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Attorneys for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF
INTERMOUNTAIN GAS COMPANY FOR
AUTHORITY TO INCREASE ITS RATES AND
CHARGES FOR NATURAL GAS SERVICE IN
THE STATE OF IDAHO

Case No. INT-G-22-07

APPLICATION

Intermountain Gas Company, (“Intermountain,” “Applicant,” or “Company”) hereby moves the Idaho Public Utilities Commission (“Commission”) for an Order approving revisions to Applicant’s schedules of rates and charges for natural gas service in the State of Idaho to become effective on or after January 1, 2023.

Please address communications regarding this Application to:

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and

Lori A. Blattner
Director – Regulatory Affairs
Intermountain Gas Company
Post Office Box 7608

Boise, ID 83707
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In support of this Application, Intermountain alleges and states as follows.

I.

Intermountain is a gas utility, subject to the jurisdiction of the Commission, engaged in the sale of and distribution of natural gas within the State of Idaho under authority of Commission Certificate No. 219, issued December 2, 1955, as amended and supplemented by Order No. 6564, dated October 3, 1962.

Intermountain provides natural gas service to the following Idaho communities and counties and adjoining areas:

Ada County - Boise, Eagle, Garden City, Kuna, Meridian, and Star;
Bannock County - Arimo, Chubbuck, Inkom, Lava Hot Springs, McCammon, and Pocatello;
Bear Lake County - Georgetown and Montpelier;
Bingham County - Aberdeen, Basalt, Blackfoot, Firth, Fort Hall, Moreland/Riverside, and Shelley;
Blaine County - Bellevue, Hailey, Ketchum, and Sun Valley;
Bonneville County - Ammon, Idaho Falls, Iona, and Ucon;
Canyon County - Caldwell, Greenleaf, Middleton, Nampa, Parma, and Wilder;
Caribou County - Bancroft, Grace, and Soda Springs;
Cassia County - Burley, Declo, Malta, and Raft River;
Elmore County - Glenns Ferry, Hammett, and Mountain Home;
Fremont County - Parker and St. Anthony;
Gem County - Emmett;
Gooding County - Gooding and Wendell;
Jefferson County - Lewisville, Menan, Rigby, and Ririe;
Jerome County - Jerome;
Lincoln County - Shoshone;
Madison County - Rexburg and Sugar City;
Minidoka County - Heyburn, Paul, and Rupert;
Owyhee County - Bruneau and Homedale;
Payette County - Fruitland, New Plymouth, and Payette;
Power County - American Falls;
Twin Falls County - Buhl, Filer, Hansen, Kimberly, Murtaugh, and Twin Falls;
Washington County - Weiser.

Intermountain's properties in these locations consist of transmission pipelines, liquefied natural gas storage facilities, compressor stations, distribution mains, services, meters and

regulators, and general plant and equipment. Intermountain is a wholly owned subsidiary of MDU Resources Group, Inc. (“MDU”) and shares certain centralized services provided by MDU with other utilities also owned by MDU.

II.

Intermountain’s existing base rates and charges for natural gas service were approved by the Commission in 2017 in Case No. INT-G-16-02 and subsequently decreased in Case No. GNR-U-18-01 in 2018. A copy of Intermountain’s current, Commission-approved tariffs are attached as Attachment 1 to this Application.

III.

A copy of the Company’s tariffs showing the changes proposed in this Application are attached as Exhibit No. 5 and the resulting clean tariffs as Exhibit No. 6 to Ms. Blattner’s testimony.

Intermountain proposes to increase the revenue collected through rates by approximately \$11.3 million. This request represents a margin revenue increase of 10.3%, or an overall revenue increase of 3.2% . The changes in rates and charges proposed in this Application are just and reasonable. If the changes are approved as proposed, the expected rate of return to the Company will be approximately 7.37%, which is a fair rate of return on the Company’s investment in property used and useful in rendering gas utility services.

IV.

