



Idaho Community Action Network

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Friday, June 11, 2004

Idaho Public Utilities Commission
P O Box 83720
Boise, Idaho 83720-0074

Re: Intermountain Gas Application for Authority to Increase its Rates for Service, Case No. INT-G-04-2

Dear Commissioners:

We would like to comment, for ourselves and for other members of Idaho Community Action Network (ICAN) and Intermountain Gas low-income customers, on Intermountain Gas's Purchased Cost Adjustment Application.

We oppose the PGA increase Intermountain Gas has requested. Their request would increase the average residential bill by 10 percent. An average customer using gas for space heating and water heating would pay \$6.02 extra each month. That's too much for low-income families to absorb. While higher-income families may not notice the increase in their bills, low-income families are struggling to pay the power bills as it is. Intermountain Gas's records show that many of its customers are having trouble paying their power bills. During the 2002-03 winter heating season, 6,207 households that were customers of Intermountain Gas received LIHEAP assistance, 2,592 declared moratorium eligibility, and 728 were disconnected in March, April and May of 2003 for non-payment. Raising the rates by 10 percent would make it even harder for these families to keep their heat on this winter.

We also ask that the PUC hold public hearings before deciding on this application. A 10 percent rate increase will have a big effect on consumers, and public hearings are the best way to get consumer input about decisions like this. Many people are not comfortable writing their opinions, but can speak about them easily. Having a big public meeting lets people hear other people's opinions and have a conversation about it. People have more confidence in the process if they can be a part of a public conversation about it, and they learn more. We understand that the Commission is very busy this year with rate cases and other issues, but we believe that public hearings are a very important part of the process.

Finally, we ask that you delay deciding on the PGA increase until the fall. There are two reasons why deciding in the fall makes more sense. First, people would be more interested in the fall because they will be starting to worry about how to make it through the winter, so more people would participate. Second, the PUC can make a more informed decision in the fall about winter rates. As Intermountain Gas says in its application, the price of gas in the future is not entirely predictable. Intermountain Gas has committed to file an amendment if prices fall lower than its

predictions, but it makes more sense to wait and make the decision later, when there is more information available, rather than guessing now.

We are ICAN members who are also Intermountain Gas customers, and we represent hundreds of other low-income customers.

Sincerely,

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