

SEAN COSTELLO
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0312
IDAHO BAR NO. 8743

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UTILITIES COMMISSION

Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5918

Attorney for Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF INTERMOUNTAIN GAS COMPANY)	CASE NO. INT-G-16-02
FOR AUTHORITY TO CHANGE ITS RATES)	
AND CHARGES FOR NATURAL GAS)	COMMISSION STAFF'S
SERVICE IN THE STATE OF IDAHO)	ANSWER TO INTERMOUNTAIN
)	GAS COMPANY'S PETITION
)	FOR RECONSIDERATION

The Commission Staff, pursuant to Rule of Procedure 331.05, files this Answer to Intermountain Gas Company's Petition for Reconsideration. IDAPA 31.01.01.331.05. Intermountain Gas (Intermountain or Company) filed its Petition for Reconsideration (the Petition) on May 18, 2017, asking the Commission to reconsider parts of its Final Order No. 33757, issued April 28, 2017. The Commission Staff files this Answer to address Intermountain Gas Company's Petition as it relates to weather normalization only.

The Commission Should Grant Reconsideration and Allow a Limited Re-Opening of the Record as to Intermountain's Issues Concerning Staff's Weather Normalization Analysis

Intermountain's Petition asks the Commission to reconsider its decision to use Staff's weather normalization analysis to adjust for weather in the Company's rates. Specifically, the Company asks for reconsideration of Staff's definition and use of the term "normal" weather, and, more generally, the Petition asks the Commission to reconsider the underlying reasonableness of Staff's weather normalization methodology.

The Petition states that Staff used "only 13 years and 8 months of weather data to define Normal weather for the Company, and did not use the industry best practice of 30 years of

weather data.” Petition at 2. However, Staff maintains that after an extensive and arduous process of informal communication(s), meetings, a series of formal discovery requests and responses, and the technical hearing, the Company failed to provide the full 30-year range of weighted weather data it claims it has used and which would have allowed Staff to undertake the analysis that the Company asserts Staff should have done. The information is simply not in the record before the Commission.

The Company defines its “Normal weather” in Exhibit 40, stating, “Intermountain[’s] Rolling 30-year Normal is the 30 years ended [sic] December 2015. The HDD data for 7 weather stations *is weighted by 2015 customers resulting in a weighted Normal for each customer class.*” See Exhibit 40 at 3 (emphasis added). While the Company provided some relevant workpapers and documentation related to weighted weather data through informal communication and in obligatory ongoing discovery, it failed to provide all of the relevant data that would have allowed Staff to reasonably and responsibly reproduce the “weighted Normal for each customer class.” *Id.* Critically, even a reasonable narrative explanation of how the Company uses its weather normalization data was not provided until post-discovery in *rebuttal* testimony filed approximately two weeks before the technical hearing in this matter. However, even at that late stage, the Company did not provide the underlying documentation or “facts upon which [its analysis was] based,” for Staff to analyze its reasonableness. See IDAPA 31.01.01.052.01 and *Idaho Code* § 61-401¹.

The Company had 31 years to “refine its weather normalization methodology”² and roughly 9 months from its Application to the technical hearing in this case, to provide all relevant documentation, that is, any and all documentation to *demonstrate* the link between the Company’s methodology and its proposed adjustment. Such documentation would have enabled Staff to evaluate the Company’s weather normalization methodology, and, therefore, aid the Commission in determining the methodology’s reasonableness and appropriateness. The Company has failed to show that it provided such necessary documentation to Staff. The

¹ “Every public utility shall furnish to the commission, in such form and such detail as the commission shall prescribe, all tabulations, computations and all other information required by it to carry into effect any of the provisions of this act”

² See Order Nos. 21048 and 33757.

Company's insistence that it did so is belied by the record and is thus an unreasonable burden on the Commission's time.

As to the general reasonableness of the Commission-approved weather normalization adjustment in this case, Staff again asserts that the full spectrum of relevant "[w]orkpapers or documentation *showing how test year [weather] data was adjusted,*" (see IDAPA 31.01.01.121.01.f (emphasis added)), was never provided to Staff in a cohesive or fully comprehensible format. This lack of clarity is reflected in the record before the Commission. As a result, in order to make a showing of reasonableness, Staff used what data, documentation and information the Company did provide to model Staff's own weather normalization adjustment. Absent any other data, Staff believed that the provided data was what the Company had used. Staff maintains that its methodology is reasonable and appropriate under the facts, and given the circumstances, of this case.

Staff Recommendation

As an initial observation, Staff believes that a potential best outcome for resolution of the issues raised in the Company's Petition would be for the Company to retract its Petition and file a separate docket addressing weather normalization. This would allow greater finality to the many other issues addressed in Order No. 33757. It would also enable the Company to establish a clearer, cleaner record, now that weather normalization concerns have been distilled through the Company's rate case. Staff believes a separate and focused proceeding to address the weather normalization issues raised in this case may also facilitate communication, and potentially encourage stipulation, between the parties. Staff further believes such a process would best assist the Commission in determining a reasonable and appropriate weather normalization methodology.