Under its presently authorized rates, the Company is earning a rate of return of approximately 5.20% based on a test year ending December 31, 2022. The Company seeks additional revenues to recover increased operating expenses and costs associated with plant additions, as well as revenues necessary to produce a fair rate of return to enable continued adequate and reliable service. If the requested rate increases are not approved, Intermountain’s rates will not

be fair, just and reasonable and Intermountain will not have an opportunity to realize a fair rate of return on its investments in the State of Idaho.

V.

Included within the changes proposed in this Application are certain items that have been decided or discussed in other proceedings before this Commission, such as inclusion of in-person payment transaction fees within base rates and revisions to the Company's Line Extension tariff. These items are discussed in Ms. Blattner's testimony.

Allocation of the proposed revenue increase, and associated changes to rate design, are discussed in Mr. Amen's testimony.

VI.

To support this Application, Intermountain is concurrently filing the Direct Testimony of Nicole Kivisto, Tammy Nygard, Ann Bulkley, Patrick Darras, Hart Gilchrist, Dyke Boese, Kirsti Hourigan, Jacob Darrington, Ron Amen, and Lori Blattner. This testimony and the accompanying exhibits include information regarding the Company's finances, revenue analysis, analysis of cost of service, and supporting work papers that justify and support the changes proposed in this Application. The native files for exhibits created in Microsoft Excel will be provided with or shortly after this Application is filed.

VII.

The testimony, information, and evidence in support of the proposed changes are based on a 12-month test year ending December 31, 2022. The test year consists of ninth months actual and three months forecasted, with the forecasted months to be trued up as actual numbers become available. Intermountain's testimony, information, and evidence regarding ratebase is presented on a thirteen-month average basis. A complete justification of the changes proposed in this Application

is provided in this testimony and exhibits. A brief overview of the subject-matter of each witnesses' testimony is provided in the testimony of Ms. Kivisto.

VIII.

Notice to Intermountain's customers is being accomplished by news media releases concurrent with this Application and by an individual notice delivered to each customer. Copies of the press release and customer notice are attached as to this Application as Attachment 2 and Attachment 3. In addition, a copy of the Application and relevant rate schedules are available on the Company's website at www.intgas.com, and this Application and supporting materials are available for public review on the Commission's website at www.puc.idaho.gov.

IX.

Intermountain stands ready for an immediate hearing on this Application and requests that a hearing be held as soon as possible.

X.

For the reasons set forth above and in the accompanying testimony and exhibits, Intermountain respectfully requests:

1. That this Application be heard and acted upon at the earliest possible date;
2. That the Commission find that the Applicant's existing rates are unjust, unreasonable and insufficient to provide the Company with a fair rate of return, and that the changes proposed in this Application are just and reasonable;
3. That the Commission approve the changes proposed in this Application, effective January 1, 2023; and
4. That the Commission grant such other relief as the Commission may determine proper under the circumstances.

DATED: December 1, 2022.

GIVENS PURSLEY LLP



Preston N. Carter
Attorney for Intermountain Gas Company

CERTIFICATE OF SERVICE

I certify that on December 1, 2022, a true and correct copy of the foregoing was served upon all parties of record in this proceeding via electronic mail as indicated below:

Commission Staff

Jan Noriyuki, Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg. 8, Suite 201-A
Boise, ID 83714

Via Electronic Mail

jan.noriyuki@puc.idaho.gov

Dayn Hardie
Deputy Attorney General
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg. 8, Suite 201-A
Boise, ID 83714

dayn.hardie@puc.idaho.gov



Preston N. Carter

ATTACHMENT 1

ATTACHMENT 1

Rate Schedule RS
RESIDENTIAL SERVICE

APPLICABILITY:

Applicable to any customer using natural gas for residential purposes.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge: \$5.50 per bill

Per Therm Charge: \$0.73392*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	(\$0.00057)
	2) Weighted average cost of gas	\$0.39216
	3) Gas transportation cost	\$0.16364
Distribution Cost:		\$0.16305
EE Charge:		\$0.01564

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

ENERGY EFFICIENCY CHARGE ADJUSTMENT:

This tariff is subject to an adjustment for costs related to the Company's Energy Efficiency program as provided for in Rate Schedule EEC-RS. The Energy Efficiency Charge is separately stated on customer bills.

