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# Intermountain Gas Company

Capacity Enhancement Alternatives NPV by AOI

2023 – 2028



Intermountain Gas Company  
 Canyon County AOI  
 Net Present Value

| Alternative # | Alternative Description | Details                | O&M Cost Used for NPV                   | Net Present Value | Year 0        | Year 1      | Year 2      | Year 3      | Year 4      | Year 5      | Year 6      | Year 7      |
|---------------|-------------------------|------------------------|---|-------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| N/A           | Ustick Phase III        | 4.1 miles - 12 inch HP | Distribution O&M per mile of pipe added | \$12,157,986.07   | \$ 12,800,000 | \$ (11,787) | \$ (12,023) | \$ (12,264) | \$ (12,509) | \$ (12,759) | \$ (13,014) | \$ (13,274) |

  

| Year 8      | Year 9      | Year 10     | Year 11     | Year 12     | Year 13     | Year 14     | Year 15     | Year 16     | Year 17     | Year 18     | Year 19     | Year 20     |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ (13,540) | \$ (13,811) | \$ (14,087) | \$ (14,369) | \$ (14,656) | \$ (14,949) | \$ (15,248) | \$ (15,553) | \$ (15,864) | \$ (16,181) | \$ (16,505) | \$ (16,835) | \$ (17,172) |

Intermountain Gas Company  
 State Street ADI  
 Net Present Value

| Alternative # | Alternative Description      | Details  | O&M Cost Used for NPV   | Net Present Value | Year 0       | Year 1   | Year 2   | Year 3   | Year 4   | Year 5   | Year 6   | Year 7   |
|---------------|------------------------------|--|---|-------------------|--------------|----------|----------|----------|----------|----------|----------|----------|
| N/A           | State Street Phase II Uprate | uprate existing 2.2 miles - 12 inch HP (12 inch becomes transmission) and 2 miles of 4 inch HP | Transmission O&M per mile minus Distribution O&M per mile for pipe that would go to transmission main | (\$836,769.32)    | \$ (902,000) | \$ 4,208 | \$ 4,293 | \$ 4,378 | \$ 4,466 | \$ 4,555 | \$ 4,646 | \$ 4,739 |

| Year 8   | Year 9   | Year 10  | Year 11  | Year 12  | Year 13  | Year 14  | Year 15  | Year 16  | Year 17  | Year 18  | Year 19  | Year 20  |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| \$ 4,834 | \$ 4,931 | \$ 5,029 | \$ 5,130 | \$ 5,233 | \$ 5,337 | \$ 5,444 | \$ 5,553 | \$ 5,664 | \$ 5,777 | \$ 5,893 | \$ 6,011 | \$ 6,131 |

Intermountain Gas Company  
 Ada County AOI  
 Net Present Value

| Alternative # | Alternative Description  | Details                 | O&M Cost Used for NPV                   | Net Present Value | Year 0          | Year 1      | Year 2      | Year 3      | Year 4      | Year 5      | Year 6      | Year 7      |
|---------------|--------------------------|-------------------------|---|-------------------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| N/A           | 12 inch South Boise Loop | 3.73 miles - 12 inch HP | Distribution O&M per mile of pipe added | (\$17,163,193.12) | \$ (17,900,000) | \$ (10,724) | \$ (10,938) | \$ (11,157) | \$ (11,380) | \$ (11,608) | \$ (11,840) | \$ (12,077) |

| Year 8      | Year 9      | Year 10     | Year 11     | Year 12     | Year 13     | Year 14     | Year 15     | Year 16     | Year 17     | Year 18     | Year 19     | Year 20     |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ (12,318) | \$ (12,564) | \$ (12,816) | \$ (13,072) | \$ (13,333) | \$ (13,600) | \$ (13,872) | \$ (14,150) | \$ (14,433) | \$ (14,721) | \$ (15,016) | \$ (15,316) | \$ (15,622) |

