

EXECUTIVE OFFICES

INTERMOUNTAIN GAS COMPANY

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

December 18, 2017

Ms. Diane Hanian
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington St.
P.O. Box 83720
Boise, ID 83720-0074

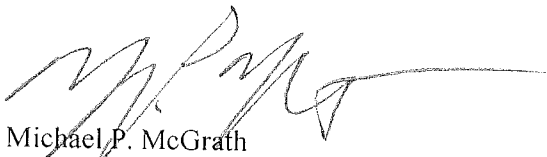
RE: Case No. INT-G-17-07

Dear Ms. Hanian:

Attached for consideration by this Commission are the original and seven (7) copies of Intermountain Gas Company's Application for Authority to Implement an Infrastructure Integrity Management Mechanism.

If you should have any questions regarding this Application please contact me at 208-377-6168.

Sincerely,



Michael P. McGrath
Director-Regulatory Affairs
Intermountain Gas Company

Enclosure

cc: Mark Chiles
Scott Madison
Ronald L. Williams

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UTILITIES COMMISSION

INTERMOUNTAIN GAS COMPANY

CASE NO. INT-G-17-07

APPLICATION

AND

EXHIBITS

In the Matter of the Application of INTERMOUNTAIN GAS COMPANY

For Authority to Implement an Infrastructure Integrity Management

Mechanism

Ronald L. Williams, ISB 3034
Williams Bradbury PC
Post Office Box 388, Boise, ID 83701
802 W. Bannock, Suite 900
Boise, Idaho 83702
Telephone: (208) 344-6633
Attorney for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of
INTERMOUNTAIN GAS COMPANY
for Authority to Implement an
Infrastructure Integrity Management
Mechanism

Case No. INT-G-17-07
APPLICATION

Intermountain Gas Company ("Intermountain" or "Company"), a subsidiary of MDU Resources Group, Inc. with general offices located at 555 South Cole Road, Boise, Idaho, pursuant to the Rules of Procedure of the Idaho Public Utilities Commission ("Commission"), hereby requests authority to implement an Infrastructure Integrity Management Mechanism ("IIMM") as outlined in this Application. Intermountain's proposed Rate Schedule IIMM is attached hereto as Exhibit No. 1 and incorporated herein by reference.

Communications in reference to this Application should be addressed to:

Michael P. McGrath
Director – Regulatory Affairs
Intermountain Gas Company
Post Office Box 7608
Boise, ID 83707
and
Ronald L. Williams
Williams Bradbury PC
Post Office Box 388, Boise, ID 83701
802 W. Bannock, Suite 900
Boise, ID 83702

In support of this Application, Intermountain does allege and state 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 - Glens 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, a compressor station, distribution mains, services, meters and regulators, and general plant and equipment.

II.

The IIMM is a cost recovery mechanism designed to allow the Company to accelerate the replacement of aging infrastructure, to mitigate the increasing impact of regulation on the Company's Capital and O&M Budgets, and more proactively address safety related issues on its system. Intermountain believes this proposed mechanism is an integral part of its mission to provide safe and reliable natural gas service to its customers.

Across the nation, state utility commissions are granting permission to gas utility companies to implement some form of integrity management and infrastructure replacement programs. There are variations between the 42 states that have implemented such programs. However, the common focus of these approved programs is system safety and reliability of service. Intermountain is continually committed to providing safe and reliable natural gas service to its customers. As part of this commitment, the Company utilizes tools, technology and processes to consistently and proactively identify and remove risks to its pipeline system, in order to enhance overall public safety. Additionally, the Company leverages industry best practices, recommended practices, peer groups, research and development, manufacturer recommendations, employee and management feedback, government advisories, and industry associations to enhance its efforts to provide safe and reliable natural gas service to its customers.

Intermountain is faced with additional federal, state, and local requirements to monitor, replace or improve pipelines and infrastructure which puts additional pressure on Intermountain's Capital and Operation and Maintenance ("O&M") Budgets. The same Budgets must also address Intermountain's obligation to serve its growing customer base as well as balance many other competing capital and O&M expense requirements.

III.

