Arminda I. Jurgenson (13769)
Attorney for Questar Gas Company
333 South State Street
P.O. Box 45360
Salt Lake City, Utah 84145-0360
Phone (801) 324-5024
Fax (801) 324-5935

Date Submitted: May 18, 2012

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE FORMAL COMPLAINT OF MCCLEARY ASSOCIATES LLC AGAINST QUESTAR GAS COMPANY	**DOCKET NO. 12-057-06** **ANSWER OF QUESTAR GAS COMPANY AND MOTION TO DISMISS**

ANSWER

Respondent Questar Gas Company ("Questar Gas" or "Company") respectfully answers the Formal Complaint of McCleary Associates LLC ("McCleary") as follows:

1. According to Company records, on or around November 11, 1999, Questar Gas began providing natural gas service to McCleary at 6364 South Highland Drive #9, Salt Lake City, Utah 84121 ("Salt Lake Property"). Questar Gas has continuously provided natural gas service to McCleary since that date.

2. According to Company records, Questar Gas installed the meter at the Salt Lake Property on or around November 9, 1999. The meter installed to serve the Salt Lake Property was a type "225" meter (the "225 Meter"). "225" is the name used by the Company to describe Schlumberger meters of model 675A. A picture of a sample "225" meter is attached as **Exhibit A-1**.

3. As part of the Company's program to use automated meter reading (AMR) processes to increase the accuracy and reduce the costs of meter reading, the 225 Meter was subsequently fitted with a transponder, as circled on the close-up photo attached as **Exhibit A-2**.

Transponders are devices that are attached to meters and automatically record and transmit meter reads from a meter to a remote receiver via radio signal, allowing meter readers to obtain meter reads from Company vehicles. The vehicles have equipment that send a radio signal to the transponders, and the transponders reply by transmitting the meter read to receiving devices in the vehicles. On a 225 meter, one dial (known as the "test dial") works independently of the other meter measurement dials to show when gas is flowing through the meter and is connected directly to the transponder. If the test dial does not turn when natural gas is flowing, the result is that the transponder would not send a signal.

4. However, over ten years ago, Questar Gas retired the type 225 meter in favor of the American Meter's AC630 model, a smaller meter manufactured with the transponder attached. The AC630 meter improved upon the type 225 meter by removing the need for exposed wiring between the meter and the transponder. The 225 meters already installed, including the 225 Meter, were not immediately removed, but were left in place until their scheduled replacement time or until problems or potential problems are reported. Given the Company decision to retire the 225 meters, Company technicians will replace a 225 meter with an AC630 meter if problems are reported with either the meter or the transponder.

5. According to Company records, on or around December 2, 2011, the transponder at the Salt Lake Property was read during the Company's regular monthly meter reading process. The transponder reported a meter read of 44145, indicating 1,392 CCF of natural gas had been used at the Salt Lake Property since the prior meter read on November 3, 2011. The Company's billing system automatically generated a billing statement for McCleary in the amount of $1,132.37, which was then sent to McCleary.

6. According to Company records, on December 8, 2011, Kraig McCleary contacted Questar Gas Customer Care concerning his December 2, 2011 billing statement for gas service at

the Salt Lake Property. Mr. McCleary claimed the gas usage on the McCleary account was unusually high and requested Questar Gas to check the accuracy of the meter on the Salt Lake Property. According to Company records, this was the first known high bill investigation request for the McCleary account.

7. Pursuant to Company policy, on December 13, 2011, Questar Gas sent Scott Furness, Meter Reader, to the Salt Lake Property to inspect the meter and take a visual reading of the gas usage. While at the Salt Lake Property, Mr. Furness visually inspected the 225 Meter and found it to be working properly. Also, using the AMR receiver, Mr. Furness obtained the transponder's read value, and visually read the 225 Meter's index. Comparing the values, he found identical reads of 44683. Mr. Furness, therefore, determined that the 225 Meter and transponder appeared to be working properly.

8. According to Company policy and procedure, Mr. Furness also confirmed the accuracy of the December 2, 2011 meter read used to calculate the monthly billing statement, by comparing the visual read with the previous AMR read. If the visual meter read is greater than the AMR read previously taken, the AMR read is confirmed as accurate with the difference between the two reads indicating the amount of gas consumed since the previous read was taken. As the December 2, 2011 AMR read was 44145, and the December 13, 2011 index and transponder read was 44683, the accuracy of the previous AMR read was confirmed.

9. Questar Gas sent McCleary a letter dated December 16, 2011, to confirm the December 2, 2011 read and report the results of the visual read to McCleary.

10. On December 22, 2011, Mr. McCleary contacted Questar Gas requesting a second test for accuracy on the 225 Meter.

11. On January 4, 2012, Questar Gas sent a second technician, Terry Brinkman, Operations Specialist, to the Salt Lake Property. During this visual check, Mr. Brinkman again

confirmed the accuracy of the AMR reading, and began the visual inspection of the meter. While examining the 225 Meter, he heard a furnace at the Salt Lake Property turn on. Because the Salt Lake Property has only one gas meter, he assumed that the furnace most likely ran on natural gas and, therefore, gas was likely flowing through the 225 Meter, which should cause the test dial to turn. However, Mr. Brinkman did not see movement in the test dial. Based on his belief that the test dial was slow or not moving, Mr. Brinkman entered an order to replace the transponder on the 225 Meter.