Intermountain Gas Company  
 Sun Valley Lateral AOI  
 Net Present Value

| Alternative # | Alternative Description     | Details            | O&M Cost Used for NPV        | Net Present Value | Year 0         | Year 1       | Year 2       | Year 3       | Year 4       | Year 5       | Year 6       | Year 7       |
|---------------|-----------------------------|--------------------|------------------------------|-------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| N/A           | Shoshone Compressor Station | Compressor Station | Compressor O&M cost per year | (\$7,372,495.64)  | \$ (6,700,000) | \$ (164,255) | \$ (167,540) | \$ (170,891) | \$ (174,309) | \$ (177,795) | \$ (181,351) | \$ (184,978) |
| Year 8        | Year 9                      | Year 10            | Year 11                      | Year 12           | Year 13        | Year 14      | Year 15      | Year 16      | Year 17      | Year 18      | Year 19      | Year 20      |
| \$ (188,677)  | \$ (192,451)                | \$ (196,300)       | \$ (200,226)                 | \$ (204,231)      | \$ (208,315)   | \$ (212,481) | \$ (216,731) | \$ (221,066) | \$ (225,487) | \$ (229,997) | \$ (234,597) | \$ (239,289) |

Intermountain Gas Company  
 Idaho Falls Lateral AOI  
 Net Present Value

| Alternative # | Alternative Description      | Details            | O&M Cost Used for NPV        | Net Present Value | Year 0          | Year 1       | Year 2       | Year 3       | Year 4       | Year 5       | Year 6       | Year 7       |
|---------------|------------------------------|--------------------|------------------------------|-------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| N/A           | Blackfoot Compressor Station | Compressor Station | Compressor O&M cost per year | (\$20,630,410.25) | \$ (20,000,000) | \$ (257,621) | \$ (262,774) | \$ (268,029) | \$ (273,390) | \$ (278,857) | \$ (284,435) | \$ (290,123) |

| Year 8       | Year 9       | Year 10      | Year 11      | Year 12      | Year 13      | Year 14      | Year 15      | Year 16      | Year 17      | Year 18      | Year 19      | Year 20      |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ (295,926) | \$ (301,844) | \$ (307,881) | \$ (314,039) | \$ (320,320) | \$ (326,726) | \$ (333,260) | \$ (339,926) | \$ (346,724) | \$ (353,659) | \$ (360,732) | \$ (367,946) | \$ (375,305) |

**Intermountain Gas Company**  
**Transmission O&M Cost per Mile per Year**

| Sub Account | Description                        | From Accounting Records | From FERC Form 2 | From FERC Form 2 | 3-Year Average |
|-------------|------------------------------------|-------------------------|------------------|------------------|----------------|
|             |                                    | 2022                    | 2021             | 2020             |                |
|             | Operation Expense:                 |                         |                  |                  |                |
| 28520       | Communication System Expenses      | 24,308.33               | \$ 30,703.63     | 33,366.62        |                |
| 28560       | Mains Expenses                     | 1,793.54                | 1,805.21         | 2,088.74         |                |
|             | Maintenance Expense:               |                         |                  |                  |                |
| 28630       | Maintenance of Mains               | 125,200.04              | 26,172.53        | 12,617.11        |                |
| 28631       | Maintenance of Mains               |                         |                  | 142,328.11       |                |
| 28660       | Maintenance of Communication Equip | 139,601.91              | 131,969.39       | 139,345.50       |                |
|             | Total                              | \$ 290,903.82           | \$ 190,650.76    | \$ 329,746.08    |                |
|             | Total Miles of Transmission Line   |                         | 284              | 279.49           | 279.5          |
|             | O&M Cost per Mile                  | \$ 1,024.31             | \$ 682.14        | \$ 1,179.77      | \$ 962.07      |