Intermountain has created a Transmission Integrity Management Program ("TIMP") and a Distribution Integrity Management Program ("DIMP") in order to both continue its commitment to provide safe and reliable service to its customers and to comply with federal regulations. TIMP and DIMP practices help guide the Company in proactively removing and replacing pipe that has a potential risk of failure, therefore improving the Company's ability to operate a safe and reliable system. Both TIMP and DIMP utilize relative risk models to manage and assess the risk of potential infrastructure failures based on several factors including age, material, operating pressure, damage history as well as other considerations. Based on the outputs of the TIMP and DIMP models, the Company prioritizes infrastructure replacement projects within the context of the total capital investment demands on the Company. Although Intermountain would like to accelerate the replacement projects ahead of the timelines calculated by the models, budgetary constraints often only allow the Company to maintain a more modest replacement schedule. With the implementation of the proposed IIMM, the Company anticipates that over time it will be able to grow its Capital and O&M Budgets to accelerate infrastructure replacement and stay ahead of schedule on these important replacement projects.

By way of example, the Company's DIMP risk model incorporated industry concerns regarding pre-1985 vintages of DuPont Aldyl-A polyethylene pipe and identified that replacement of this type of pipe should continue over time on the Company's system. This pipe has been shown to be subject to a premature loss of flexibility in the pipe material which can allow small cracks to form on the inner wall of the pipe which could eventually result in failure of the pipe. The Company has approximately 600 miles of this type of pipe in its distribution system. The Company estimates that at today's prices, it would cost approximately \$158.4 million to replace all of this Aldyl-A pipe. Given budgetary constraints and the many demands for capital investment throughout the Company's entire system, Intermountain replaces approximately 4 to 5 miles of Aldyl-A pipe each year. At this rate it will take the Company over 100 years to completely replace this designated type of pipe. However, if the proposed IIMM is approved, Intermountain could replace its Aldyl-A pipe using a more accelerated schedule.

IV.

Intermountain is required to make certain capital investments in order to satisfy federal, state and local regulations. Under these same regulations, the Company can be required to increase O&M spending and add additional personnel pertaining to safety related initiatives. In total, these types of capital investment and expense requirements challenge the Company's financial situation as they do not provide the necessary supporting revenues.

By way of example, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") has a proposed rule which would require the use of automatic and remote controlled shut off valves on a pipeline operator's transmission line. In the event of a gas release on the transmission line, these valves would allow the pipeline operator to shut off the flow of gas from a remote location. If this proposed federal rule is passed, the Company would be required to install these valves.

As another example, the Company has hired additional employees to help the Company comply with federal laws promulgated under PHMSA as well as to help the Company enforce and inform others of Idaho's damage prevention law.

Capital investment and O&M costs such as those described above contribute to budgetary constraints and compete with other necessary capital investment projects. Including these types of required capital investment costs in the IIMM would give the Company more flexibility to concurrently pursue these pipeline related capital investments while also implementing other necessary capital expenditures.

V.

The Pipeline Safety Division of the Idaho Public Utilities Commission (“Pipeline Safety Division”) has strongly encouraged the Company to inspect all the High-Pressure Service Sets (“HPSS”) on the Company’s system. Additionally, the Pipeline Safety Division expressed an interest in seeing these HPSS removed. A HPSS is used in situations where the only natural gas pipe near the customer’s home or place of business is an elevated-pressure main (i.e. pressure above 60 psi). The HPSS facilitates a reduction in pressure from the elevated-pressure main to the customer’s service line. Since these HPSS sit above the ground there is an added measure of risk that these devices can be damaged which could result in the escape of natural gas from the pipe.

As a result of the Pipeline Safety Division’s encouragement, in 2014 the Company began a pilot program to inspect a certain number of HPSS each year. Due to the potential risk these HPSS pose to the Company’s system and customers, as calculated by DIMP, the Company also decided to dedicate a certain amount of its annual Capital Budget to proactively abandon HPSS while at the same time continuing to inspect all the HPSS on its system. The HPSS is abandoned by replacing the elevated-pressure main with a distribution main and tying the existing service line into the new distribution main. Including projects identified and encouraged by the Pipeline Safety Division in the IIMM would allow the Company to more aggressively pursue these and other necessary capital investments concurrently.

