

Roger J Ball  
Chancellor and Moderator  
Utah Ratepayers Association  
1375 Vintry Lane  
Salt Lake City, Utah 84121  
(801) 998-8511

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Consolidated Docket of  
Formal Complaints Against Questar Gas  
Company Relating to Back-billing

Docket No 08-057-11  
REQUEST TO INTERVENE

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The Utah Ratepayers Association respectfully requests the Public Service Commission of Utah (hereinafter, Commission), pursuant to its customs and practices, including Utah Code Annotated (UCA) Section 63-46b-9 and Utah Administrative Code (UAC) R746-100-7, to permit it to intervene in this matter, because:

- 1 the Utah Ratepayers Association (hereinafter, Association) is a grass-roots membership organization, registered as a non-profit corporation with the Utah Division of Corporations and determined by the IRS to be tax-exempt under section 501(c)(4) of the Internal Revenue Code, with the mission of education and lobbying for ratepayers of utility-type services with limited or no alternatives;
- 2 the Association has a special interest in ensuring that its members and ratepayers-at-large are treated justly and reasonably in this matter by Questar Gas Company (hereinafter, Questar, QGC, Company, utility, local distribution company, or LDC). Ratepayers bear the expenses, including a return on equity, and repay the investments of the Company, so its prudent and efficient management are of particular importance to them;

Questar Gas Company Back-billing Complaints  
Utah Ratepayers Association

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2 April 2008

3 the Association became aware of the issue on 19 March 2008, when a ratepayer reported having received an unexpectedly high bill in February and sought assistance in resolving questions about it. It has subsequently emerged that others are affected, either because they have received back-bills, or because they are concerned that their rates may increase, or may already have increased, to allow Questar to recover the under-collections;

4 it appears that QGC's employees and contractors may have incorrectly installed radio transponders on some five hundred meters, causing under-reporting of gas consumption over a period of up to ten years. In many, perhaps the overwhelming majority, of cases, ratepayers were unaware that their meter readings were now being downloaded remotely. Consequently, they were not alert to even the possibility of a new source of billing errors;

5 the installation of transponders started about ten, and was completed about two, years ago. The local distribution company seems to have become aware more than six months ago, about eighteen months after the installation project was completed, that some of its customers were being billed for only half of their actual consumption. On 6 August 2007, KUTV Ch2 News reported that Questar had checked 26,000 transponders and found 22 that had been incorrectly set up. At that point, Bill Gephardt said that the utility told him "by law, because the problem was with their equipment, they can't collect for all (the months) that (meters had been under-reporting consumption) – only 6 months" and that QGC would give those customers 6 months to pay;<sup>1</sup>

6 however, it looks as though it wasn't until February 2008 that most of the five hundred or so directly affected ratepayers (hereinafter, "the 500") received bills from the LDC that included line items for "Corrections". Apparently, the Company back-billed them up to 24

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<sup>1</sup> Video of the newscast segment and a transcript can be found at:  
[www.kutv.com/content/gephardt/story.aspx?content\\_id=454734D2-D845-4C3E-A021-09BE17054F88&gsa=true](http://www.kutv.com/content/gephardt/story.aspx?content_id=454734D2-D845-4C3E-A021-09BE17054F88&gsa=true).

months, and gave them 24 months to pay. This less favorable treatment raises issues of discrimination, and what about pass-through rates between two and ten years ago (see Paragraph 9, below)?

7 not all of the 500 have found the information provided with their February bills to be sufficiently clear, explanatory or sensitive. Nor have all those who have called Questar, or complained to the Utah Division of Public Utilities (hereinafter, Division), found that utility representatives have responded as they would expect those of companies in the competitive sector to do;

8 with regard to QGC's 800,000-plus ratepayers-at-large, about 73% of the LDC's total rates are supplier non-gas and commodity costs.<sup>2</sup> The Company routinely passes its gas costs and revenues through its 191 Account and proposes rate adjustments at least twice a year based upon the balances. Apparently all of the incorrectly-set transponders have been in place for at least two years. It also seems that the "Corrections" look back over periods varying from just a few months up to 24 months. Is that because something changed on certain of the meters a few months ago, or because of changes in occupancy? If the latter, has Questar also back-billed the vacating occupants for the earlier months of the 24?

9 the total under-collected over the past ten years is therefore probably well in excess of the \$½M recently back-billed. It also seems unlikely that any revenue was credited to the 191 Account to balance the commodity cost of half the gas used by any of those whose consumption was under-metered. That difference would have tipped the 191 Account balance against the interests of ratepayers-at-large, and caused rates set in the semi-annual

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<sup>2</sup> Questar Gas Company's *Application* dated 19 December 2007 *In the Matter of the Application of Questar Gas Company to Increase Distribution Non-gas Rates and Charges and Make Tariff Modifications*, Docket 07-057-13: IIA *Current Rate Structure*, second paragraph, on page 3.

