

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. 33801
STATE OF IDAHO)**

On April 28, 2017, this Commission issued final Order No. 33757 in Intermountain Gas Company's general rate case. On May 18, 2017, Intermountain Gas petitioned the Commission to reconsider the Order 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 (O&M) expenses; and (4) the disallowance of incentive compensation. On June 15, 2017, the Commission granted reconsideration on these four issues. The Commission also directed the Company, Staff, and other parties to meet and try to narrow disputed facts and issues, explore settlement possibilities, and propose a schedule by which to conduct further reconsideration proceedings. Order No. 33789.

STAFF REPORT ON PROPOSED SCHEDULE

On June 23, 2017, the Commission Staff reported that Staff, the Company, Northwest Industrial Gas Users (NWIGU), and Amalgamated Sugar Company met and agreed (or did not object to) the following proposed schedule:

- **Issue Nos. 1 and 2 (weather normalization):** Staff and the Company asked to hold additional meetings to narrow facts and issues and potentially explore settlement possibilities on this matter. These parties would report back to the Commission on their progress in time to allow the Commission to schedule and complete further process (e.g., hearings, filing comments or briefing, etc.), if needed, by August 17, 2017 (the deadline by which reconsideration procedures must end).
- **Issue Nos. 3 (disallowance of affiliated expense charges) and 4 (disallowance of incentive compensation expenses):** NWIGU and the Company asked to address these issues through written submissions instead of a hearing on the record, with: (1) the Company filing written

comments (including additional evidence on these issues)¹ by June 30, 2017; (2) other parties filing response comments, if any, by July 28, 2017; and (3) the Company filing reply comments, if any, by August 15, 2017.

See Staff Report on Reconsideration Meeting and Proposed Schedule.

DISCUSSION AND FINDINGS

The Company filed its Petition on May 28, 2017. The Commission thus has 13 weeks from then, until August 17, 2017, to complete reconsideration proceedings. The Commission then has another 28 days to issue its final order on reconsideration. See *Idaho Code* § 61-626(2). We continue to find it reasonable and an efficient use of time to direct the Company and Staff (and other parties who may wish to attend) to continue to meet about the weather normalization matters (Issues 1 and 2) in an effort to narrow disputed facts and issues and explore settlement possibilities. We find it reasonable to allow the parties flexibility as to the meeting times, but encourage them to work diligently and to report to the Commission on their progress in time for the Commission to schedule additional proceedings on these issues, if necessary, before the reconsideration process must end.

As to Issue Nos. 3 and 4 (disallowance of certain O&M expenses and incentive compensation), the Commission finds it reasonable to adopt the schedule of written submissions proposed by the Company and NWIGU, i.e.: (1) the Company must file written comments (including additional evidence on these issues) by June 30, 2017; (2) other parties must file response comments, if any, by July 28, 2017; and (3) the Company must file reply comments, if any, by August 15, 2017.

ORDER

IT IS HEREBY ORDERED that the procedure and schedule set forth in our discussion, above, is adopted.

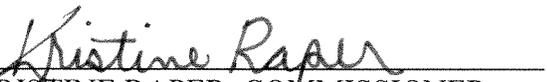
THIS IS AN INTERLOCUTORY ORDER granting reconsideration, and it is subject to Rules 321, 322, 324, and 325 (IDAPA 31.01.01.321, .322, .324, .325). After reconsideration is complete, the Commission will issue a Final Order on Reconsideration that is subject to review as specified in Rule 323 (IDAPA 31.01.01.323).

¹ The Company previously stated its additional evidence would include “documentation that 2016 operations and maintenance charges from MDU Resources’ to Intermountain are benchmarked to comparable gas utilities that incur such costs internally, and benchmarked against third party providers of such O & M services, to the extent that such services can reasonably be acquired from competent third party providers.” Intermountain Gas Company’s Petition for Reconsideration at 20.

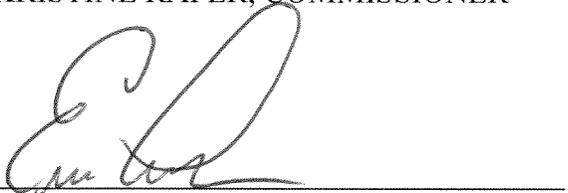
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ^{28th}
day of June 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

O:INT-G-16-02_kk6_Reconsideration Schedule