



330 West William Street
PO Box 58
Corning, NY 14830
607-936-3755
607-962-2844 fax

January 10, 2017

EMAILED to Safety@dps.ny.gov

Mr. Kevin Speicher
Chief Safety Section Office of Gas & Water
Department of Public Service Commission
Three Empire Plaza
Albany, NY 12223-1350

Re: Corning Natural Gas OQ Program

Dear Mr. Speicher,

This letter is in response to Chairman Audrey Zibelman's December 23, 2016 correspondence regarding.

1. The Company should thoroughly investigate whether Company's OQ evaluation process was compromised for either company or contractor personnel, including dissemination of possible test questions and, if they were compromised, to the extent possible, when it occurred, and which covered task tests were compromised.

Response: Corning has investigated this issue. At this point we have no indication that the OQ evaluation process for company or contractor personnel was compromised in any way. Additionally, NGA has indicated that they have found no reports, admissions or evidence that this testing breach went beyond Network Infrastructure (NI) or Bond Brothers Construction Inc.

2. Discuss and clearly state whether the company will continue to use the NGA OQ program going forward.

Response: Corning has invested significant time and resources in its OQ program of which a large part is attributed to the NGA system. Over the last two years we have vastly improved our training program in a large part due to the implementation of the enhanced NGA program. As a result the Company believes it produces a better trained employee.

Our Trainer and his Supervisor actively participates in several OQ Committees and are Subject Matter Experts for the NGA OQ testing committee. Corning has tested the majority of its personnel on the NGA on-line system and have required the same for all of our contractors.



To change OQ programs at this time would subject the company to a large draw on resources and a substantial delay in qualifying personnel. To create our own procedures to reevaluate contractor and company personnel to a level equivalent to what NGA has produced would be a monumental task. Therefore, with the proposed testing security and enhanced proctoring protocols the Company plans to continue to utilize the NGA OQ program.

3. Determine the extent of the problem system-wide. It is incumbent upon the LDCs that use NGA's testing program to determine, or at least estimate, how many contractor companies and company workers may have had access to any answer sheets or portions thereof.

Response: As previously indicated, at this point in the investigation we have no indication that the OQ evaluation process for our company or contractor personnel was compromised in any way. The Company gathered its OQ qualified employees to discuss the existing Whistleblower Policy and informed them that at the conclusion of the meeting Human Resources was available to discuss any testing or training issues or improprieties that may have occurred during OQ evaluations. To date no employee has initiated a discussion.

Additionally, Corning queried its contractors as to whether or not any of their employees that worked on Corning Natural Gas projects had not followed the rules or cheated on NGA OQ exams; or if they were aware of any of their employees having copies of the NGA OQ test questions or answers; or were they aware of any misconduct that occurred relative to the NGA OQ testing of yourself or your employees. The responses from the contractors were all negative indicating that no cheating had occurred.

We have concluded that Corning has not had an issue with employees or contractors gaining access to answer sheets or portions thereof.

4. Take all necessary steps to suspend qualifications of all employees who may have had access to the answer sheets until those employees can be reevaluated using new tests.

Response: We have been informed by NGA that all qualifications for Network Infrastructure Inc. employees have been suspended. Furthermore, the NGA is researching which Network Infrastructure Inc. and Bond Brothers Inc. employees have since moved to other companies. In the future if Corning discovers an employee may have had access to OQ answer sheets disciplinary action will be taken.

5. The company should explore and pursue all available legal options if it is able to confirm that cheating occurred and the identities of any individuals who cheated on the qualifications tests. This should include restrictions/sanctions against completing further work for the company for those individuals.

Response: Corning would pursue all available legal options, if warranted, if it was determined that cheating occurred during a qualification test.



6. Identify any trends between the results of the written tests and the results of the modules' associated performance-based testing.

Response: Corning anecdotally believes that it has a higher pass rate for performance based assessment than it does for knowledge based testing. The Company began utilizing the ITS training system in 2015 which allows the company to track results such as this. We are in the process of obtaining this information but were unable to produce it at the time of this letter. Once this information is completed it will be forwarded to Staff.

7. Identify trends between legacy testing and testing of covered tasks using new tests.

Response: As previously stated, in 2015 the Company began to utilize the ITS system and the enhanced NGA OQ program that allowed us to change from hard copy testing to online based testing. Prior to 2015 the Company retained the documentation of the date when an employee became qualified and the date that qualification expired not the quantity of failures by employee for each task. Therefore we are unable to identify trends between the testing performed prior to 2015 and the new NGA testing. With the enhanced NGA system this trending will be readily available and will be utilized by the company to its fullest extent. Corning has requested this information but it was not available at the time of this letter.

8. Specify in as much detail as possible what safeguards were in place to protect the integrity of tests and what further safeguards will be put in place before any new testing commences.

