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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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|---------------------------------------|---|-----------------------------|
| IN THE MATTER OF COMMISSION |) | |
| STAFF’S FORMAL COMPLAINT |) | CASE NO. INT-G-22-01 |
| CONCERNING INTERMOUNTAIN GAS |) | |
| COMPANY’S PRACTICE OF ALLOWING |) | |
| UNQUALIFIED OPERATORS TO |) | REPLY COMMENTS OF |
| PERFORM LIVE METER EXCHANGES |) | THE COMMISSION STAFF |
| _____ |) | |

STAFF OF the Idaho Public Utilities Commission (“Staff”), by and through its Attorney of record, Dayn Hardie, Deputy Attorney General, submits the following comments.

BACKGROUND

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.

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.

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.

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 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:

STAFF ANALYSIS

After reviewing the charges against the Company and working with the Company to develop processes and procedures that will help the Company correct the issues that are the crux of Staff's Complaint, Staff supports the terms of the proposed Settlement and recommends Commission approval. The proposed Settlement allows the Company to refine its processes while addressing the issues that led to unqualified operators operating in the field. Staff and the Company explored options in confidential settlement negotiations to ensure the issues in Staff's Complaint would be carefully and satisfactorily addressed through the terms of the proposed Settlement.

During settlement negotiations the Parties explored options to track operator qualifications and required trainings using software. When the proposed Settlement was filed, no such software was available on the market. While Staff had hoped such software would be available to help ensure compliance with the conditions agreed to in the Settlement, Staff is confident the steps agreed to in the Settlement will allow the Company to correct its previous safety violations without software. Staff notes that the Settlement outlines several steps that ensure the Company's field operators are properly trained to complete covered tasks. The Company committed to provide quarterly audits to guarantee its field technicians and apprentices are qualified to do the work they

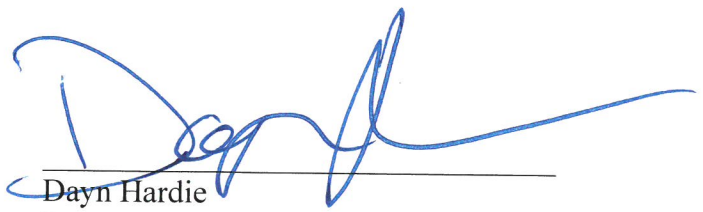
are assigned. The Company will compare completed tasks to necessary qualifications for technicians and apprentices to verify the covered tasks are done by qualified operators. Any additional violation will be subject to penalty under Idaho Code § 61-712A. To ensure compliance and continuous improvement, quarterly audits will be provided to the Commission until software is available or the Company is released from the terms by either completing two consecutive quarters with zero violations or being released from its obligations by Commission order pursuant to the terms of the Settlement.

The Company committed to updating and monitoring several of its procedures for covered tasks to make sure it is measuring its progress. While the proposed Settlement holds the penalties in abeyance, it does not eliminate them, or the possibility of new fines being imposed if the Company does not correct its safety violations. Staff is hopeful that this is a case of “what gets measured, gets managed” and the Company will eliminate safety violations using the agreed upon metrics. While the initial intent of the settlement discussions was to find a technology solution, this is not yet available. Believing that the Company fully intends to correct its past safety violations and the terms agreed to in the proposed Settlement will help the Company successfully do this, Staff recommends the Commission approve the Settlement as filed.

STAFF RECOMMENDATION

Staff believes the Settlement it entered with the Company is in the public interest and represents a fair, just, and reasonable solution to the to the issues raised in the Complaint by providing the necessary safeguards to ensure the Company’s work is performed by qualified operators. Staff therefore recommends the Settlement as filed.

Respectfully submitted this 8th day of July 2022.



Dayn Hardie
Deputy Attorney General

i: umisc/comments/intg22.1dh reply comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 8TH DAY OF JULY 2022, SERVED THE FOREGOING **REPLY COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. INT-G-22-01, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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