SERVICE CONDITIONS:

All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

**Rate Schedule GS-1
GENERAL SERVICE**

APPLICABILITY:

Applicable to customers whose requirements for natural gas do not exceed 2,000 therms per day, at any point on the Company's distribution system. Requirements in excess of 2,000 therms per day may be allowed at the Company's discretion.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge:	\$9.50 per bill
Per Therm Charge:	Block One: First 200 therms per bill @ \$0.75436*
	Block Two: Next 1,800 therms per bill @ \$0.73088*
	Block Three: Next 8,000 therms per bill @ \$0.70821*
	Block Four: Over 10,000 therms per bill @ \$0.63965*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01445
	2) Weighted average cost of gas	\$0.39216
	3) Gas transportation cost	\$0.15990

Distribution Cost:	Block One: First 200 therms per bill @	\$0.18465
	Block Two: Next 1,800 therms per bill @	\$0.16117
	Block Three: Next 8,000 therms per bill @	\$0.13850
	Block Four: Over 10,000 therms per bill @	\$0.06994

EE Charge:	\$0.00320
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**Rate Schedule GS-1
GENERAL SERVICE
(Continued)**

For separately metered deliveries of gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines.

Customer Charge: \$9.50 per bill

Per Therm Charge:	Block One:	First 10,000 therms per bill @	\$0.70501*
	Block Two:	Over 10,000 therms per bill @	\$0.63645*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01445
	2) Weighted average cost of gas	\$0.39216
	3) Gas transportation cost	\$0.15990

Distribution Cost:	Block One:	First 10,000 therms per bill @	\$0.13850
	Block Two:	Over 10,000 therms per bill @	\$0.06994

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

ENERGY EFFICIENCY CHARGE ADJUSTMENT:

This tariff is subject to an adjustment for costs related to the Company's Energy Efficiency program as provided for in Rate Schedule EEC-GS. The Energy Efficiency Charge is not applicable to gas utilized solely as Compressed Natural Gas Fuel in vehicular internal combustion engines. The Energy Efficiency Charge is separately stated on customer bills.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this rate schedule is a part.

**Rate Schedule IS-R
RESIDENTIAL INTERRUPTIBLE SNOWMELT SERVICE**

APPLICABILITY:

Applicable to any residential customer otherwise eligible to receive service under Rate Schedule RS who has added natural gas snowmelt equipment after 6/1/2010. The intended use of the snowmelt equipment is to melt snow and/or ice on sidewalks, driveways or any other similar appurtenances. Any and all such applications meeting the above criteria will be subject to service under Rate Schedule IS-R and will be separately and individually metered. All service hereunder is interruptible at the sole discretion of the Company.

FACILITY REIMBURSEMENT CHARGE:

All new interruptible Snowmelt service customers are required to pay for the cost of the Snowmelt meter set and other related facility and equipment costs, prior to the installation of the meter set. Any request to alter the physical location of the meter set and related facilities from Company's initial design may be granted provided, however, the Company can reasonably accommodate said relocation and Customer agrees to pay all related costs.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge: \$5.50 per bill

Per Therm Charge: \$0.73618*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment	\$0.01733
	2) Weighted average cost of gas	\$0.39216
	3) Gas transportation cost	\$0.16364

Distribution Cost: \$0.16305

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

Rate Schedule IS-R
RESIDENTIAL INTERRUPTIBLE SNOWMELT SERVICE
(Continued)

