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IDAHO PUBLIC UTILITIES COMMISSION

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Attorneys for Intermountain Gas Company

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF COMMISSION</b>	)	<b>CASE NO. INT-G-22-01</b>
<b>STAFF’S FORMAL COMPLAINT</b>	)	
<b>CONCERNING INTERMOUNTAIN GAS</b>	)	<b>STIPULATED MOTION TO</b>
<b>COMPANY’S PRACTICES OF ALLOWING</b>	)	<b>APPROVE SETTLEMENT</b>
<b>UNQUALIFIED OPERATORS TO</b>	)	
<b>PERFORM LIVE METER EXCHANGES</b>	)	
	)	

Intermountain Gas Company, (“Intermountain Gas,” or “Company”) and the Idaho Public Utilities Commission Staff (“Staff”), hereby moves the Idaho Public Utilities Commission (“Commission”) for an Order accepting the Stipulation and Settlement filed herewith. IDAPA 31.01.01.56, .272, .274. This motion is based on the following:

1. On March 3, 2022, Staff filed the formal complaint (“Complaint”) in this case and issued a summons to Intermountain Gas.
2. On March 16, 2022, the Commission extended the deadline to answer the Complaint to enable Staff and the Company to continue settlement negotiations.
3. After significant discussions and negotiations, on April 25, 2022, the Company and Staff reached agreement on a settlement of this proceeding and signed the Stipulation and Settlement attached to this Motion.

4. The Parties recommend that the Commission grant this Motion and approve the Stipulation and Settlement in its entirety, without material change or condition, pursuant to IDAPA 31.01.01.274.

5. The Parties agree that the Stipulation and Settlement is in the public interest and that all of its terms and conditions are fair, just and reasonable.

NOW, THEREFORE, the Parties respectfully request that the Commission issue an order in Case No. INT-G-22-01:

1. Granting this Motion and accepting the Stipulation and Settlement in its entirety, without material change or condition; and
2. Any other relief the Commission deems just and reasonable.

DATED: April 25, 2022.

GIVENS PURSLEY LLP



Preston N. Carter  
Attorney for Intermountain Gas Company

DATED: April 25, 2022.

IDAHO PUBLIC UTILITIES COMMISSION STAFF



Dayn Hardie  
Deputy Attorney General

**CERTIFICATE OF SERVICE**

I certify that on April 25, 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**

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Preston N. Carter

**ATTACHMENT 1**

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<b>IN THE MATTER OF COMMISSION</b>	)	<b>CASE NO. INT-G-22-01</b>
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<b>CONCERNING INTERMOUNTAIN GAS</b>	)	<b>STIPULATION AND</b>
<b>COMPANY'S PRACTICES OF ALLOWING</b>	)	<b>SETTLEMENT</b>
<b>UNQUALIFIED OPERATORS TO</b>	)	
<b>PERFORM LIVE METER EXCHANGES</b>	)	
	)	

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This Stipulation and Settlement ("Settlement") is entered into by and among Intermountain Gas Company ("Intermountain Gas," or "Company"), a subsidiary of Montana-Dakota Utilities Co. ("MDU") and Staff for the Idaho Public Utilities Commission Staff ("Staff"), collectively the "Parties" and individually "Party."

**INTRODUCTION**

1. The terms and conditions of this Settlement are set forth herein. The Parties agree that this Settlement represents a reasonable compromise of the issues raised in this proceeding. The Parties, therefore, recommend that the Idaho Public Utilities Commission ("Commission") approve the Settlement and all of its terms and conditions. See Rules 271, 272, and 274 (IDAPA 31.01.01.271, 272, and 274).

**BACKGROUND**

2. On March 3, 2022, the Commission issued a summons regarding the formal complaint ("Complaint") filed by Staff in this matter. The Complaint alleges that 1,847 work

orders were assigned to, and performed by, operators who did not have the required qualifications.

3. On March 22, 2022, the Commission granted an extension of time for the Company to file an answer, in part to allow Staff and the Company to continue settlement discussions. *See* Order No. 35358.

4. In February and March 2022, the Parties held two settlement conferences to discuss possible settlement of the issues addressed in the Complaint.

5. As a compromise of positions in this case, and for other considerations as set forth below, the Parties stipulate and agree to the terms set forth below.

#### TERMS OF THE SETTLEMENT

6. **Training, quarterly audits, and other actions.** Intermountain Gas agrees to implement the following action items by the deadlines indicated (as applicable):

- A. Action Item 1: Evaluate and decide which department will be responsible for Operator Qualifications. Specify roles under which the MDU Utilities Group will adhere. Define roles and responsibilities of a cross-department partnership, with ongoing collaboration.
  - i. Executive management completed this action item and provided a directive to the management team responsible for implementing the ACE Review on November 16, 2021. The roles and responsibilities determined through this process will be incorporated into OPS 800 – Operator Qualification Plan by June 30, 2022.
- B. Action Item 2: Align the requirements of each Covered Task to coincide with Service Technician and Service Technician Apprentice work orders and conduct and file quarterly audits.
  - i. The Safety & Technical Training department is developing the list of Covered Tasks required to perform Service Technician and Service Technician Apprentice

work orders. The final list, and training regarding its use, will be implemented by June 30, 2022. Implementation will include a series of in-person or virtual meetings with the affected Directors, Managers, and Supervisors.

