



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: **Public Service Commission**

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Marlin H. Barrow, Technical Consultant
Artie Powell, Manager

Date: February 1, 2013

Subject: Docket No. 08-057-11, Questar Gas Company's (Company) Meter and Transponder Inspection Program (MTIP) final report.

ISSUE:

On December 5, 2012, Questar Gas Company (Company) filed with the Utah Public Service Commission (Commission) a cover letter and a final MTIP report. On December 11, 2012, the Commission issued an Action Request to the Division of Public Utilities (Division) to review the report for compliance and to make a recommendation by January 4, 2013. On December 14, 2012, the Division requested an extension on the due date to February 4, 2012 which the Commission granted on December 18, 2012. This is the Division response to that action request.

RECOMMEND ACKNOWLEDGEMENT:

The Division recommends the Commission acknowledge the final report filed by the Company as meeting the Commission ordered requirements in this docket and that no further action is necessary.

DISCUSSION:

The Division reviewed the final MTIP report and asked the following two data requests from information contained in the report.

FDR 1.01 The VRT stand alone meters had an exception rate of 6.25%. Most of these fall in the “other category”. Please explain why these meters had such a high rate of failure and please describe what “Other” means.

Answer: “Other” refers to a variety of different reasons why a transponder read may not agree with the index read. The problem that was discovered with the VRT stand alone transponders was that some would “short out” and miss counts when the circuit boards got wet. This was due to a design problem. As a result of this discovery the transponders with this error prone design were removed and replaced with a new redesigned product.

FDR 1.02 The American 2 ft. meters had an exception rate of 2.22%. It looks like this was caused by pre-divides. Please explain why this meter group was more prone to exceptions than the other groups.

Answer: The predominant meter used by Questar Gas Company for residential customers is the American 1ft meter. The most common error that was made was to miss program the less common 2ft meter as if it were the more common 1ft meter.

As shown in the table below, the original estimate for pre-divide errors was 0.07%¹ of all inspections. The final report for pre-divide errors was 0.11%² for all meter inspections. All other categories were lower than original estimated with the total error exceptions for all meters lower by 0.20% than originally estimated which is insignificant.

	Programming Error	Pre-divides	Index Change	Other	Total Exceptions
Original Estimate	0.16%	0.07%	0.24%	0.17%	0.64%
Final Report	0.08%	0.11%	0.13%	0.13%	0.44%

¹ Docket No. 08-057-11, Division Report, Transponder Pre-Divide Exceptions and Back-Billing Issues, July, 18, 2008, page 3.

² Questar Gas Company’s (Company) Meter and Transponder Inspection Program (MTIP) final report. December 5, 2012.

The Commission order in this docket stated the following:

We conclude the Settlement Stipulation must be modified so that the natural gas volumes, that are not subject to back billing, are accounted for in a manner to be borne by Questar, rather than the split proposed in the stipulation. As we have noted, the Stipulating Parties have made a reasonable calculation upon which such accounting adjustments can be based and implemented. The Settlement Stipulation also requires Questar to give a final, complete report of the results of the MTIP and any and all transponder errors. Any true up between initial accounting adjustments based on calculations and actual results can be implemented when the MTIP is completed and reviewed.³

The Division also asked the following data request.

FDR 1.03 How much was ultimately refunded to customers and how much was ultimately written off by the Company?

Answer: Our records indicate that \$221,466 was refunded to customers due to incorrect transponder settings where customers were over-billed. \$719,264 was written off by Questar Gas Company for customers who were under-billed beyond the designated 6 month period that customers were responsible to pay for.

The Company reported that in November 2008, \$857,357 was written off below the line for customers who were under-billed beyond the designated 6 month period. After the final inspections were completed in 2009, an adjusting entry of \$138,093 was made in June 2009 for a net write-off \$719,264.

Although not related to the transponder issues discussed above, the Company also reported that an additional \$15,540 was written off in December 2009 due to magnet issues on older meters that were discovered through the MTIP process.

The Division believes the responses to these data requests and the filing of the final report meets the Commission's requirements and that no further action is required in this docket.

Cc: Barrie McKay, Questar Gas Company
 Kelly Mendenhall, Questar Gas Company
 Michele Beck, Office of Consumer Services
 Eric Orton, Office of Consumer Services

³ Docket No. 08-057-11 ORDER APPROVING SETTLEMENT STIPULATION WITH MODIFICATION, page 11.