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. Customer understands and expressly agrees that all service hereunder is considered a standby service and is subject to curtailment and/or interruption at the Company's sole discretion. Company reserves the right to manually or remotely turnoff the flow of natural gas to any and all meters and/or applicable boiler system receiving Interruptible Snowmelt Service hereunder when the Company determines that system conditions require such action.
3. Customer shall provide and Company shall have uninhibited access to any meter, on-off switches or other related equipment necessary to provide Interruptible Snowmelt Service hereunder.
4. Customer shall be responsible to provide Company with correct telephone or email contact information prior to the meter set and is responsible to immediately notify Company with any change to that contact information. Additionally, Customer is responsible to ensure that its preferred method of communication is in working order. Customer further agrees to indemnify Company against any and all damages resulting from Customer's failure to provide accurate contact information, working communication equipment or failure to accept such notification after Company has made reasonable efforts to make said notification.
5. Company will provide a minimum of two hours notification prior to interrupting Customer's Snowmelt application when, at the Company's sole discretion, interruption of service under Rate Schedule IS-R is imminent and will at the same time provide its best estimate of the duration of the interruption. Said notification will be made to Customer, or Customer's designated Agent, using the Customer's preferred method of communication either via telephone or email. Company will give subsequent notice when Rate Schedule IS-R Snowmelt service has been restored using Customer's preferred method of communication and, upon said restoration, Company will, if necessary, relight and/or recycle applicable Snowmelt equipment.
6. Company shall not be liable for damages that directly or indirectly occur as the result of interruption or restoration of service under Rate Schedule IS-R.
7. Any Customer operating Snowmelt equipment prior to the initial Commission approval of Rate Schedule IS-R may elect to receive Snowmelt service under Rate Schedule IS-R. Upon such election, Company will exempt Customer from the payment of the Rate Schedule IS-R Facility Reimbursement Charge provided, however, that any request to modify the placement of existing facilities or related equipment due to the physical location requirements of Customer shall be granted at the Company's sole discretion and at the Customer's expense.
8. For billing purposes, amounts billed for service hereunder will be combined with amounts billed for other gas service Customer receives from Company at the same premise or property address.

Issued by: **Intermountain Gas Company**

By: Michael P. McGrath

Title: Director – Regulatory Affairs

Effective: July 1, 2016

**Rate Schedule IS-C
SMALL COMMERCIAL INTERRUPTIBLE SNOWMELT SERVICE**

APPLICABILITY:

Applicable to any customer otherwise eligible to receive gas service under Rate Schedule GS-1 who has added natural gas snowmelt equipment after 6/1/2010. The intended use of the snowmelt equipment is to melt snow and/or ice on sidewalks, driveways or any other similar appurtenances. Any and all such applications meeting the above criteria will be subject to service under Rate Schedule IS-C and will be separately and individually metered. All service hereunder is interruptible at the sole discretion of the Company.

FACILITY REIMBURSEMENT CHARGE:

All new interruptible Snowmelt service customers are required to pay for the cost of the Snowmelt meter set and other related facility and equipment costs, prior to the installation of the meter set. Any request to alter the physical location of the meter set and related facilities from Company's initial design may be granted provided, however, the Company can reasonably accommodate said relocation and Customer agrees to pay all related costs.

RATE:

Monthly minimum charge is the Customer Charge.

Customer Charge:	\$9.50 per bill		
Per Therm Charge:	Block One:	First	200 therms per bill @ \$0.75116*
	Block Two:	Next	1,800 therms per bill @ \$0.72768*
	Block Three:	Next	8,000 therms per bill @ \$0.70501*
	Block Four:	Over	10,000 therms per bill @ \$0.63645*
*Includes the following:			
Cost of Gas:	1) Temporary purchased gas cost adjustment		\$0.01445
	2) Weighted average cost of gas		\$0.39216
	3) Gas transportation cost		\$0.15990
Distribution Charge:	Block One:	First	200 therms per bill @ \$0.18465
	Block Two:	Next	1,800 therms per bill @ \$0.16117
	Block Three:	Next	8,000 therms per bill @ \$0.13850
	Block Four:	Over	10,000 therms per bill @ \$0.06994

Rate Schedule IS-C
SMALL COMMERCIAL INTERRUPTIBLE SNOWMELT SERVICE
(Continued)