- ii. Intermountain Gas agrees to perform quarterly audits of service orders to ensure that Service Technician Apprentices and Service Technicians are qualified to perform the work associated with the service orders. The audits will be conducted in a similar manner as the previous review that was completed during the SMS review; however, the scope will not be limited to Service Technician Apprentices but will include all Service Technicians. Order completions by all Service Technicians or Service Technician Apprentices will be compared to the Technician's qualifications at the time the work was completed. The first quarterly audit will include the period immediately following the conclusion of the Company's initial audit on June 23, 2021 through June 30, 2022. The results of this audit will be provided to Staff no later than August 29, 2022. The results of subsequent quarterly audits will be provided to Staff no later than 30 days after the last day of the preceding quarter. Instances of noncompliance identified in the quarterly reports may be subject to penalty under Idaho Code § 61-712A. In determining whether to advocate for proposal of such penalties, Commission Staff will consider the Company's self-reporting, the Company's good faith efforts to address the violations, and the progress of the Company in decreasing the number of violations as this Settlement is implemented. If the Company achieves twelve (12) months without any safety violations, upon termination of the Settlement

pursuant to a petition pursuant to paragraph 6.B.iii, penalties for any violations identified in the quarterly audits will be waived.

- iii. The quarterly audits conducted pursuant to Paragraph 6.B will continue until the issue can be resolved by computer software that ensures work orders are assigned only to qualified service technicians or service technician apprentices.

Intermountain Gas may request that the Commission terminate its obligation to conduct quarterly audits either 1) after two consecutive quarters that, as reflected in the quarterly audits, indicate zero violations related to the qualifications of Service Technicians or Service Technician Apprentices or 2) at any time beginning twenty-four (24) months after the effective date of an Order approving this Settlement. Intermountain Gas may support such request by, among other things, demonstrating a history of compliance and/or the presence of sufficient internal controls to ensure that work orders are assigned to qualified service technicians. The Parties recognize that the Commission retains the discretion to determine whether the petition and supporting materials justifies termination of the quarterly audit requirement.

- C. Action Item 3: Update, maintain, and provide annual training to Intermountain Gas supervisors, focusing on Covered Tasks.

- i. Initial training will be conducted prior to June 30, 2022, with the implementation of the OPS 800 – Operator Qualification Plan revisions and annually thereafter.

- D. Action Item 4: Further define ‘Expired.’ Establish procedures for supervisors to follow if an Employee (a term that includes all Intermountain employees who perform Covered Tasks) has expired qualifications. Although there is a 90-day grace period, ensure



Intermountain Gas Supervisors, Managers, and Directors understand that the grace period exists only to allow management flexibility in resolving short-term issues, and that issues regarding qualification should be reviewed and resolved in advance of the end of the 90-day grace period to the extent possible.

- i. The definition of 'Expired' will be included in the OPS 800 – Operator Qualification Plan revisions and Intermountain Gas supervisor training.

E. Action Item 5: Establish an annual Operator Qualification and OPS procedure calendar for supervisor reference and support.

- i. The Policy & Procedure department has implemented a policy review calendar on SharePoint that includes OPS procedure training, effective dates of new and revised OPS procedures, and changes to Operator Qualifications associated with the OPS procedure change. The Safety & Technical Training department maintains a training calendar that focusses on apprentice training and annual support for Operator Qualification covered tasks.

F. Action Item 6: Establish a firm deadline for Performance Evaluations to be completed once Computer Based Training/Classroom training has been completed. Lock-down Performance Evaluations will be blocked or not allowed until Computer Based Training/Classroom training has been completed.

- i. The revision of OPS 800 – Operator Qualification Plan includes the following statement: *Prior to a Performance Evaluation, the Employee shall complete computer based or classroom training and examination.* Energy WorldNet ("EWN"), Intermountain Gas' learning management system vendor, will update their software to not allow performance evaluation in advance of computer based

or Company training and associated examinations. The EWN change will occur by June 30, 2022, in conjunction with the implementation of OPS 800 – Operator Qualification Plan.

G. Action Item 7: Pursue additional hierarchical review of Operator Qualifications.

Example: Regional Director can review District Manager staff and below.

- i. Operator Qualification statuses of Employees' assigned tasks are provided to Employee's direct supervisor weekly by an email from EWN. These weekly emails include notifications regarding expiring qualifications. The Safety & Technical Training department is coordinating with internal and external IT personnel to connect EWN with Intermountain Gas employee management software to expand hierarchical notifications for review. The hierarchical notifications will be implemented by June 6, 2023. Until this action item is implemented, the Safety & Technical Training will provide a comprehensive status report to all levels of supervision with Employees assigned covered tasks.