VI.

The proposed IIMM does not seek recovery of capital investments and expenses associated with incremental growth on its system. There may be instances when the Company decides to increase the size of pipe being replaced in an IIMM project in order to accommodate future customer growth. However, the Company proposes that the IIMM only contemplate the cost of replacing pipe of similar size even if the Company actually installs larger pipe.

VII.

As part of this proposed Infrastructure Integrity Management Mechanism, the Rate Base and expenses embedded within the IIMM Charge approved by the Commission will be eliminated from recovery through the IIMM and shifted to the Company’s base rates in subsequent general rate case proceedings.

VIII.

The proposed IIMM will allow the Company to adjust its distribution rates for the collection of the IIMM Charge in the following manner:

1. The projects and expenses proposed for recovery through the IIMM will be reviewed and discussed between the Company and the Pipeline Safety Division (see paragraph IX.).
2. The IIMM Revenue Requirement will be determined based on the agreed upon IIMM projects and expenses (see paragraph X.).
3. The IIMM Revenue Requirement will be allocated to each rate class based on the allocation of base rate revenues from the Company's most recent general rate case. The IIMM Charge will be equal to the allocated IIMM Revenue Requirement divided by normalized volumes provided in the Company's annual Purchased Gas Cost Adjustment ("PGA") (see paragraph XI.).
4. The IIMM Charge will be reviewed and updated annually, with prices effective October 1st of each year (see paragraph XII.).

The Company has prepared and attached hereto Exhibit No. 2 which provides examples of how the amounts above will be calculated as part of the proposed IIMM filing.

IX.

The Company proposes that at regular intervals during the year, the Company and the Pipeline Safety Division convene an "IIMM Project Review Meeting" to review and agree upon IIMM projects and O&M expenses that would qualify for consideration and recovery in the IIMM. The Company will present IIMM projects and O&M expenses identified by its TIMP & DIMP as well as other IIMM projects and O&M expenses identified as a result of federal, state or local regulations. The Pipeline Safety Division may also present for discussion and analysis any IIMM projects and O&M expenses that result from its analysis of the Company's distribution system.

Exhibit No. 2, Page 1 is an example of IIMM projects that could result from the IIMM Project Review meeting.

X.

In the annual IIMM filing, Intermountain will calculate the historical thirteen-month average of the IIMM projects agreed upon with the Pipeline Safety Division to include the accounting for accumulated depreciation and accumulated deferred income taxes ("IIMM Rate Base"). The IIMM Rate Base will be based on actual costs incurred during the previous calendar

year. The after-tax return on IIMM Rate Base will be determined by using the weighted average cost of capital approved in the Company's most recent general rate case. The IIMM Revenue Requirement is calculated as the difference between the after-tax return and the after-tax actual depreciation, property tax, and O&M expenses, which difference is grossed-up using the Gross Revenue Conversion Factor from the Company's most recent general rate case (See Exhibit No. 2, Page 3, Line 12).

Exhibit No. 2, Pages 2 and 3 are an example of the IIMM Rate Base and Revenue Requirement calculations based on the hypothetical IIMM projects shown on Exhibit No. 2, Page 1.

XI.

The Company proposes to allocate the IIMM Revenue Requirement to each rate class based on the allocation of base rate revenues from the Company's most recent general rate case. The Company proposes to collect the IIMM Revenue Requirement on a per therm basis based on normalized volumes provided in the Company's annual PGA.

Exhibit No. 2, Page 4 is an example of how the IIMM Charge would be determined.

XII.

The Company proposes to file the IIMM in May of each year, with prices effective October 1st of each year.

XIII.

This Application has been brought to the attention of Intermountain's customers through a Customer Notice and by a Press Release sent to daily and weekly newspapers, and major radio and television stations in Intermountain's service area. The Press Release and Customer Notice are attached hereto and incorporated herein by reference. Copies of this Application and its Exhibits have been provided to those parties regularly intervening in Intermountain's rate proceedings.

XIV.

Intermountain requests that this matter be handled under modified procedure pursuant to Rules 201-204 of the Commission's Rules of Procedure. Intermountain stands ready for immediate consideration of this matter.