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. Customer understands and expressly agrees that all service hereunder is considered a standby service and is subject to curtailment and/or interruption at the Company's sole discretion. Company reserves the right to manually or remotely turnoff the flow of natural gas to any and all meters and/or applicable boiler system receiving Interruptible Snowmelt Service hereunder when the Company determines that system conditions require such action.
3. Customer shall provide and Company shall have uninhibited access to any meter, on-off switches or other related equipment providing Interruptible Snowmelt Service hereunder.
4. Customer shall be responsible to provide Company with correct telephone or email contact information prior to the meter set and is responsible to immediately notify Company with any change to that contact information. Additionally, Customer is responsible to ensure that its preferred method of communication is in working order. Customer further agrees to indemnify Company against any and all damages resulting from Customer's failure to provide accurate contact information, working communication equipment or failure to accept such notification after Company has made reasonable efforts to make said notification.
5. Company will provide a minimum of two hours notification prior to interrupting Customer's Snowmelt application when, at the Company's sole discretion, interruption of service under Rate Schedule IS-C is imminent and will at the same time provide its best estimate of the duration of the interruption. Said notification will be made to Customer, or Customer's designated Agent, using the Customer's preferred method of communication either via telephone or email. Company will give subsequent notice when Rate Schedule IS-C Snowmelt service has been restored using Customer's preferred method of communication and, upon said restoration, Company will, if necessary, relight and/or recycle applicable Snowmelt equipment.
6. Company shall not be liable for damages that directly or indirectly occur as the result of interruption or restoration of service under Rate Schedule IS-C.
7. Any Customer operating Snowmelt equipment prior to the initial Commission approval of Rate Schedule IS-C may elect to receive Snowmelt service under Rate Schedule IS-C. Upon such election, Company will exempt Customer from the payment of the Rate Schedule IS-C Facility Reimbursement Charge provided, however, that any request to modify the placement of existing facilities or related equipment due to the physical location requirements of Customer shall be granted at the Company's sole discretion and at the Customer's expense.
8. For billing purposes, amounts billed for service hereunder will be combined with amounts billed for other gas service Customer receives from Company at the same premise or property address.

**Rate Schedule LV-1
LARGE VOLUME FIRM SALES SERVICE**

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any existing customer receiving service under the Company's rate schedule LV-1 or any customer not previously served under this schedule whose usage does not exceed 500,000 therms annually, upon execution of a one-year minimum written service contract for firm sales service in excess of 200,000 therms per year.

MONTHLY RATE:

Demand Charge:	\$0.30000 per MDFQ therm			
Per Therm Charge:	Block One:	First	250,000 therms per bill @	\$0.54173*
	Block Two:	Next	500,000 therms per bill @	\$0.52384*
	Block Three:	Over	750,000 therms per bill @	\$0.44733*

*Includes the following:

Cost of Gas:	1) Temporary purchased gas cost adjustment			
		Block One and Two		\$0.03247
		Block Three		\$0.05210
	2) Weighted average cost of gas			\$0.39216
	3) Gas transportation cost (Block One and Two only)			\$0.08710
Distribution Cost:	Block One:	First	250,000 therms per bill @	\$0.03000
	Block Two:	Next	500,000 therms per bill @	\$0.01211
	Block Three:	Over	750,000 therms per bill @	\$0.00307

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

SERVICE CONDITIONS:

- All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
- The customer shall negotiate with the Company, a mutually agreeable Maximum Daily Firm Quantity (MDFQ), which will be stated in and in effect throughout the term of the service contract.
- The monthly Demand Charge will be equal to the MDFQ times the Demand Charge rate. Demand Charge relief will be afforded to those LV-1 customers when circumstances impacted by force majeure events prevent the Company from delivering natural gas to the customer's meter.

**Rate Schedule LV-1
LARGE VOLUME FIRM SALES SERVICE**

(Continued)

BILLING ADJUSTMENTS:

1. In the event that total deliveries to any new LV-1 customer did not meet the 200,000 therm threshold during the current contract period, an additional amount shall be billed. The additional amount shall be calculated by billing the customer's total usage during that contract period at the Rate Schedule GS-1 Block 3 rate, and then subtracting the amounts previously billed during the annual contract period. The customer's future eligibility for the LV-1 Rate Schedule will be renegotiated with the Company.
2. In the event that total deliveries to any existing LV-1 customer within the most recent three contract periods met or exceeded the 200,000 therm threshold, but the customer during the current contract period used less than the contract minimum of 200,000 therms, an additional amount shall be billed. The additional amount shall be calculated by billing the deficit usage below 200,000 therms at the LV-1 Block 1 rate adjusted for the removal of variable gas costs. The customer's future eligibility for the LV-1 Rate Schedule will be renegotiated with the Company.
3. In the event the customer requires daily usage in excess of the MDFQ, and subject to the availability of firm interstate transportation to serve Intermountain's system, all such excess usage will be billed under Rate Schedule LV-1. Additionally, all excess MDFQ above the customer's contracted MDFQ for the month will be billed at the monthly Demand Charge rate.

