

AMENDED ACTION REQUEST

Date: February 13, 2013

FROM: Public Service Commission

Due: March 27, 2013

SUBJECT: Questar Gas Company's Meter and Transponder Inspection Program Final Summary Report 08-057-11

(Company Name, Case Number, etc.)

12/5/2012

08-057-11

(1) QGC'S MTIP FINAL SUMMARY REPORT In the Matter of the Investigation and the Consolidation of Dockets of the Formal Complaints against Questar Gas Company Relating to Back-Billing

This is a request for the Division to:

 X Review for Compliance and Make Recommendations (See Note Below)

 Review Application and Make Recommendations

 Analyze the Complaint

 Review Notice and Make Recommendations

 Review Request for Agency Action and Make Recommendations

 Investigate

 Other – Explanation and Statement of Issues to be Addressed (See Below):

Note: The Division's February 1, 2013, memorandum addressing Questar Gas Company's (Questar) MTIP Final Summary Report (Memo) references the following language from the Commission's December 3, 2008, Order Approving Settlement Stipulation with Modifications (Order) in this docket: "Any true up between initial accounting adjustment based on calculations and actual results can be implemented when the MTIP is completed and reviewed." The Order also states, "the Division will continue to be responsible to audit and verify that the accounting adjustments contemplated by the Stipulating Parties are made, but consistent with the modification we make."

The Division's Memo contains the following information:

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's memo does not indicate whether the Company's information was audited by the Division or the final adjustments were made in accordance with the Commission's Order in this docket. Due to the importance of this matter, it would be beneficial for the Division to provide its final audit report verifying the accounting adjustments in this matter were made in accordance with the Commission's Order.

In addition, the Company's MTIP Final Summary Report indicates a total of 919 Pre-Divide errors were identified. During the October 22, 2008, hearing in this matter, the Division estimated a total of 582 meters with underbilled pre-divide errors (see attached exhibit labeled Exhibit No. DPU Exhibit 3). It would be helpful if the Division explained the difference between these two numbers (i.e., 919 and 582) and indicated the actual final number of meters with underbilled pre-divide errors. It may be helpful for the Division to prepare a table similar to Exhibit No. DPU Exhibit 3 updated with final information.

Finally, the Commission requests the Division to provide a more detailed explanation of the \$138,093 accounting adjustment.