WHEREFORE, Intermountain respectfully petitions the Idaho Public Utilities Commission as follows:

- a. That the Commission authorize the proposed IIMM as it has been explained in this Application and the attachments hereto,
- b. That this Application be heard and acted upon without hearing under modified procedure, and
- c. For such other relief as this Commission may determine proper herein.

DATED at Boise, Idaho, this 18th day of December 2017.

INTERMOUNTAIN GAS COMPANY

Williams Bradbury PC

By /s/ Michael P. McGrath
Michael P. McGrath
Director – Regulatory Affairs

By /s/ Ronald L. Williams
Ronald L. Williams
Attorney for Intermountain Gas Company

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 18th day of December, 2017, I served a copy of the foregoing Case No. INT-G-17-07 upon:

Ed Finklea
Northwest Industrial Gas Users
545 Grandview Drive
Ashland, OR 97520

Chad Stokes
Cable Huston et al.
1001 SW Fifth Avenue, Suite 2000
Portland, Oregon 97204-1136

Don Sturtevant
J. R. Simplot Company
PO Box 27
Boise, ID 83707

by depositing true copies thereof in the United States Mail, postage prepaid, in envelopes addressed to said persons at the above addresses.

/s/ Michael P. McGrath
Michael P. McGrath
Director – Regulatory Affairs

EXHIBIT NO. 1

CASE NO. INT-G-17-07

INTERMOUNTAIN GAS COMPANY

PROPOSED RATE SCHEDULE IIMM

(2 pages)

I.P.U.C. Gas Tariff Rate Schedules Original	Sheet No. 18 (Page 1 of 2)
Name of Utility	Intermountain Gas Company

**Rate Schedule IIMM
INFRASTRUCTURE INTEGRITY MANAGEMENT MECHANISM
AND CHARGE**

PURPOSE:

The purpose of the Infrastructure Integrity Management Mechanism ("IIMM") is to establish procedures that allow Intermountain Gas Company (the "Company"), subject to the jurisdiction of the Idaho Public Utilities Commission ("Commission"), to adjust its distribution rates for the collection of the IIMM Charge as explained below.

APPLICABILITY:

The IIMM shall apply to all Rate Schedules for natural gas service.

DEFINITIONS:

The following definitions shall apply throughout the provisions of this IIMM tariff:

1. "TIMP" shall mean Transportation Integrity Management Program.
2. "DIMP" shall mean Distribution Integrity Management Program.
3. "IIMM Project Costs" shall mean the cost of projects reviewed and agreed upon by the Company and the Pipeline Safety Division of the Idaho Public Utilities Commission as explained in the IIMM Project Review section below. In those instances when the Company upgrades a replaced pipe in order to accommodate future growth, the Company will only seek recovery of the costs to install the same size pipe that was replaced.
4. "IIMM Rate Base" shall mean the historical thirteen-month average of the previous calendar year of the IIMM Project Costs less accumulated depreciation and accumulated deferred income taxes.
5. "IIMM Revenue Requirement" shall be equal to the difference between (1) the after-tax return (IIMM Rate Base multiplied by the weighted average cost of capital approved in the Company's most recent general rate case), and (2) the Net Operating Expense, which difference is grossed-up using the Gross Revenue Conversion Factor approved in the Company's most recent general rate case.
6. "Net Operating Expense" shall be equal to the depreciation, property tax, and operation and maintenance ("O&M") expenses associated with IIMM Projects, net of income taxes.

Exhibit No. 1
Case No. INT-G-17-07
Intermountain Gas Company
Page 1 of 2

Issued by: Intermountain Gas Company By: Michael P. McGrath Effective: December 18, 2017	Title: Director — Regulatory Affairs
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**Rate Schedule IIMM
INFRASTRUCTURE INTEGRITY MANAGEMENT MECHANISM
AND CHARGE
(Continued)**

IIMM PROJECT REVIEW:

1. At regular intervals during the year the Company and the Pipeline Safety Division of the Idaho Public Utilities Commission ("Pipeline Safety Division") shall convene an IIMM Project Review meeting to review and agree upon IIMM projects and O&M expenses that would qualify for consideration and recovery in the IIMM. The Company will present IIMM projects and O&M expenses identified by its TIMP & DIMP as well as other IIMM projects and O&M expenses identified as a result of federal, state or local regulations. The Pipeline Safety Division may also present for discussion and analysis any IIMM projects and O&M expenses that result from its analysis of the Company's distribution system.

