

IN THE MATTER OF THE
INFORMATIONAL FILING OF
DOMINION ENERGY UTAH
CONCERNING THE
TRANSPONDER REPLACEMENT
PROGRAM TO AND REQUEST
FOR A WAIVER OF APPLICABLE
COMMISSION RULES

Docket No. 19-057-25

INFORMATIONAL
FILING AND
REQUEST FOR
WAIVER OF
COMMISSION RULES

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APPLICATION
AND
EXHIBITS

October 1, 2019

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE INFORMATIONAL FILING OF DOMINION ENERGY UTAH CONCERNING THE TRANSPONDER REPLACEMENT PROGRAM TO AND REQUEST FOR A WAIVER OF APPLICABLE COMMISSION RULES	Docket No. 19-057-25 INFORMATIONAL FILING AND REQUEST FOR WAIVER OF COMMISSION RULES
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Pursuant to Utah Code Ann. §54-4-1 *et seq.*, and Utah Administrative Code §§ R746-1-101 *et seq.*, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Informational Filing and Request for Waiver of Commission Rules to the Utah Public Service Commission (Commission).

I. BACKGROUND

In 2015, the Company discovered that its Elster transponders were failing at an unusually high rate. Upon investigation, the Company discovered that the batteries in the transponders had a much shorter life than represented by Elster. The Company determined that it needed to replace the Elster transponders with Itron transponders. In 2016, the Company commenced its transponder replacement program. By the end of July 2019, the Company has replaced about 80% of the Elster transponders. A summary of the Company's progress is attached as DEU Exhibit 1.

The Company first reported the decision to replace the Elster transponders, and described its plan to carry out those replacements to the Commission in a January 9, 2018 technical conference. This presentation is attached as DEU Exhibit 2. In that technical conference, the Company discussed the impact that the transponder failures were having on its customer metrics. In particular, billing metric 1, “Read each meter monthly” and customer care metric 3, “average wait for customer after menu selection.”

The Company has continued to update the Commission on these metrics in the merger Integration Progress Reports in Docket Nos. 16-057-01, 17-057-05, 18-057-09 and 19-057-17. In those reports, the Company indicated that it will complete the replacement program in 2020. The Company is still on-track to achieve that completion timeframe.

As a result of the high failure rate of these transponders, the Company has been unable to obtain meter reads from some meters and has, instead, estimated bills for those meters until it could obtain an actual meter read. DEU Exhibit 3 is a table showing the number of outstanding estimated bills, by month. The column labeled “Month” indicates how many months in a row each bill has been estimated. For example, in August of 2019, 8,839 meters had been estimated for one month, 2,134 for two months, etc. Though the Company is reducing the duration of estimation for each of these bills, some have been estimated for many months in a row.¹

The Company is experiencing higher rates of failures with the remaining Elster transponders and as a result, the number of customers receiving estimated bills longer than six months has increased in 2019. The number of informal complaints with the Division of Public Utilities has also increased.

¹ It is important to note that the Company has estimated some bills for more than 12 consecutive months. The vast majority of those longer-duration estimates are related to meter accessibility, not transponder issues.

II. DISCUSSION

The Company seeks first to inform the Utah Public Service Commission of the circumstance, and to detail the Company's plan to address the related issues. In an effort to improve communications with customers, the Company collaborated with the Utah Division of Public Utilities (Division) and the Utah Office of Consumer Services (Office) to develop a Frequently Asked Question (FAQ) location on its web page. A copy of the FAQ is attached as DEU Exhibit 4. The Company appreciates the attention and input of the Office and the Division in addressing this problem. The Company also plans to deploy additional resources to complete actual reads of those meters with estimates exceeding 6 months.

It is also important to note that the transponder replacement program will be complete in 2020. Each month between now and the completion date will see more transponder replacements which the Company believes will solve the estimated bill issue. The Company proposes to report the status of the meter reads quarterly with the Commission until the program is complete. At that time the Company will file a final report as to whether the issues outlined here have been satisfactorily resolved by the transponder replacement program.

III. REQUEST FOR WAIVER OF COMMISSION RULES

Some of the Commission's rules, and the Company's Tariff govern billing estimates. Though the Company believes it has complied with these provisions, to the extent that the Commission believes it appropriate, the Company seeks waiver of those requirements for the remaining duration of the transponder replacement program.

For example, Utah Admin. Code §R746-200-4.B.2 provides that the Company "shall try to make an actual meter reading at least once in a two-month period and give a

bill for the appropriate charge determined from that reading.” Though the Company has tried to make actual reads in compliance with this requirement, the malfunctioning transponders has resulted in an unusually high volume of meters that must be read manually, and the Company has been unable to obtain actual reads for all meters in a two-month period. The Company could devote greater resources to obtaining these manual reads, but believes it is better to dedicate those resources to replacing transponders than to use those resources to manually read meters.