pass-through cases to be higher (increasingly from about 1998 until roughly 2006 as transponders were installed on more meters) to compensate. Ratepayers-at-large may well already have paid much more than \$365,000 (73% of the \$½M alone) extra in contributions to the 191 Account, for which they have received no benefit;

10 there is also the question whether the Commission's determinations regarding the Conservation Enabling Tariff in Docket 05-057-T01 may have already resulted in the LDC collecting from ratepayers-at-large the 27% or more balance (distribution non-gas, etc) of the amounts under-collected;

11 overall, ratepayers and regulators must ask themselves whether the remote meter-reading project has been prudently or efficiently managed, and what incentive it will be for utility managers and owners to improve future performance if the 500 and ratepayers-at-large, between them, are left saddled with the costs of under-collection in this case;

12 members of the Association, like ratepayers-at-large, use natural gas for space and water heating in their homes and businesses, for which they have no choice of alternative suppliers, and are therefore captive customers who must necessarily pay whatever rates are approved by the Commission. The economic impact of those rates on members is proportionately similar, as will be the effect of the future prudence and efficiency of Company management, to that upon QGC's ratepayers-at-large. So their legal rights and interests will be equally, and perhaps substantially, affected by the Commission's adjudication of this matter. Furthermore, those members who have received correcting bills are similarly affected to others of the 500;

13 while the Division is statutorily mandated to "act in the public interest in order to provide the Public Service Commission with objective and comprehensive information,

evidence, and recommendations”, etc,<sup>3</sup> the legal rights and interests of members and ratepayers-at-large alike may or may not coincide with “the public interest”, etc;

14 while the Utah Committee of Consumer Services (hereinafter, Committee) is statutorily mandated to “assess the impact of utility rate changes ... on residential consumers”<sup>4</sup> and “advocate ... positions most advantageous to a majority of residential consumers”, it does so “on its own behalf and in its own name ... as determined by the committee”<sup>5</sup> and, both as a group of, and as individual, ratepayers, the legal rights and interests of neither members nor ratepayers-at-large may coincide with those of “a majority of residential consumers as *determined by the committee*” (emphasis added);

15 while the Committee is also statutorily mandated to “assist residential consumers ... in appearing before” the Commission,<sup>6</sup> in the past it has consistently declined to represent individual, or groups of, ratepayers, as opposed to advising them on procedures and presenting them in hearings, on the grounds that their interests might conflict with those of the majority, as determined by the Committee;

16 because this proceeding is at such an early stage, the Association has not fully determined the specific positions it will take, or the relief it will seek; it wishes to intervene to protect its members’ interests and those of ratepayers-at-large as they may appear; and

17 the interests of justice and the orderly and prompt conduct of this proceeding will not be materially impaired by allowing the Association to intervene; indeed, the interests of justice might be materially impaired by denying it intervention.

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<sup>3</sup> Utah Code Annotated §54-4a-6.

<sup>4</sup> Utah Code Annotated §54-10-4(1).

<sup>5</sup> Utah Code Annotated §54-10-4(3).

<sup>6</sup> Utah Code Annotated §54-10-4(2).

Since the Commission has declined to provide the Association with the full names, addresses and telephone numbers of formal complainants McMain, Wasek, Garcia, Francis, Mitchell, and Kardish, or of the name of the signatory to the formal complaint of Unlimited Designs, and since it has so far provided no information about formal complainant DeHaan, the Association is unable to serve copies of its Request on them, and requests that the Commission does so, please.

Finally, the Association requests leave to intervene and participate in this proceeding with full rights as a party to protect its members' interests, and perhaps those of Questar Gas Company's ratepayers-at-large, as they may appear, and that copies of all notices and pleadings in this proceeding be sent to:

Roger J Ball  
Utah Ratepayers Association  
1375 Vintry Lane  
Salt Lake City, Utah 84121  
(801) 998-8511  
ura@utahratepayers.org

Respectfully submitted on 2 April 2008,

/s/

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Roger J Ball  
Chancellor and Moderator for the Utah Ratepayers Association

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Request to Intervene in Docket 08-057-11 of the Utah Ratepayers Association was mailed electronically on 2 April 2008, to the following:

### QUESTAR GAS COMPANY

Barrie L McKay  
barrie.mckay@questar.com  
Evelyn Zimmerman  
evelyn.zimmerman@questar.com  
Colleen Larkin Bell (5253)  
colleen.bell@questar.com  
C Scott Brown (4802)  
scott.brown@questar.com

### UTAH DIVISION OF PUBLIC UTILITIES

Philip Powlick, Director  
philippowlick@utah.gov  
William Powell  
wpowell@utah.gov  
Dennis Miller  
dennismiller@utah.gov  
Michael Ginsberg (4516)  
mginsberg@utah.gov  
Patricia E Schmid (4908)  
pschmid@utah.gov

### UTAH COMMITTEE OF CONSUMER SERVICES

Michele Beck, Director  
mbeck@utah.gov  
Dan Gimble  
dgimble@utah.gov  
Cheryl Murray  
cmurray@utah.gov  
Paul Proctor (2657)  
pproctor@utah.gov

/s/

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Roger J Ball