CALCULATION OF THE IIMM CHARGE:

1. The IIMM Revenue Requirement will be allocated to each rate class based on the allocation of base rate revenues from the Company's most recent general rate case.
2. The IIMM Charge will be equal to the allocated IIMM Revenue Requirement divided by normalized volumes provided in the Company's annual Purchased Gas Cost Adjustment ("PGA").

TIME OF FILING AND EFFECTIVE DATE:

1. The IIMM shall be filed in May of each year.
2. The IIMM Charge will be effective October 1st of each year, unless otherwise ordered by the Commission.

TRANSFER TO BASE RATES:

1. The IIMM Rate Base and expenses embedded within the IIMM Charge approved by the Commission shall be eliminated from recovery through the IIMM and shifted to the calculation of base rates at the time of the Company's next general rate case filing.

PER THERM CHARGE:

Schedule	<u>IIMM Charge</u>
Rate Schedule RS	\$XXXX
Rate Schedule GS-1	\$XXXX
Rate Schedule IS-R	\$XXXX
Rate Schedule IS-C	\$XXXX
Rate Schedule LV-1	\$XXXX
Rate Schedule T-3	\$XXXX
Rate Schedule T-4	\$XXXX

Exhibit No. 1
Case No. INT-G-17-07
Intermountain Gas Company
Page 2 of 2

EXHIBIT NO. 2

CASE NO. INT-G-17-07

INTERMOUNTAIN GAS COMPANY

EXAMPLE IIMM EXHIBITS

(4 pages)

Intermountain Gas Company
IIMM Project Capital Costs
Example

Line No.	Project Name (a)	Cost (b)
1	Capital Costs:	
2	Aldyl-A Replacement	\$ XXX
3	HPSS Replacement	XXX
4	Automatic Shutoff Valve Installation	XXX
5	Total IIMM Project Capital Costs	\$ 1,000,000

Intermountain Gas Company
IIMM Rate Base
Example

Line No.	Description	Beginning Balance	Actual January	Actual February	Actual March	Actual April	Estimate May	Estimate June	Estimate July	Estimate August	Estimate September	Estimate October	Estimate November	Estimate December	End of Period
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
1	IIMM Project Costs	\$ -	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333	\$ 83,333
2	Gross Plant-in Service	-	83,333	166,667	250,000	333,333	416,667	500,000	583,333	666,667	750,000	833,333	916,667	1,000,000	
3	Less: Accumulated Depreciation	-	(793)	(156)	(469)	(938)	(1,563)	(2,344)	(3,281)	(4,375)	(5,625)	(7,031)	(8,594)	(10,313)	
4	Less: Accumulated Deferred Income Taxes	-	(793)	(1,586)	(2,379)	(3,172)	(3,965)	(4,758)	(5,551)	(6,344)	(7,137)	(7,930)	(8,723)	(9,516)	
5	Net Investment	\$ -	\$ 82,540	\$ 164,924	\$ 247,152	\$ 329,224	\$ 411,139	\$ 492,898	\$ 574,501	\$ 655,948	\$ 737,238	\$ 818,372	\$ 899,350	\$ 980,172	
6	Average Net Investment	\$ -	\$ 41,270	\$ 123,732	\$ 206,038	\$ 288,188	\$ 370,182	\$ 457,019	\$ 533,700	\$ 615,225	\$ 696,593	\$ 777,805	\$ 858,861	\$ 939,761	\$ 491,948

Intermountain Gas Company
IIMM Revenue Requirement
Example

Line No.	Description (a)	Amount (b)
1	IIMM Rate Base	\$ 491,948
2	Cost of Capital	7.30% ⁽¹⁾
3	After-Tax Return	\$ 35,912
4	Depreciation Expense	\$ (10,313) ⁽²⁾
5	Property Tax	(4,800)
6	O&M Expense	<u>(200,000) ⁽³⁾</u>
7	Pre-Tax Operating Expense	\$ (215,113)
8	Current Income Tax Benefit	96,460
9	Deferred Income Tax Expense	<u>(9,516)</u>
10	Net Operating Expense	\$ (128,168)
11	After-Tax Deficiency	\$ 164,081
12	Gross Revenue Conversion Factor	<u>1.67055</u>
13	IIMM Revenue Requirement	\$ 274,105

⁽¹⁾ As reflected in the Company's most recent general rate case.

