

## INTERMOUNTAIN GAS COMPANY

555 SOUTH COLE ROAD • P.O. BOX 7608 • BOISE, IDAHO 83707 • (208) 377-6000 • FAX: 377-6097

### NEWS RELEASE

Contact: Mike Huntington  
Vice President  
Marketing & External Affairs  
(208) 377-6059

DATE May 23, 2002

---

TODAY, INTERMOUNTAIN GAS COMPANY ("INTERMOUNTAIN") FILED ITS ANNUAL NATURAL GAS PURCHASE COST REVIEW APPLICATION WITH THE IDAHO PUBLIC UTILITIES COMMISSION ("IPUC"). THIS TYPE OF APPLICATION IS FILED EACH YEAR AT THIS TIME TO PROVIDE THE IPUC WITH A REVIEW MECHANISM THAT HELPS INSURE THAT THE NATURAL GAS COSTS THAT INTERMOUNTAIN IS INCURRING ON BEHALF OF ITS CUSTOMERS ARE PROPER AND ARE REFLECTED IN ITS SALES PRICE.

THE APPLICATION REQUESTS THE NECESSARY AUTHORIZATION TO DECREASE PRICES ON AVERAGE BY 24%.

THIS APPLICATION REFLECTS THE LOWER PRICES THAT INTERMOUNTAIN HAS BEEN PAYING SINCE ITS LAST ADJUSTMENT ONE YEAR AGO. THE DECREASE ALSO REFLECTS THE FACT THAT ALL PREVIOUS COSTS DEFERRED DURING THE RECENT PERIOD OF UNUSUALLY HIGH ENERGY PRICES HAVE NOW BEEN RECOVERED.

WILLIAM C. "BILL" GLYNN, PRESIDENT OF INTERMOUNTAIN GAS COMPANY, SAID, "THE FUNDAMENTAL LAW OF SUPPLY AND DEMAND IS WORKING IN THE MARKETPLACE AND HAS PROVIDED THIS OPPORTUNITY TO PASS LOWER NATURAL GAS COSTS ON TO OUR CUSTOMERS. THIS PRICE DECREASE IS WELCOME NEWS COMPARED TO THE HIGH PRICES THAT WE HAVE ALL EXPERIENCED OVER THE PAST TWO YEARS AND WILL PROVIDE OUR CUSTOMERS WITH MORE DISPOSABLE INCOME FOR OTHER GOODS AND SERVICES, FURTHER STRENGTHENING THE STATE AND NATIONAL ECONOMIC RECOVERY".

THE COMPANY IS NOT REQUESTING ANY CHANGE IN THE PRICE COMPONENT FOR ITS OWN SERVICE, OPERATION, MAINTENANCE, OR CAPITAL COSTS, WHICH HAS REMAINED THE SAME FOR NEARLY 20 YEARS. THEREFORE THE COMPANY'S EARNINGS WILL NOT CHANGE AS A RESULT OF THE PROPOSED PRICE DECREASES.

INTERMOUNTAIN CONTINUES TO ENCOURAGE ALL ITS CUSTOMERS TO BE CONSCIOUS OF THEIR ENERGY USAGE AND THE WISE USE OF ENERGY AS WELL. THE COMPANY WILL CONTINUE TO PROVIDE HELPFUL TIPS ON WAYS TO CONSERVE AND USE ENERGY WISELY THROUGH ITS BILL INSERTS AND ON ITS WEB SITE ([www.intgas.com](http://www.intgas.com)).

IF THIS PROPOSED DECREASE IS APPROVED, RESIDENTIAL CUSTOMERS USING NATURAL GAS FOR HEATING AND WATER HEATING COULD EXPERIENCE AN AVERAGE ANNUAL DECREASE OF \$188 (24.2%). THOSE RESIDENTIAL CUSTOMERS USING NATURAL GAS FOR SPACE HEATING ONLY COULD EXPERIENCE AN AVERAGE ANNUAL DECREASE OF \$128 (21.8%). COMMERCIAL CUSTOMERS COULD EXPERIENCE AN AVERAGE ANNUAL DECREASE OF \$795 (25.6%).

IF APPROVED AS FILED, THE TOTAL NET REVENUE DECREASE FROM THIS CURRENT REQUEST WILL BE APPROXIMATELY \$52.5 MILLION (24.0%) AND IS PROPOSED TO BE EFFECTIVE JULY 1, 2002. A COPY OF INTERMOUNTAIN'S APPLICATION IS AVAILABLE FOR PUBLIC REVIEW AT THE COMPANY'S OFFICES AND ON ITS WEB SITE.