

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF COMMISSION)	CASE NO. INT-G-22-01
STAFF’S FORMAL COMPLAINT)	
CONCERNING INTERMOUNTAIN GAS)	NOTICE OF MODIFIED
COMPANY’S PRACTICE OF ALLOWING)	PROCEDURE
UNQUALIFIED OPERATORS TO PERFORM)	
LIVE METER EXCHANGES)	NOTICE OF PROPOSED
)	SETTLEMENT
)	
)	ORDER NO. 35434

On April 23, 2021, Jesse Urzua (“Urzua”) contacted the Commission expressing concern that he was an unqualified operator who was performing live residential meter exchanges. Through investigation and self-reporting by the Company, Commission Staff (“Staff”) discovered that the Company had violated pipeline safety requirements by allowing 1,847 work orders to be issued and performed by unqualified operators.

On March 1, 2022, the Commission accepted Staff’s formal complaint (“Complaint”). On March 3, 2022, the Commission issued a Summons to the Company requiring it to respond to Staff’s Complaint within 21 days. *See* Summons to Intermountain Gas Company.

On March 11, 2022, Staff notified the Commission’s Secretary that it had entered into Settlement discussions with the Company pursuant to Rule 272 of the Commission’s Rules of Procedure, IDAPA 31.01.01.272.

On March 16, 2022, the Company petitioned for an extension of time to answer Staff’s Complaint. *See* Company’s Request for Extension of Time. The Company requested that the Commission allow it until April 25, 2022 to respond to Staff’s Complaint. The Company represented that it was engaged in active settlement discussions with Staff and hoped to achieve a mutually agreeable solution prior to filing a formal answer to Staff’s Complaint.

On March 30, 2022, the Commission granted the Company’s Request for Extension of Time—allowing the Company until April 25, 2022, to file an answer to the Summons. Order No. 35358.

On April 25, 2022, the Company and Staff (collectively, the “Parties”) filed a Joint Stipulated Motion to Approve Settlement and Stipulation and proposed Settlement (“Settlement”) entered between Staff and the Company.

NOTICE OF MODIFIED PROCEDURE
 NOTICE OF PROPOSED SETTLEMENT
 ORDER NO. 35434

We now issue this Notice of Proposed Settlement and Notice of Modified Procedure, establishing a public comment deadline and a Parties' reply deadline.

BACKGROUND

During February and March 2022, the Parties worked together and engaged in multiple settlement conferences. During those conferences, the Parties discussed the issues concerning the Company's practices of allowing unqualified operators to perform live meter exchanges and possible solutions to prevent future occurrences. The Parties came to mutually agreeable terms on a solution that ensures these issues do not occur again plus interim measures the Company will incorporate to ensure compliance. Accordingly, the proposed Settlement was produced.

NOTICE OF PROPOSED SETTLEMENT

YOU ARE HEREBY NOTIFIED that the Settlement proposed an overarching solution that envelopes and revises the Company's internal practices. The Settlement involves several action items with the highlight being the revision of the Company's OPS 800 – Operator Qualification Plan. In addition, the Company has agreed to file quarterly safety audit reports to verify the number of safety incidents in any quarter. The Parties anticipate this process will help the Commission track the Company's progress and ensure that its newly implemented procedures are reducing the number of safety violations. The Company committed to implementing several policies, procedures, and plans through its departments to not only notify all personnel of safety requirements, but also to update the training of required personnel to ensure safety compliance. Relevant issues addressed in the Settlement are summarized below:

- 1. Training, quarterly audits, and other actions.** The Company agrees to implement the following action items:
 - a. Evaluate and decide which department will be responsible for Operator Qualifications. Specify roles under which the MDU Utilities Group (the Company's parent) will adhere.
 - b. Align the requirements of each Covered Task¹ to coincide with Service Technician work orders and conduct and file quarterly audits.
 - i. The Company agrees to perform quarterly audits of service orders to ensure that Service Technician Apprentices and Service Technicians are qualified to perform

¹ The Safety & Technical Training department is developing the list of Covered Tasks required to perform Service Technician and Service Technician Apprentice work orders.

the work associated with the service orders. 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.