Rate Schedule T-3
INTERRUPTIBLE DISTRIBUTION TRANSPORTATION SERVICE

AVAILABILITY:

Available at any point on the Company's distribution system to any customer upon execution of a one year minimum written service contract.

MONTHLY RATE:

Per Therm Charge:	Block One:	First	100,000 therms transported @ \$0.03771*
	Block Two:	Next	50,000 therms transported @ \$0.01487*
	Block Three:	Over	150,000 therms transported @ \$0.00496*

*Includes temporary purchased gas cost adjustment of (\$0.00082)

ANNUAL MINIMUM BILL:

The customer shall be subject to the payment of an annual minimum bill based on annual usage of 200,000 therms. The deficit usage below 200,000 therms shall be billed at the T-3 Block 1 rate.

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. This service does not include the cost of the customer's gas supply or the interstate pipeline capacity. The customer is responsible for procuring its own supply of natural gas and transportation to Intermountain's distribution system under this Rate Schedule.
3. The customer understands and agrees that the Company is not responsible to deliver gas supplies to the customer which have not been nominated, scheduled, and delivered by the interstate pipeline to the designated city gate.
4. The Company, in its sole discretion, shall determine whether or not it has adequate capacity to accommodate transportation of the customer's gas supply on the Company's distribution system.
5. If requested by the Company, the customer expressly agrees to immediately curtail or interrupt its operations during periods of capacity constraints on the Company's distribution system.

**Rate Schedule T-4
FIRM DISTRIBUTION ONLY TRANSPORTATION SERVICE**

AVAILABILITY:

Available at any mutually agreeable delivery point on the Company's distribution system to any customer upon execution of a one year minimum written service contract for firm distribution transportation service in excess of 200,000 therms per year.

MONTHLY RATE:

Demand Charge: \$0.28032 per MDFQ therm*

Per Therm Charge:

Block One:	First	250,000 therms transported @	\$0.02395
Block Two:	Next	500,000 therms transported @	\$0.00847
Block Three:	Over	750,000 therms transported @	\$0.00260

*Includes temporary purchased gas cost adjustment of (\$0.01968)

PURCHASED GAS COST ADJUSTMENT:

This tariff is subject to an adjustment for the cost of purchased gas as provided for in Rate Schedule PGA. This adjustment is incorporated into the calculation of the Cost of Gas stated on customer bills.

SERVICE CONDITIONS:

1. All natural gas service hereunder is subject to the General Service Provisions of the Company's Tariff, of which this Rate Schedule is a part.
2. This service does not include the cost of the customer's gas supply of the interstate pipeline capacity. The customer is responsible for procuring its own supply of natural gas and transportation to Intermountain's distribution system under this Rate Schedule.
3. The customer understands and agrees that the Company is not responsible to deliver gas supplies to the customer which have not been nominated, scheduled, and delivered by the interstate pipeline to the designated city gate.
4. The customer shall negotiate with the Company, a mutually agreeable Maximum Daily Firm Quantity (MDFQ), which will be stated in and in effect throughout the term of the service contract.
5. The monthly Demand Charge will be equal to the MDFQ times the Demand Charge rate. Demand Charge relief will be afforded to those T-4 customers when circumstances impacted by force majeure events prevent the Company from delivering natural gas to the customer's meter.