**Intermountain Gas Company**  
**Distribution Main O&M Cost per Mile per Year**

| Sub Account | Description                        | From FERC Form 2 |                | From FERC Form 2 |                | From FERC Form 2 |  |
|-------------|------------------------------------|------------------|----------------|------------------|----------------|------------------|--|
|             |                                    | 2022             | 2021           | 2020             | 3-Year Average |                  |  |
|             | Distribution O&M Expenses          | \$ 25,445,520    | \$ 24,742,508  | \$ 21,886,836    |                |                  |  |
| 28920       | Less: Maintenance of Services      | \$ (3,084,202)   | \$ (3,604,219) | \$ (2,669,868)   |                |                  |  |
| 28930       | Less: Maintenance of Meters and Hc | \$ (1,350,994)   | \$ (988,180)   | \$ (864,005)     |                |                  |  |
|             | Total Distribution O&M Expenses    | \$ 21,010,324    | \$ 20,150,109  | \$ 18,352,963    |                |                  |  |
|             | Total Miles of Distribution Line   | 7,155.00         | 6,970.00       | 6,560.63         |                |                  |  |
|             | O&M Cost per Mile                  | \$ 2,936.45      | \$ 2,890.98    | \$ 2,797.44      | \$ 2,874.96    |                  |  |
|             | Distribution Main - Miles          | 6,816.95         | 6,672.99       | 6,560.63         |                |                  |  |
|             | Distribution Main - Feet           | 35,993,509.46    | 35,233,380.88  | 34,640,215.45    |                |                  |  |
|             | Service Lines - Miles              | 6,217.76         | 6,109.16       | 5,985.18         |                |                  |  |
|             | Service Lines - Feet               | 32,829,755.26    | 32,256,385.40  | 31,601,800.99    |                |                  |  |



**Intermountain Gas Company  
Compressor Station Operations and Maintenance Estimate**

Jerome

| Description                            | Frequency (Yrs) | Unit Price | Annualized Cost | Notes  |
|--|-----------------|------------|-----------------|--|
| Annual Service Overhaul                | 1               | \$15,000   | \$15,000        | materials, labor and travel 15K Jerome 25K Shoshone  |
| Misc Repair                            | 2               | \$2,500    | \$1,250         | example: Bettis actuator failure in 2016/2017, starting system repair 2020,                                      |
| Every 8000 hr Maintenance              | 10              | \$60,000   | \$6,000         | est cost and frequency   |
| Oil Change                             | 2               | \$1,200    | \$600           | est cost and frequency   |
| Emissions Test                         | 3               | \$6,000    | \$2,000         | 3 year requirement   |
| Misc Maintenance                       | 1               | \$5,000    | \$5,000         | land, fence, paint, electricity *added 2900 budgeted amount electricity*   |
| Weekly Check (winter)                  | 1               | \$8,960    | \$8,960         | 1 Operators for 4 hrs a week for 4 months  |
| Monthly Startup (Fall, winter, Spring) | 1               | \$20,160   | \$20,160        | 2 Operators for 8 hrs a month for 9 months   |
| Monthly Check (non-winter)             | 1               | \$3,360    | \$3,360         | 1 Operator for 8 hrs a month for 3 months  |
| Peak Shaving Operators                 | 1               | \$11,200   | \$11,200        | 2 Operators for 8 hrs a day for 5 days a year...   |
| Peak Shaving Operators STBY            | 1               | \$20,520   | \$20,520        | 1 Operators for 18 hours per week per CWE (2022-23 was 76 days) 50/50 Jerome and SS                              |
| Test Run - NG Fuel                     | 1               | \$822      | \$822           | 6 hr/month for 9 months at 50 th/hr and \$0.50/th (WACOG cost of gas 2023) *updated with budgeted amounts fy'21* |
| Peak Shaving - NG Fuel                 | 1               | \$1,827    | \$1,827         | 5 days at 24 hrs/day and 50 th/hr at \$0.50/th (WACOG cost of gas 2023)  |
| <b>Estimated Total Annual Costs:</b>   |                 |            | <b>\$96,700</b> |  |