- ii. These quarterly audits will continue until the issue can be resolved by computer software that ensures work orders are assigned only to qualified service technicians. However, the Company may request that the Commission terminate its obligation to conduct quarterly audits either 1) after two consecutive quarters that indicate zero violations related to the qualifications of Service Technicians or 2) at any time beginning 24 months after the effective date of an order approving this Settlement.
- c. Update, maintain, and provide annual training to the Company's supervisors, focusing on Covered Tasks.
- d. Further define 'Expired' and establish procedures for supervisors to follow if an Employee—anyone employed by the Company who performs Covered Tasks—has expired qualifications.
 - i. The definition of 'Expired' will be included in the OPS 800 – Operator Qualification Plan revisions and the Company's supervisor training.
- e. Establish an annual Operator Qualification and OPS procedure calendar for supervisor reference and support.
- f. Establish a firm deadline for Performance Evaluations to be completed once Computer Based Training ("CBT")/Classroom training has been completed. Lock-down Performance Evaluations will be blocked or not allowed until CBT/Classroom training has been completed.
- g. Pursue additional hierarchical review of Operator Qualifications. Example: Regional Director can review District Manager staff and below.
- h. Develop and review Energy WorldNet CBT modules and incorporate with MDU Utilities Group trainings modeled after OPS Procedures.

- i. Review MDU Utilities Group training for newly hired Employees who perform Covered Tasks.
 - j. Review and re-write OPS 800 - Operator Qualification Plan to incorporate the above recommendations.
 - k. Training provided will identify the avenues for reporting concerns regarding operator qualifications.
- 2. Quarterly reports.** The Company agrees to provide quarterly reports regarding its implementation of the action-items described above to the Executive Director of Idaho Public Utilities Commission no later than the 15th day after the last day of the preceding quarter. Quarterly reports for each action item will continue to be filed until (i) the action item is complete; (ii) a completion report, discussed below, is approved by the Commission; or (iii) this Settlement is otherwise terminated by the Commission.
- 3. Abeyance and waiver of penalty.** The penalty proposed in the Complaint shall be held in abeyance pending successful implementation of the action items described above. The penalty shall be waived upon termination of the Settlement, described below. 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.
- 4. Termination of Settlement.** This Settlement shall terminate upon the earlier of (i) completion of the action items described above 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 the Company.
- 5. Extension of deadlines.** The dates agreed to in the Settlement can be extended only upon request of the Company, based on the occurrence of an event that cannot be anticipated or controlled by the Company. A request to extend a deadline shall be supported by an explanation of the circumstances justifying an extension and must be approved by the Commission.

YOU ARE FURTHER NOTIFIED that the Commission will review the Settlement under Commission Rules 271-280. *See* IDAPA 31.01.01.271-280.

YOU ARE FURTHER NOTIFIED that the Settlement does not bind the Commission. The Commission will independently review the Settlement to decide whether to approve it, reject it, or state conditions under which to accept it. The Settlement proponents ultimately must prove it is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

YOU ARE FURTHER NOTIFIED that the Settlement, and supporting work papers, testimony, and exhibits are available for public inspection during regular business hours at the Commission's office. They also may be viewed on the Commission's web site at www.puc.idaho.gov by clicking on the "Natural Gas" icon, select "Open Cases," and click on the case number, Case No. INT-G-22-01, as shown on this document.

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and it will review the case through written submissions under the Commission's Rules of Modified Procedure Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why they support or oppose the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Interested persons shall have 14 days from the service date of this Order to file written comments.** Comments must be filed through the Commission's website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's website at www.puc.idaho.gov. Click the "Case Comment Form" and complete the form using the case number as it appears on the front of this document. To file by e-mail, the customer must e-mail the comments to the Commission Secretary and the Company at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074
secretary@puc.idaho.gov

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
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For Intermountain Gas:

Lori A. Blattner
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lori.blattner@intgas.com

Preston N. Carter
Givens Pursley LLP
601 W. Bannock St.
Boise, Idaho 83702
prestoncartner@givenspursley.com

YOU ARE FURTHER NOTIFIED that the Parties must file any reply comments **within 21 days of the service date on this Order.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be conducted pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, et seq.

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ORDER

IT IS HEREBY ORDERED that the proposed Settlement be processed by Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so within 14 days of the service date of this Order. The Parties must file any reply comments within 21 days of the service date of this Order.

IT IS FURTHER ORDERED that Parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between Parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17th day of June 2022.



ERIC ANDERSON, PRESIDENT

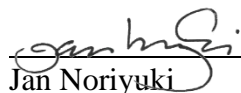


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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