

INTERMOUNTAIN GAS COMPANY

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IDAHO PUBLIC
UTILITIES COMMISSION

November 25, 2002

Jean Jewell
Idaho Public Utilities Commission
472 W. Washington St.
P.O. Box 83720
Boise, ID 83720-0074

Re: IN THE MATTER OF THE APPLICATION TO IMPLEMENT A TWO-YEAR PILOT WINTER PROTECTION PROGRAM THAT ESTABLISHES MINIMUM MONTHLY PAYMENTS DURING THE WINTER MORATORIUM, AND A WAIVER OF WINTER MORATORIUM RULE 306, IDAPA 31.21.01.306.

IPUC CASE NO. GNR-U-02-1

Dear Ms. Jewell:

In response to Comments of the Commission Staff, dated November 21, 2002, pursuant to the above referenced Case, Intermountain Gas Company respectfully requests that the Commission also include in its consideration of the Pilot Winter Protection Program the additional points contained in this letter.

Intermountain Gas is appreciative of the Commission Staff's comments and the level of agreement there appears to be with us on many key points. While there are concerns regarding the starting date for a pilot program and the extent to which a customer "safety net" should be provided, there appears to be consensus regarding the following:

- The four goals of the Moratorium Policy should include preserving the public health and safety by limiting termination circumstances, encouraging good payment habits by customers, providing some relief from impossible financial obligations, and facilitating collection of problem accounts;
- The eligibility criteria for the existing moratorium program does not provide an objective criteria for distinguishing between those who are truly unable to pay and those who are simply unwilling to pay;
- When customers decide not to pay at all, charging interest has not been a sufficient incentive for payment;
- There is less incentive for heating-only customers to pay their gas bills and reconnect as compared to electric customers;
- The Winter Payment Plan has failed to be an incentive for payment with no Intermountain customers participating;

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- The proposed Pilot Program, which uses income criteria for LIHEAP as a proxy for customers who are unable to pay, is a reasonable, objective screening criteria to use;
- Customers who can pay either in full or in part should be required to pay; and
- A two-year pilot program is the appropriate time frame for gathering information to aid in program evaluation.

On November 8-12, 2002, Intermountain Gas mailed notice of the Application in the above referenced Case and a description of the proposed Winter Protection Program to 100% of our residential customers. Additionally, should the Pilot be approved, customers who call seeking moratorium protection this winter will have the Winter Protection Program fully explained to them personally by one of our Customer Contact Representatives. Intermountain Gas will continue to provide customers who do not meet the moratorium eligibility criteria with level pay plans, special payment arrangements and counseling on where to seek other assistance.

During the comment period, Intermountain Gas contacted a number of agencies and organizations representing potentially effected customers and offered to further explain the Winter Protection Program to them in order to address any concerns they may have. These meetings were very productive and typically resulted in statements of support. The significant number of supporting comments received by the Commission and shared with us by Staff has also been very encouraging.

Intermountain Gas remains committed to the Winter Protection Program and stands ready to implement the Pilot on December 1, 2002 should the Commission approve it.

If you have any questions, or if I can be of additional assistance, please don't hesitate to contact me at 377-6064.

Sincerely,



Paul R. Powell
Sr. Vice President, Finance & Administration, CFO

PRP/slk