⁽²⁾ To reflect depreciation rates currently approved by the Commission.

⁽³⁾ To reflect O&M expenses associated with IIMM Projects.

Intermountain Gas Company
IIMM Charge
Example

Line No.	Description	Amount	Rate Class					
			RS	GS	LV-1	T-3	T-4	
1	Allocation of Base Rate Revenues (from general rate case)							
2	Percentage	(b)	(c)	(d)	(e)	(f)	(g)	
		\$ 90,595,469	\$ 58,462,061	\$ 22,368,969	\$ 344,033	\$ 540,021	\$ 8,880,385	
		100%	64.53%	24.69%	0.38%	0.60%	9.80%	
3	Revenue Requirement	\$ 274,105	\$ 176,882	\$ 67,679	\$ 1,041	\$ 1,634	\$ 26,868	
4	Normalized PGA Volumes	663,809,605	211,957,936	107,972,848	6,593,577	38,263,794	299,021,450	
5	Proposed IIMM Charge	\$	\$ 0.00083	\$ 0.00063	\$ 0.00016	\$ 0.00004	\$ 0.00009	

NEWS RELEASE

and

CUSTOMER NOTICE

CASE NO. INT-G-17-07

INTERMOUNTAIN GAS COMPANY

(2 Pages)



Intermountain Gas Company files for infrastructure integrity management mechanism

BOISE, IDAHO – December 18, 2017– Intermountain Gas Company filed a request with the Idaho Public Utilities Commission (IPUC) to implement a mechanism whereby the company can recover certain costs pertaining to infrastructure integrity management.

The proposal is designed to address the increasing impact of regulations pertaining to the company’s infrastructure, allow the company to proactively accelerate the replacement of aging infrastructure and enhance the overall safety of the company’s distribution system.

“Intermountain’s long history of commitment to safety within the organization and community has led to over 60 years of safely delivering natural gas to our customers,” said Scott Madison, executive vice president and general manager of Intermountain Gas. “The proposal is an integral part of our mission to continue providing safe and reliable natural gas service in Idaho.”

If approved and implemented, the company will file the proposed recovery amount annually to the IPUC for review and any approved adjustment to rates would become effective October 1 of each year.

The request is subject to public review and approval by the IPUC. A copy of the application is available for review at the commission, the company’s website at www.intgas.com as well as the IPUC website at www.puc.idaho.gov. Written comments regarding the application may be filed with the commission. Customers may also subscribe to the commission’s RSS feed to receive periodic updates via email.

Intermountain Gas Company is a natural gas distribution company serving approximately 350,000 residential, commercial and industrial customers in 74 communities in southern Idaho. Intermountain is a subsidiary of MDU Resources Group, Inc., which provides essential products and services through its regulated energy delivery and construction materials and services businesses. It is traded on the New York Stock Exchange as “MDU.” For more information about MDU Resources, visit the company’s website at www.mdu.com. For more information about Intermountain, visit www.intgas.com.

Media Contact: Cheryl Imlach, Manager Energy Utilization, 208-377-6179



Customer Notice

Intermountain Gas Company files for infrastructure integrity management mechanism

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The proposal is designed to address the increasing impact of regulations pertaining to the company's infrastructure, allow the company to proactively accelerate the replacement of aging infrastructure and enhance the overall safety of the company's distribution system.

"Intermountain's long history of commitment to safety within the organization and community has led to over 60 years of safely delivering natural gas to our customers," said Scott Madison, executive vice president and general manager of Intermountain Gas. "The proposal is an integral part of our mission to continue providing safe and reliable natural gas service in Idaho."

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