

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF INTERMOUNTAIN GAS COMPANY) CASE NO. INT-G-16-02
TO CHANGE ITS RATES AND CHARGES)
FOR NATURAL GAS SERVICE IN THE) ORDER NO. 33789
STATE OF IDAHO)**

On April 28, 2017, this Commission issued a final Order in Intermountain Gas Company's general rate case. Order No. 33757. On May 18, 2017, Intermountain Gas timely petitioned the Commission to reconsider certain aspects of Final Order No. 33757. Specifically, the Company asked the Commission to reconsider its decisions relating to: (1) the data input into Staff's weather normalization model (*see* Petition for Reconsideration at 1-10); (2) the Commission's preference for Staff's weather normalization model over the Company's model (*id.* at 10-14); (3) the disallowance of certain affiliated operations and maintenance (O&M) expenses (*id.* at 14-17); and (4) the disallowance of incentive compensation (*id.* at 17-19). The Company asserted that the Commission's decisions on these issues were unreasonable, arbitrary, capricious, and not supported by the facts. No other Petitions for Reconsideration were received.

On May 25, 2017, Commission Staff filed an answer that also recommended the Commission reconsider the weather normalization issues. *See* Commission Staff's Answer to Intermountain Gas Company's Petition for Reconsideration. The answer did not address the Company's request that the Commission reconsider its decision to disallow certain affiliated O&M expenses and incentive compensation. No other party or person responded to the Company's Petition.

On June 9, 2017, Staff reported to the Commission that the Company and Staff had explored the possibility of meeting in an effort to resolve the weather normalization issues. *See* Commission Staff's Status Report Regarding Reconsideration of Weather Normalization. Staff reported that it and the Company recommended that, if reconsideration is granted as to weather normalization, then the Commission should begin the reconsideration process by directing the Staff, Company, and other parties that may wish to attend, to meet and confer in an effort to narrow the weather normalization issues, discuss settlement opportunities, and agree (to the extent possible) on a remaining schedule. Staff recommended that the meeting occur within two

weeks of the Commission's Order, and noted that Staff or the Company would report back to the Commission on the meeting's outcome. *Id.*

Having reviewed the record, we issue this Order granting reconsideration as to all four issues raised in the Petition, and directing the parties to meet within 14 days to attempt to narrow the issues in dispute, and to promptly report back to the Commission on the outcome of the meeting. Our decision is further explained below.

STANDARD OF REVIEW

A person may petition the Commission to reconsider its orders. *See Idaho Code* § 61-626; Rules 331-333 (IDAPA 31.01.01.331-.333). Reconsideration allows the petitioner to bring to the Commission's attention any question previously determined and thereby affords the Commission an opportunity to rectify any mistake or omission. *Washington Water Power Co. v. Kootenai Environmental Alliance*, 99 Idaho 875, 879, 591 P.2d 122, 126 (1979); Rule 325. The petitioner has 21 days from the date of the final Order in which to ask for reconsideration. *Idaho Code* § 61-626(1). The petition must specify why it "contends that the order or any issue decided in the Order is unreasonable, unlawful, erroneous or not in conformity with the law." Rule 331.01. Further, the petition "must state whether the petitioner . . . requests reconsideration by evidentiary hearing, written briefs, comments, or interrogatories." Rule 331.03. Answers or cross-petitions, if any, must be filed within seven days after the petition was filed. Rule 331.02 and .05.

Once a petition is filed, the Commission has 28 days to issue an Order saying whether or not it will reconsider the parts of the Order at issue and, if reconsideration is granted, how the matter will be reconsidered. *Idaho Code* § 61-626(2). If reconsideration is granted, the Commission must complete its reconsideration within 13 weeks after the date for filing petitions for reconsideration. *Idaho Code* § 61-626(2). The Commission must issue its final Order on reconsideration within 28 days after the matter is finally submitted for reconsideration. *Id.*

DISCUSSION AND FINDINGS

The Commission issued Final Order No. 33757 on April 28, 2017. Within 21 days, on May 18, 2017, the Company filed its Petition asking the Commission to reconsider parts of that Order. The Company's Petition was, therefore, timely. The Commission Staff also filed a timely answer. No one else filed a Petition or Cross Petition raising additional issues. Thus, the Commission has only been asked to reconsider the matters raised in the Company's Petition,

namely: those relating to: (1) the data input into Staff's weather normalization model; (2) the Commission's preference for Staff's weather normalization model over the Company's model; (3) the disallowance of certain affiliated operations and maintenance expenses claimed by the Company; and (4) the disallowance of incentive compensation. We note that Staff concurred that we should reconsider the weather normalization issues, and that no one opposed the reconsideration of issues 3 and 4. We thus find it reasonable to take the opportunity to grant reconsideration as to each of those matters, using the procedure discussed below. As no other matters were the subject of a reconsideration petition, we limit our reconsideration to the four narrow issues raised in the Petition.

The Company and Staff initially proposed different means of reconsidering the issues. In summary, the Company proposed that the Commission reconsider certain issues based on the record as it exists, while allowing for additional discovery and new evidence, followed by testimony and hearings on other issues. *See* Petition at 19-20. Staff on the other hand, proposed a limited re-opening of the record to allow the parties to introduce information already provided through discovery, followed by comments explaining their respective arguments. *See* Answer at 3-4. Subsequently, however, the Company and Staff agreed it would be beneficial for the parties to meet to see if they can narrow – or possibly settle – certain issues and agree on a recommended process for any further reconsideration. The Commission presently declines to adopt any of those recommendations, and instead opts for the following alternative procedure.

Since the Company filed its Petition on May 28, 2017, the Commission has 13 weeks from then, until August 17, 2017, to complete reconsideration and then another 28 days to issue its final order on reconsideration. *See Idaho Code* § 61-326(2). We find it reasonable, and believe it will make the most efficient use of this time, to direct the Company, Staff, and other parties that may wish to attend, to meet **by June 29, 2017**. The purpose of the meeting will be for the attendees to try to narrow the disputed facts and issues, and explore the possibility of settling the weather normalization and other issues raised in the Petition. At the meeting, the attendees are also to try to agree on a schedule by which they recommend we conduct any further reconsideration proceedings. After the meeting, we direct Staff and the Company to promptly report to the Commission on the outcome of the meeting.

ORDER

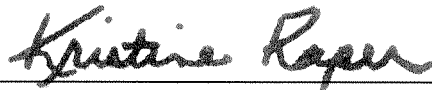
IT IS HEREBY ORDERED that the Company's Petition for Reconsideration is granted, as more fully described herein. All parties are encouraged to participate in the meeting, settlement negotiations, and the limited reconsideration granted by this Order.

THIS IS AN INTERLOCUTORY ORDER granting reconsideration, and it is subject to Rules 321, 322, 324, and 325 (IDAPA 31.01.01.321, .322, .324, .325). After reconsideration is complete, the Commission will issue a Final Order on Reconsideration that is subject to review as specified in Rule 323 (IDAPA 31.01.01.323).

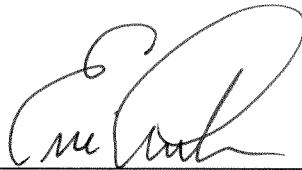
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of June 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

O:INT-G-16-02_kk5_Reconsideration