Response: As discussed in prior responses, Corning's OQ testing has and continues to evolve. It began as hard copy tests utilized until 2015 when the NGA began its enhancement process and moved towards a computerized on-line program to where we are heading today with a secure on-line enhanced test. The answer to this question is therefore best provided in three segments: Prior to 2015, from 2015 until 2016 and beyond 2017. Safeguards in place while using the pre 2015 hard copy tests consisted of a Company trainer proctoring the test in house for Company employees only. From 2015 to 2016 the Company proctored all knowledge exams with an LDC NGA qualified proctor at CNG offices in private, secure rooms with no more than 5 students per proctor. All NGA proctor protocols were maintained during testing. Going forward Corning will follow the revised NGA proctor protocol and will continue to do so as revisions occur.



330 West William Street
PO Box 58
Corning, NY 14830
607-936-3755
607-962-2844 fax

10. Explain how the company will monitor or inspect its testing program to ensure, on an ongoing basis, that (a) the program's integrity is intact and (b) testing on the company's own procedures and equipment is fully covered (and documented) during the qualification process.

Response: (a) Company has developed a QA/QC program to monitor the OQ testing process and affirm that testing protocols are being followed. This will include Company audits of the testing process. This program will be further improved and utilized with the addition of a rate case approved new employee whose purpose will be to perform and maintain the QA/QC program. An additional aspect of the QA/QC program will be forensic analysis of exam results in which statistical analysis will be utilized to identify trends and indications of testing anomalies. NGA will develop a process to investigate potential testing anomalies and take corrective action, if required. Corning will be coordinating this activity with NGA and other NYS LDCs. (b) As was mentioned in the Company's response to Staff's 2015 OQ Program audit letter we fully intend to produce an enhanced comprehensive program to train and test employees and contractors on Company specific procedures and standards. We will have documentation capability to allow us to maintain records of the results. All Company specific testing will be completed utilizing the same protocols developed by the LDCs and NGA to respond to this current issue. This program will also be monitored and inspected using the aforementioned QA/QC program and have the ability for forensic analysis of results.

However with regards to the issue of inclusion of this program in to the Company's OQ program, Corning believes that once this Company specific program is in place that we will be in compliance with OQ requirements in this regard as the focus of the OQ regulation is on the covered task vs. the company procedure. Typically, procedures can incorporate one or more covered tasks. Expanding the scope of the OQ rule to include company and equipment procedures could be detrimental to our customers and continuity of service should the Company be in the need of mutual aid. Expanding the scope of the OQ rule to include company and equipment procedures will also hinder portability of qualifications for our contractors and unnecessarily increase the cost of service to our rate payers.

11. Describe in detail all steps the company takes to ensure that all company and contractor personnel are properly trained and evaluated. Indicate any covered tasks where qualification is achieved through testing alone.

Response: All new and current Company employees receive job specific OQ training and testing on site by the Company trainer. Skill assessment training is supplied as needed by the Company trainer, NGA trainer or Manufacturers representative. The employee also receives on the job hands-on training while working on certain jobs or projects.



330 West William Street
PO Box 58
Corning, NY 14830
607-936-3755
607-962-2844 fax

The attached list provides those covered tasks where qualification is achieved through testing alone. This is Corning's complete list of covered tasks, those not labeled with the work "skill" are the tasks where qualification is achieved through testing alone.

12. Describe how and when the company will inform all employees and contractors of their rights and responsibilities under the State's Whistleblower protections when reporting wrongdoing.

Response: As described previously the Company whistleblower policy was distributed and discussed with Operations personnel at a Safety meeting held January 4, 2017. We will provide Staff a copy of our policy on request.

Corning has responded to Staff's questions with honesty and respect. While we realize that this issue casts doubt on the integrity of the OQ program Corning believes that over the last several years we have produced and maintained a quality product for our employees and contractors. Like anything else however, there is room for improvement. Our desire is to create the best program we can produce. We would like a training program with three distinct segments, OQ Training and evaluation; Company specific Training and evaluation; and Skills Assessment. We believe that with the upcoming enhancements to the NGA program this will provide us a solid OQ Training and Evaluation program. We will begin this winter the design of an improved Company specific Training and Evaluation program. This program will be designed to meet the needs of a Company our size. The final piece is already underway with the purchase of the GTI training program.

These three together will strengthen our training program. As indicated we will begin this winter to create the Company specific program however it must be noted that this cannot be completed over-night. This will require some third-party assistance to complete and once a schedule is created we would be willing to share it with Staff.

We look forward to discussing this information with you. If you have any questions please contact me.

Regards,

A handwritten signature in black ink, appearing to read "Michael I German", written over a horizontal line.

Michael I German
CEO / President
Corning Natural Gas
607-936-3755

Attachments

Cc: w/o attachments M. Cook, B. Bush, K. Fink, H. Geman, J. Spear, File