Shoshone

| Description                            | Frequency (Yrs) | Unit Price | Annualized Cost  | Notes   |
|--|-----------------|------------|------------------|---|
| Annual Service Overhaul                | 1               | \$25,000   | \$25,000         | materials, labor and travel   |
| Misc Repair                            | 2               | \$10,000   | \$5,000          | example: Bettis actuator failure in 2016/2017, starting system repair 2020,                                       |
| Every 8000 hr Maintenance              | 10              | \$60,000   | \$6,000          | est cost and frequency  |
| Oil Change                             | 2               | \$6,000    | \$3,000          | est cost and frequency  |
| Emissions Test                         | 3               | \$6,000    | \$2,000          | 3 year requirement  |
| Misc Maintenance                       | 1               | \$5,000    | \$5,000          | land, fence, paint, electricity *added 3000 budgeted amount electricity*  |
| Weekly Check (winter)                  | 1               | \$17,920   | \$17,920         | 1 Operators for 8 hrs a week for 4 months   |
| Monthly Startup (Fall, winter, Spring) | 1               | \$20,160   | \$20,160         | 2 Operators for 8 hrs a month for 9 months  |
| Monthly Check (non-winter)             | 1               | \$3,360    | \$3,360          | 1 Operator for 8 hrs a month for 3 months   |
| Peak Shaving Operators                 | 1               | \$33,600   | \$33,600         | 2 Operators for 8 hrs a day for 15 days a year...   |
| Peak Shaving Operators STBY            | 1               | \$20,520   | \$20,520         | 1 Operators for 18 hours per week per CWE (2022-23 was 76 days) 50/50 Jerome and SS                               |
| Test Run - NG Fuel                     | 1               | \$2,960    | \$2,960          | 6 hr/month for 9 months at 180 th/hr and \$0.50/th (WACOG cost of gas 2023) *updated with budgeted amounts fy'21* |
| Peak Shaving - NG Fuel                 | 1               | \$19,735   | \$19,735         | 15 days at 24 hrs/day and 180 th/hr at \$0.50/th (WACOG cost of gas 2023)   |
| <b>Estimated Total Annual Costs:</b>   |                 |            | <b>\$164,255</b> |   |

\*Assumed Operator salary is \$140/hr loaded

Wapello Compressors (2 as of 2024)

| Description                            | Frequency (Yrs) | Unit Price | Annualized Cost  | Notes  |
|--|-----------------|------------|------------------|--|
| Annual Service Overhaul                | 1               | \$40,000   | \$40,000         | materials, labor and travel 20K each engine  |
| Misc Repair                            | 2               | \$50,000   | \$25,000         | example: Valve repairs, or computer tuning, or safety device   |
| Every 8000 hr Maintenance              | 10              | \$60,000   | \$6,000          | est cost and frequency   |
| Oil Change every 2,000 hours           | 5               | \$6,000    | \$1,200          | est cost and frequency   |
| Emissions Test                         | 3               | \$10,000   | \$3,333          | 3 year requirement unless extension is granted   |
| Misc Maintenance                       | 1               | \$8,000    | \$8,000          | land, fence, paint, electricity *added 3500 budgeted amount electricity*   |
| Weekly Check (winter)                  | 1               | \$35,840   | \$35,840         | 2 Operators for 8 hrs a week for 4 months  |
| Monthly Startup (Fall, winter, Spring) | 1               | \$20,160   | \$20,160         | 2 Operators for 8 hrs a month for 9 months   |
| Monthly Check (non-winter)             | 1               | \$3,360    | \$3,360          | 1 Operator for 8 hrs a month for 3 months  |
| Peak Shaving Operators                 | 1               | \$31,360   | \$31,360         | 2 Operators for 8 hrs a day for 14 days a year...assuming the compressor will run every year                     |
| Peak Shaving Operators STBY            | 1               | \$45,360   | \$45,360         | 1 Operators for 18 hours per week per peak shaving times of Dec - Feb  |
| Test Run - NG Fuel                     | 1               | \$17,542   | \$17,542         | 6 hr/month for 9 months at 200 th/hr and \$0.50/th (WACOG cost of gas 2023)*updated with budgeted amounts fy'21* |
| Peak Shaving - NG Fuel                 | 1               | \$20,466   | \$20,466         | 14 days at 24 hrs/day and 200 th/hr at \$0.50/th (WACOG cost of gas 2023)  |
| <b>Estimated Total Annual Costs:</b>   |                 |            | <b>\$257,621</b> |  |

\*Assumed Operator salary is \$140/hr loaded

**Idaho Estimated Total Annual Costs for 4 Compressors \$518,576**