H. Action Item 8: Develop and review EWN Computer Based Training ("CBT") modules and incorporate with MDU Utilities Group trainings modeled after OPS Procedures.

- i. Existing and future OPS procedure training is currently being converted to CBT modules that will replace and/or supplement existing CBT modules. The converted and/or supplemental CBTs will be implemented and available in EWN by December 31, 2022. To detail this process, OPS 1 – Management of Change will be revised by December 31, 2022.

I. Action Item 9: Review MDU Utilities Group training for newly hired Employees who perform Covered Tasks.

- i. Following the completion of the action item identified in paragraph 6.B.i, the Safety & Technical Training department will revise the Service Technician apprentice training to include an OPS 800 – Operator Qualification Plan policy review. The apprentice training will be revised by December 31, 2022.
- J. Action Item 10: Review and re-write OPS 800 - Operator Qualification Plan to incorporate the above recommendations.
  - i. OPS 800 – Operator Qualification plan will be rewritten to incorporate the above ACE Review Recommendations. The revised OPS 800 – Operator Qualification Plan will implement on June 30, 2022.
- K. Action Item 11: Training provided will identify the avenues for reporting concerns regarding operator qualifications.

7. **Quarterly reports.** The Company agrees to provide quarterly reports regarding its implementation of the action-items set forth in paragraph 6 to the Executive Director of Idaho Public Utilities Commission no later than the fifteenth (15th) day after the last day of the preceding quarter. Progress reports for action items due on June 30, 2022 will be provided by May 15, 2022. Quarterly reports will be filed until (i) the action item is complete (*i.e.*, a quarterly report that includes a particular action item will be filed until that action item is complete); (ii) a completion report, discussed below in paragraph 8, is approved by the Commission; or (iii) this Settlement is otherwise terminated by the Commission as described in paragraph 9.

8. **Abeyance and waiver of penalty.** The penalty proposed in the Complaint shall be held in abeyance pending successful implementation of the action items set forth in paragraph 6. The penalty shall be waived upon termination of the Settlement, discussed in more detail in paragraph 9. If the Company violates any term of this Settlement, Commission Staff may request

imposition of the entire penalty amount alleged in the Complaint. Any dispute regarding the Company's compliance with this Settlement shall be submitted to the Commission for resolution.

9. **Termination of Settlement.** This Settlement shall terminate upon the earlier of (i) completion of the action items identified in paragraph 6, as indicated by the filing and final approval by the Commission of a completion report or similar document agreed to by the Parties; (ii) upon stipulation of the Parties approved by the Commission; or (iii) upon approval by the Commission of a petition filed by Intermountain Gas.

10. **Extension of deadlines.** The dates set forth in paragraph 6 can be extended only upon request of the Company, based on the occurrence of an event that cannot reasonably be anticipated or controlled by the Company. A request to extend a deadline under this paragraph shall be supported by an explanation of the circumstances justifying an extension and must be approved by the Commission.

#### **GENERAL PROVISIONS**

11. The Parties agree that this Settlement represents a compromise of the positions of the Parties on all issues in this proceeding. Other than the above-referenced positions, and except to the extent necessary for a Party to explain before the Commission its own statements and positions with respect to the Settlement, none of the negotiations relating to this Settlement shall be admissible as evidence in this or any other proceeding regarding this subject matter.

12. The Parties submit this Settlement to the Commission and recommend approval in its entirety pursuant to Rule 274. The Parties shall support this Settlement before the Commission, and no Party shall appeal any portion or any Order approving this Settlement.

13. The Parties agree that the Settlement should be accepted, without modification, because it is just, fair, and reasonable, in the public interest, and otherwise in accordance with law or regulatory policy.

14. The Parties agree that no part of this Settlement or the formulae and methods used in developing the agreements herein or a Commission order approving the same shall in any manner be argued or considered as precedential in any future case.

15. In the event the Commission rejects any part or all of this Settlement, or imposes any additional conditions on approval of this Settlement, each Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding, within fourteen days of the date of such action by the Commission, to withdraw from this Settlement. In such case, no Party shall be bound or prejudiced by the terms of this Settlement, and each Party shall be entitled to seek reconsideration of the Commission's final order, file testimony as it chooses, cross-examine witnesses, and do all other things necessary to put on such case as it deems appropriate.

DATED: April 25, 2022.

GIVENS PURSLEY LLP

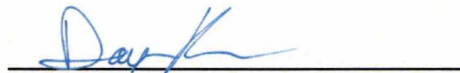


Preston N. Carter

Attorney for Intermountain Gas Company

DATED: April 25, 2022.

IDAHO PUBLIC UTILITIES COMMISSION STAFF



Dayn Hardie

Deputy Attorney General

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I certify that on April 25, 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:

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