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Division of Public Utilities

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STATUS REPORT UPDATE

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Doug Wheelwright, Technical Consultant
Eric Orton, Technical Consultant

Date: January 30, 2018

Subject: Status Report Regarding the Findings of the Division's Investigation of the Letter Received on October 4, 2017.

In the Matter of Questar Gas Company's Infrastructure Replacement Infrastructure 2017 Annual Plan and Budget – Docket No. 16-057-17.

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) take no action regarding the correspondence from an anonymous source received October 4, 2017 (Letter) addressing Dominion Energy Utah's (Company) behavior concerning its Infrastructure Replacement Pilot Program (Tracker).

BACKGROUND

On October 4, 2017, the Commission received the Letter, which made allegations against individuals at the Company and its major contractor working on the Tracker. On October 25,

2017, the PSC provided the Letter to parties and on November 1, 2017, the Division filed a Motion for Temporary Protective Order based on the premise that “the presence of anonymous, uninvestigated claims in the public record threatens reputational harm to the utility, at least one prominent officer, and a third-party. It is in the public interest to maintain the allegations confidentially until the Division reports its investigatory findings.” The Commission, based on the Division’s concerns, determined to treat the Letter as highly confidential and as such the Letter was removed from the Commission’s website. In the Division’s motion for Temporary Protective Order, it made the commitment to “provide a status report every thirty days until it files the report [of its investigation].” On November 30, 2017 the Division sent the Commission its initial status report. The Division followed that initial report with an updated status report on December 30, 2017. This is the Division’s third and final status report.

DISCUSSION

The Division has completed its investigation of the allegations made in the Letter, finding no evidence to support the Letter’s allegations. The Division’s investigation, findings, and conclusions are discussed below.

Since its inception, the Division has closely monitored the Tracker. The Division has spent many hours investigating the Tracker and addressing disagreements with the Company, including the allegations contained in the Letter.

On November 7, 2017, the Division issued an initial set of Data Requests to the Company containing nine questions, the purpose of which was to determine the extent of the facts available to substantiate the allegations made in the Letter. On December 1, 2017, the Division received the Company’s responses to this set of data requests. The Division carefully analyzed the Company’s responses and, on December 18, 2017, issued a second round of ten more data requests. This second inquiry was the Division’s effort to pursue, in greater detail, certain of the Company’s initial responses.

From the beginning of this investigation, the Company indicated that it would cooperate fully with the Division and the Division has no reason to believe that it did not. All of the Company's responses were provided in a timely manner, were complete, and seem to give full disclosure. In total, the Division asked 19 questions focused on uncovering the evidence that the claims made in the Letter were valid and substantiated by discoverable evidence. The Division carefully examined all the responses provided by the Company to both sets of data requests.

The Division found no evidence to support any of the allegations contained in the Letter

In addition to the Division's investigation, the Letter caused the parent company of DEU to conduct its own internal ethics investigation. The Company has provided the result of this investigation to the Division and has allowed the Division ample time to thoroughly study the resulting report. The report did not provide evidence that the Division's investigation had not already examined. The result of the internal investigation matches the Division's conclusions.

CONCLUSION

The Letter outlined several allegations against the Company and some against specific company personnel. The Division investigated these allegations to the extent practicable. The Division has not been able to find the evidence to substantiate the allegations made in the Letter.

Therefore, following this investigation, the Division recommends that the Commission take no action regarding the Letter. Whether the Commission now makes the Letter public, along with this report, is a decision for the Commission. This report should be public but the Division has no opinion whether the Letter should be made public.

CC: Kelly Mendenhall, Questar Gas Company
Michele Beck, Office of Consumer Services