Rate Schedule T-4
FIRM DISTRIBUTION ONLY TRANSPORTATION SERVICE
(Continued)

BILLING ADJUSTMENTS:

1. In the event that total deliveries to any new T-4 customer did not meet the 200,000 therm threshold during the current contract period, an additional amount shall be billed. The additional amount shall be calculated by billing the customer's total usage during that contract period at the Rate Schedule GS-1 Block 3 rate, adjusted for the cost of gas, and then subtracting the amounts previously billed during the annual contract period. The customer's future eligibility for the T-4 Rate Schedule will be renegotiated with the Company.
2. In the event that total deliveries to any existing T-4 customer within the most recent three contract periods met or exceeded the 200,000 therm threshold, but the customer during the current contract period used less than the contract minimum of 200,000 therms, an additional amount shall be billed. The additional amount shall be calculated by billing the deficit usage below 200,000 therms at the T-4 Block 1 rate. The customer's future eligibility for the T-4 Rate Schedule will be renegotiated with the Company.
3. In the event the customer requires daily usage in excess of the MDFQ, and subject to the availability of firm distribution capacity to serve Intermountain's system, all such excess usage will be billed under rate schedule T-4. Additionally, all excess MDFQ above the customer's contracted MDFQ for the month will be billed at the monthly Demand Charge rate.

ATTACHMENT 2

ATTACHMENT 2



Intermountain Gas Company requests price increase with Idaho PUC

BOISE, ID – December 2, 2022 – Intermountain Gas Company filed a request with the Idaho Public Utilities Commission to increase its price to serve its natural gas customers. If approved, it would increase the monthly bill for an average residential customer by about \$2.19, or 4.4%, and for the average commercial customer by about \$3.43, or 1.5%.

The proposed increase is for \$11.3 million annually over current prices, or a 3.2% overall increase. This base price change is not impacted by changes in the cost of natural gas. The last base price increase was 2.5%, effective in 2017.

The primary reason for the request is due to the infrastructure investments made by the company since the last regulatory proceeding that was filed in 2016. Intermountain's rate base, which is partially how customer prices are determined, has grown by about \$152 million since 2016, or about 64%.

“We recognize prices have increased for many day-to-day necessities because of rising inflation since mid-2021; however, a good portion of the infrastructure investments that are part of this regulatory request were made before rising inflation,” said Nicole Kivisto, president and CEO of Intermountain Gas Company. “We believe the infrastructure investments are prudent to ensure safe and reliable natural gas service to our customers. Current prices do not reflect the cost of providing service to our customers, which is why we are requesting this increase.”

The Idaho PUC has up to seven months to issue a decision on this request. This is just the second general price increase request made by the company over a 37-year period. The request is in regard to the cost to serve customers and does not include the cost of natural gas, which is about 64% of a customer's monthly bill.

Intermountain Gas encourages customers to use energy wisely. Conservation tips, information on energy assistance and information on the company's level pay program can be found on the company's website: www.intgas.com.

Intermountain Gas Company is a natural gas distribution company serving approximately 404,880 residential, commercial and industrial customers in 74 communities in southern Idaho. Intermountain is a subsidiary of MDU Resources Group, Inc., a member of the S&P MidCap 400 and the S&P High-Yield Dividend Aristocrats indices, and is Building a Strong America® by providing essential products and services through its regulated energy delivery and construction materials and services businesses. For more information about MDU Resources, see the company's website at www.mdu.com. For more information about Intermountain, visit www.intgas.com.

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ATTACHMENT 3

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CUSTOMER NOTICE

Intermountain Gas Company requests price increase with Idaho PUC

BOISE, ID—December 2, 2022—Intermountain Gas Company filed a request with the Idaho Public Utilities Commission to increase its price to serve its natural gas customers. If approved, it would increase the monthly bill for an average residential customer by about \$2.19, or 4.4%, and for the average commercial customer by about \$3.43, or 1.5%.

The proposed increase is for \$11.3 million annually over current prices, or a 3.2% overall increase. This base price change is not impacted by changes in the cost of natural gas. The last base price increase was 2.5%, effective in 2017.

The primary reason for the request is due to the infrastructure investments made by the company since the last regulatory proceeding that was filed in 2016. Intermountain's rate base, which is partially how customer prices are determined, has grown by about \$152 million since 2016, or about 64%.

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12/2022

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