Specifically, as it relates to the Company's Petition, Staff would agree to assist in clarifying the Commission's understanding of the weather normalization issues and Staff's efforts to analyze those issues during the pendency of this case. In order to do so, Staff recommends that the Commission re-open the record for the limited purpose of accepting such records already provided through discovery requests and responses to date, related to weather normalization, which would illustrate Staff's efforts to analyze and present a reasonable and appropriate weather normalization adjustment.

For this, Staff recommends that each party identify the records (already provided by a party in discovery) they believe are necessary for the Commission to make a fully informed decision on reconsideration related to the provision of certain weighted data from the Company to Staff, and more generally, regarding the appropriateness of Staff's weather normalization analysis and modeling. Staff further recommends that interested parties should provide written briefs or comments outlining their arguments on the issue.

Finally, Staff disagrees with the Company that additional testimony or evidentiary hearings are needed for the Commission to render a decision on the Company's Petition. The Company did not timely submit the required documentation in this proceeding. Although Staff believes such documentation would be appropriate in a separate case, as suggested above, Staff objects to the Company's effort to submit such evidence in the record on reconsideration, where such records should have been provided at or before hearing.

Respectfully submitted this 25th day of May 2017.



Sean Costello
Deputy Attorney General

N:INT-G-16-02_sc_Staff Answer to Reconsideration

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25TH DAY OF MAY 2017, SERVED THE FOREGOING **COMMISSION STAFF'S ANSWER TO INTERMOUNTAIN GAS COMPANY'S PETITION FOR RECONSIDERATION**, IN CASE NO. INT-G-16-02, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

MICHAEL P McGRATH
DIR – REGULATORY AFFAIRS
INTERMOUNTAIN GAS CO
PO BOX 7608
BOISE ID 83707
E-MAIL: mike.mcgrath@intgas.com

RONALD L WILLIAMS
WILLIAMS BRADBURY
1015 W HAYS ST
BOISE ID 83702
E-MAIL: ron@williamsbradbury.com

BRAD M PURDY
ATTORNEY AT LAW
2019 N 17TH STREET
BOISE ID 83702
E-MAIL: bmpurdy@hotmail.com

EDWARD A FINKLEA
EXECUTIVE DIRECTOR
NW INDUSTRIAL GAS USERS
545 GRANDVIEW DR
ASHLAND OR 87520
E-MAIL: efinklea@nwigu.org

CHAD M STOKES
TOMMY A BROOKS
CABLE HUSTON LLP
1001 SW 5TH AVE STE 2000
PORTLAND OR 97204-1136
E-MAIL: cstokes@cablehuston.com
tbrooks@cablehuston.com

ELECTRONIC ONLY
MICHAEL C CREAMER
GIVENS PURSLEY LLP
E-MAIL: mcc@givenspursley.com

BENJAMIN J OTTO
ID CONSERVATION LEAGUE
710 N 6TH STREET
BOISE ID 83702
E-MAIL: botto@idahoconservation.org

F DIEGO RIVAS
NW ENERGY COALITION
1101 8TH AVENUE
HELENA MT 59601
E-MAIL: diego@nwenergy.org

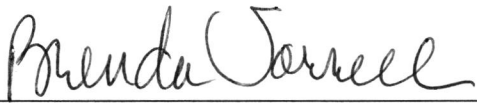
PETER RICHARDSON
GREGORY M ADAMS
RICHARDSON ADAMS PLLC
515 N 27TH STREET
BOISE ID 83702
E-MAIL: peter@richardsonadams.com
greg@richardsonadams.com

SCOTT DALE BLICKENSTAFF
AMALGAMATED SUGAR CO LLC
1951 S SATURN WAY
STE 100
BOISE ID 83709
E-MAIL: sblickenstaff@amalsugar.com

KEN MILLER
SNAKE RIVER ALLIANCE
PO BOX 1731
BOISE ID 83701
E-MAIL: kmiller@snakeriveralliance.org

ANDREW J UNSICKER MAJ USAF
AFLOA/JACE-ULFSC
139 BARNES DR STE 1
TYNDALL AFB FL 32403
E-MAIL: Andrew.unsicker@us.af.mil

LANNY L ZIEMAN
NATALIE A CEPAK
THOMAS A JERNIGAN
EBONY M PAYTON
AFLOA/JA-ULFSC
139 BARNES DR STE 1
TYNDALL AFB FL 32403
E-MAIL: lanny.zieman.1@us.af.mil
Natalie.cepak.2@us.af.mil
Thomas.jernigan.3@us.af.mil
Ebony.payton.ctr@us.af.mil



SECRETARY