0.02%	1,947	139,956,787	\$0.000014
14	FERC Account 376 - Dist Mains	70	259,532,576	43.07%	5,246,232	139,956,787	\$0.037485
15	FERC Account 378 - Dist Meas & Reg Sta Equip - Gen	43	13,163,797	2.18%	266,095	139,956,787	\$0.001901
16	FERC Account 380 - Dist Services	58	214,768,642	35.64%	4,341,367	139,956,787	\$0.031019
17	FERC Account 381 - Dist Meters	48	80,614,323	13.38%	1,629,551	139,956,787	\$0.011643
18	FERC Account 383 - Dist House Regulators	50	19,006,002	3.15%	384,190	139,956,787	\$0.002745
19	FERC Account 385 - Dist Ind Reg Sta	40	13,259,048	<u>2.20%</u>	268,020	139,956,787	\$0.001915
20	Total		<u>\$ 602,542,961</u>	100.00%	<u>\$ 12,179,898</u>		

**NOTES**

<sup>[1]</sup> Case No. INT-G-21-01, Stipulation and Settlement, Settlement Exhibit No. 1, Page 1, Lines 19-30, Column (m)

<sup>[2]</sup> Case No. INT-G-22-07, R. Amen Exhibit No. 2-Update, Page 23

<sup>[3]</sup> Column (d) times Attachment No. 3, Page 2, Line 13, Columns (c) and (d), respectively

<sup>[4]</sup> Case No. INT-G-22-07, Stipulation and Settlement, Exhibit No. 3

<sup>[5]</sup> Column (e) divided by Column (f)

**INTERMOUNTAIN GAS COMPANY**  
**U.S. Inflation Data<sup>[1]</sup>**

Line No.	Year (a)	Jan (b)	Feb (c)	Mar (d)	Apr (e)	May (f)	Jun (g)	Jul (h)	Aug (i)	Sep (j)	Oct (k)	Nov (l)	Dec (m)	Inflation Factor (n)
1	2023	5.6%	5.5%	5.6%	5.5%	5.3%	4.8%	4.7%	4.3%					105.2% <sup>[2]</sup>
2	Compound Inflation Factor													105.2% <sup>[3]</sup>

**NOTES**

<sup>[1]</sup> Inflation data obtained from the Bureau of Labor Statistics website: [https://data.bls.gov/timeseries/CUUR0000SA0L1E?output\\_view=pct\\_12mths](https://data.bls.gov/timeseries/CUUR0000SA0L1E?output_view=pct_12mths)

<sup>[2]</sup> One plus the average of Columns (b) - (m)

<sup>[3]</sup> Column (n), Line 1 times the inflation factor for each year since the last rate case

**INTERMOUNTAIN GAS COMPANY**  
**Average Cost per Foot for Service Lines**

<b>Line No.</b>	<b>Description (a)</b>	<b>2019 (b)</b>	<b>2020 (c)</b>	<b>2021 (d)</b>	<b>Average (e)</b>
1	FERC Account 380 Additions	\$ 12,054,578.40	\$ 13,034,296.25	\$ 15,164,511.24	\$ 40,253,385.89
2	Feet Installed	824,296	862,755	965,058	2,652,109
3	<b>Cost/Foot</b>	<u>\$ 14.62</u>	<u>\$ 15.11</u>	<u>\$ 15.71</u>	<u>\$ 15.18</u>

**ATTACHMENT NO. 5**

**TARIFF ADVICE NO. 23-03**

**INTERMOUNTAIN GAS COMPANY**

**CLEAN TARIFFS**

**(2 pages)**

Name  
of Utility

**Intermountain Gas Company**

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By: Lori A. Blattner

Title: Director – Regulatory Affairs

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