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Attorneys for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. INT-G-22-07
OF INTERMOUNTAIN GAS COMPANY)
FOR AUTHORITY TO INCREASE ITS)
RATES AND CHARGES FOR NATURAL)
GAS SERVICE IN THE STATE OF IDAHO)
_____)
)

UPDATED DIRECT TESTIMONY OF DYKE BOESE

FOR INTERMOUNTAIN GAS COMPANY

MARCH 9, 2023

1 **Q. Please state your name and business address.**

2 A. My name is Dyke Boese. My business address is 1200 West Century Ave., Bismarck,
3 North Dakota 58503.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by the parent company of Intermountain Gas Company (“Intermountain”
6 or “Company”), MDU Resources Group Inc., as the Director of Infrastructure and
7 Operations.

8 **Q. Please describe your education and professional background.**

9 A. I have a bachelor of science degree from Black Hills State University in Spearfish, SD
10 and a master’s degree in business administration from the University of Mary in
11 Bismarck ND and have been with MDU Resources Group Inc for 23 years with 7 years
12 of that at its subsidiary company, WBI Energy, working in operational technology field
13 areas. I have been in my current position as the Director of Infrastructure and Operations
14 since 2016. Prior to that, I was the Operations Manager for MDU Resources Group Inc.

15 **Q. Please describe your involvement in this proceeding.**

16 A. I am providing a summary of cyber threats affecting Intermountain and providing
17 additional information about specific software projects and maintenance expense since the
18 Company’s last general rate case.

19 **Q. Have expenses related to software and infrastructure technologies increased since
20 Intermountain’s last rate case?**

21 A. Yes. There has been an increase in cyber activity and governmental regulations that have
22 required an adjustment to the security portfolio of applications in monitoring, alerting,
23 responding and recovery in response to these activities. In addition to the cyber activity

1 and regulations, the Company has also increased its software costs since the last rate case,
2 which have resulted in additional maintenance and infrastructure technology (“IT”)
3 expenses.

4 **Q. Please discuss the increase in cyber activity and the Company’s response to these**
5 **activities.**

6 A. The Company’s security team has seen increased events that require further investigation
7 and resolution. The corporate external firewalls receive malicious hits every day. On a
8 corporate level, over 10 billion attempts are blocked each month by firewalls and IT
9 software. To help reduce the risk of cyberattacks, the Company made an aggressive
10 change by blocking all traffic outside the United States and Canada in 2022. This action
11 has helped reduced the number of “allowed” inbound traffic by approximately one-third.

12 **Q. Please discuss the capital projects related to IT that have contributed to the**
13 **Company’s increased rate base since its last rate case.**

14 A. The Company has either installed or upgraded several new software packages since the
15 last rate case, including a new work and asset management system, Maximo, which is
16 discussed in more detail in the direct testimony of Mr. Gilchrist. Intermountain also
17 upgraded its utility budgeting software, Power Plan, as well as the system used for field
18 order completions across its Customer Care and Billing (“CC&B”) system, the
19 PragmaFIELD system, or PCAD. PCAD is also now used with Maximo to complete
20 meter installations, inspections, and repairs. In addition, the Company’s Geographic
21 Information System (“GIS”) was enhanced, and the Gas Management System (“GMS”)
22 was implemented. Finally, Intermountain also upgraded its CC&B system and enhanced
23 its Interactive Voice Response (“IVR”) system.

1 **Q. Why did the Company replace its existing asset management system?**

2 A. The four brands within the MDU Utilities Group were operating with different operating
3 procedures, business processes and systems. This was causing inefficiencies through
4 added corporate support services, losses of economies of scale and increased risks.
5 Additionally, each company had opportunities for improved operations through the
6 implementation of streamlined processes and consistent technology. The strategic
7 objective regarding the asset management system was to gain enterprise-wide insight into
8 asset tracking, construction, maintenance, compliance and costs. Replacing the asset
9 management system created a consistent workflow across the enterprise, which improved
10 the work product results. In addition, replacing fragmented and unintegrated operations
11 technology systems with one unified work and asset management system improves
12 efficiency of implementation and support. Finally, moving to Maximo improves the user
13 experience with consistent, smart, well designed field data entry technology, which
14 lowers training needs and limits confusion and the potential for data entry errors.

15 **Q. Please summarize the projects related to Power Plan, PCAD, and GIS.**

16 A. The projects are summarized below:

- 17 ○ Power Plan – As mentioned above, Power Plan is the Company’s budgeting software. In
18 2019 a lease module was implemented to address an accounting requirement to
19 accommodate GAAP accounting rules.
- 20 ○ PCAD – PragmaFIELD is used for field order completions across CC&B as well as
21 Maximo for meter installations, inspections, or repairs. Various upgrades have been made
22 to ensure security, mitigate vulnerabilities, and maintain the current version of the
23 platform.

- 1 ○ GIS – the Geographic Information System is the Company’s mapping system for all pipe
2 included in the distribution system. Maintaining accurate maps is important from a safety
3 perspective, for both future infrastructure expansions as well as providing accurate
4 information to One Call centers to prevent damages during construction projects. The
5 GIS has been enhanced or upgraded to ensure the mapping is accurate and integrated into
6 the appropriate systems.

7 **Q. Please discuss the upgrades to the Company’s CC&B system.**

8 A. The upgrades to the Company’s CC&B system were made to ensure Intermountain was
9 utilizing the most recent version of the software. In addition, the Company’s CC&B
10 system is an Oracle based system. Oracle changed the base language of the software from
11 Cobol to Java. The upgrades allowed the Company to implement the newest version of
12 the software, add two new application servers, and align with Oracle’s software code
13 language.

14 **Q. Please discuss the enhancements made to the Company’s IVR system.**

15 A. The Interactive Voice Response application is part of the Company’s customer self-serve
16 application portfolio. The enhancements help increase the customer experience. Over the
17 years, the Company has increased automation for its customers with automated autopay
18 and email, increased reliability by converting applications to using redundant containers,
19 added additional customer collaboration features with LiveChat and text, and increased
20 customer security by providing multi-factor authentication.

21 **Q. Have the projects mentioned above increased the Company’s costs related to
22 software maintenance and hosting?**

23 A. Yes, software maintenance provides the ability to repair defects and enhance
24 performance. Since the last rate case, Intermountain has enhanced operational efficiency

1 by adding technology solutions to eliminate manual or outdated processes. Maintenance
2 license models have changed over the past several years from being embedded into the
3 capital purchase to an O&M subscription model. Since the last general rate case, the
4 Company has seen an increase in software maintenance and hosting expense of
5 approximately \$1.4 million.

6 **Q. Does this conclude your testimony?**

7 A. Yes, it does.