12. On January 23, 2012, Questar Gas sent a third technician, Ted Martinez, Operations Specialist, to the Salt Lake Property to replace the transponder on the 225 Meter pursuant to the order issued by Mr. Brinkman. Mr. Martinez noted a crack on the meter index, which was not significant enough to affect the meter's operation. However, due to changes in inventory caused by retiring the type 225 meters, the technician did not have an inventory of 225 replacement transponders on hand, and replaced the older, retired meter and the associated transponder with a new AC630 meter ("New Meter") and attached transponder as was usual practice when problems with 225 meters are reported. Before removing the 225 Meter, Mr. Martinez again read the meter's index, which showed a value of 45743. The New Meter's index and attached transponder were set at zero pursuant to Company standard procedure following installation.

13. According to Company policy, and as is routine upon removal of an industrial meter, following its removal the 225 Meter was sent to the Questar Gas meter shop and tested for accuracy. The meter shop test occurred on January 27, 2012. The 225 Meter test showed test results of +.2 and +.2, indicating the meter was operating two-tenths of a percent (0.2%) fast.

14. The 225 Meter test results indicate the meter variance fell below three percent (3.0%) allowed by Commission Rule R746-320-3, under which a customer is entitled to a refund

if the meter tests more than three percent (3.0%) fast. McCleary was, therefore, not entitled to a billing adjustment for meter variance.

15. The average daily gas usage of the Salt Lake Property from October 2011 to February 2012 indicates that 1) the high consumption of gas occurred prior to installation of the New Meter and 2) the high consumption had normalized to around the October 2011 average prior to installation of the New Meter. The average daily gas usage for the Salt Lake Property during such time period is as follows:

First Meter Read	Second Meter Read	CCF Difference between Meter Reads	Number of Days between Meter Reads	Average Daily Gas Usage
Oct. 5, 2011 monthly read of 42124	Nov. 3, 2011 monthly read of 42753	629 CCF	29 days	21.7 CCF/day
Nov. 3, 2011 monthly read of 42753	Dec. 2, 2011 monthly read of 44145	1392 CCF	30 days	46.4 CCF/day
Dec. 2, 2011 monthly read of 44145	Dec. 13, 2011 technician read of 44683	538 CCF	11 days	48.9 CCF/day
Dec. 13, 2011 technician read of 44683	Jan. 4, 2012 monthly read of 45313	630 CCF	22 days	28.6 CCF/day
Jan. 4, 2012 monthly read of 45313	Jan. 23, 2012 final 225 Meter read of 45743	430 CCF	19 days	22.6 CCF/day
Jan. 23, 2012 New Meter read of 0000	Feb. 2, 2012 monthly read of 0219	219 CCF	10 days	21.9 CCF/day

16. Questar Gas records confirmed that the McCleary account has shown a history of similar gas usage. In the disputed December 2, 2011, and January 4, 2012 billing statements, McCleary consumed 1,392 CCF and 1,168 CCF of gas respectively. While this usage exceeds the usage from the year prior, similar usage exceeding 1,000 CCF has occurred in at least five prior monthly billing cycles over the history of the account. Specifically, the January 7, 2008,

February 7, 2008, February 9, 2007, January 4, 2002, and the January 6, 2000 billing statement show gas usage of over 1,000 CCF within a billing cycle:

Date of Billing Statement	Gas Consumed during Monthly Billing Cycle
Jan. 4, 2012	1,168 CCF
Dec. 2, 2011	1,392 CCF
Feb. 7, 2008	1,025 CCF
Jan. 7, 2008	1,091 CCF
Feb. 9, 2007	1,177 CCF
Jan. 4, 2002	1,208 CCF
Jan. 6, 2000	1,495 CCF

17. Questar Gas has not violated any of its tariff provisions or Commission rules in providing natural gas service to McCleary or issuing bills for such service.

MOTION TO DISMISS

As shown in the Answer above, natural gas usage records indicate that without any action to repair or replace the meter, natural gas usage by McCleary at the Salt Lake Property returned to pre-November 2011 levels before the 225 Meter was replaced. The Questar Gas meter shop found no problems during the test of the meter that was replaced. Questar Gas billed McCleary only for gas usage actually recorded by properly functioning equipment. While it is true that gas usage on the December 2011 and January 2012 billing statements were high relative to the previous two years, it is not inconsistent with prior usage at the Salt Lake Property on no less than five other occasions for which McCleary did not complain.

Questar Gas has therefore established that it has acted in accordance with Tariff requirements and Commission rules with respect to meter testing and billing McCleary for natural gas service to their property. Questar Gas respectfully requests that the complaint of

McCleary Associates LLC be dismissed because it fails to state a claim upon which relief can be granted.

WHEREFORE, Questar Gas Company submits its Answer and respectfully moves that the Formal Complaint of McCleary Associates LLC be dismissed.

Dated this 18th day of May, 2012.

Respectfully Submitted

_____

Arminda I. Jurgenson
Attorney for Questar Gas Company

CERTIFICATE OF MAILING

I certify that I mailed a true and correct copy of the foregoing Answer and Motion to Dismiss on May 18, 2012, to:

Kraig McCleary
McCleary Associates LLC
6364 South Highland Drive #9
Salt Lake City, Utah 84121

_____