Utah Admin. Code §R746-320-8.A.2. defines a “catch up bill” and indicates that a “catch-up bill which exceeds by 50% or more the bill that would have been provided under a utility’s standard estimation program is presumed to be a back bill.” Section C of that same rule provides that “a utility shall not provide a backbill more than three months after the utility actually became aware of the circumstance, error, or condition that caused the underbilling and the correct calculation to be used in the backbill has been determined.” As DEU Exhibit 3 shows, prior to 2019, most of the Company’s one million customers were having their meters read within a three month window. It should be noted that 18% of customers are on budget billing and would be impacted by this provision. Though the definition above is somewhat vague, the Company has reviewed the billing history of some of the customers who brought a customer complaint and has not been able to determine if any of these customers fall under the “catch up bill” definition set forth above.

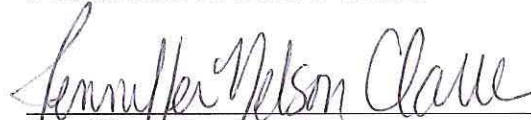
The Company’s Utah Natural Gas Tariff No. 500 (Tariff) also provides that the Company can only adjust bills for transponder-related errors for six months. Tariff at Section 8.02, Billing Procedures. DEU Exhibit 3 evidences that the Company has exceeded this 6-month limitation.

Though the Company believes it has acted in compliance with the Commission Rules and its Tariff, it recognizes that there could be room for disagreement. Therefore, the Company requests that the Commission expressly waive compliance with applicable provisions of the Utah Admin. Code and the Company's Tariff until the conclusion of the transponder replacement program.

WHEREFORE, Dominion Energy respectfully submits this informational filing, and requests that the Commission temporarily waive the Commission Rules and Tariff provisions as discussed above for the duration of the transponder replacement program.

RESPECTFULLY SUBMITTED this 1st day of October, 2019.

DOMINION ENERGY UTAH



Jenniffer Nelson Clark

Attorney for Dominion Energy Utah

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the INFORMATIONAL FILING AND REQUEST FOR WAIVER OF COMMISSION RULES was served upon the following persons by e-mail on October 1, 2019:

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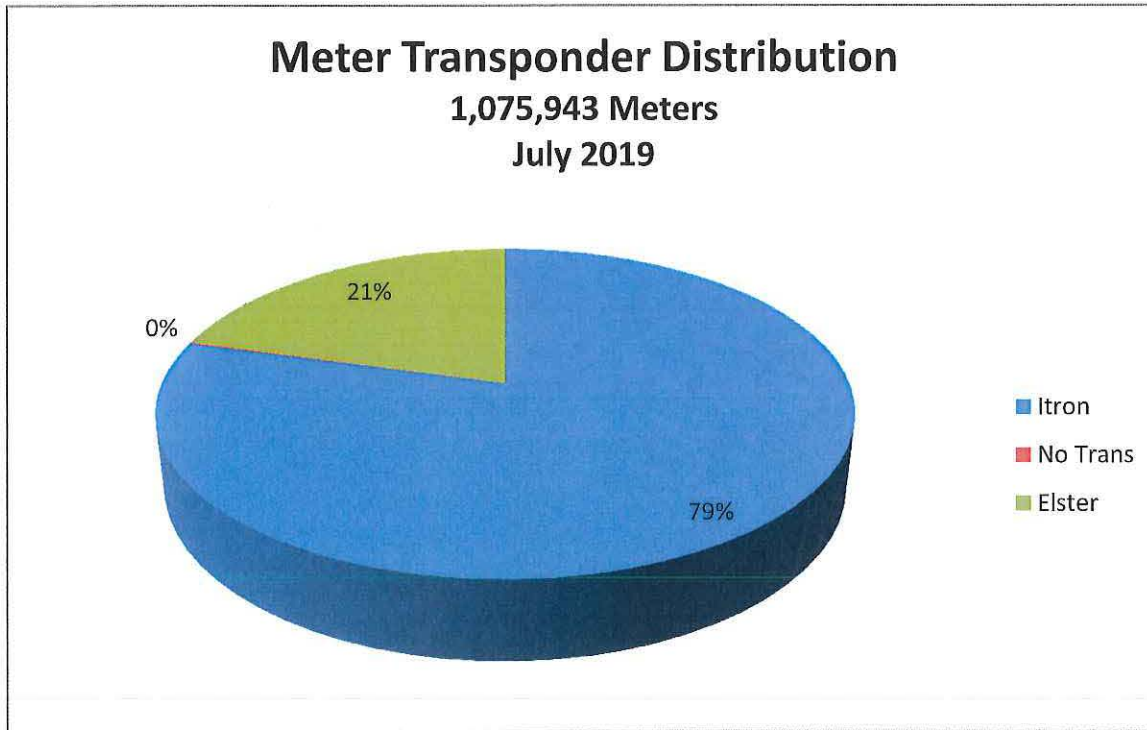
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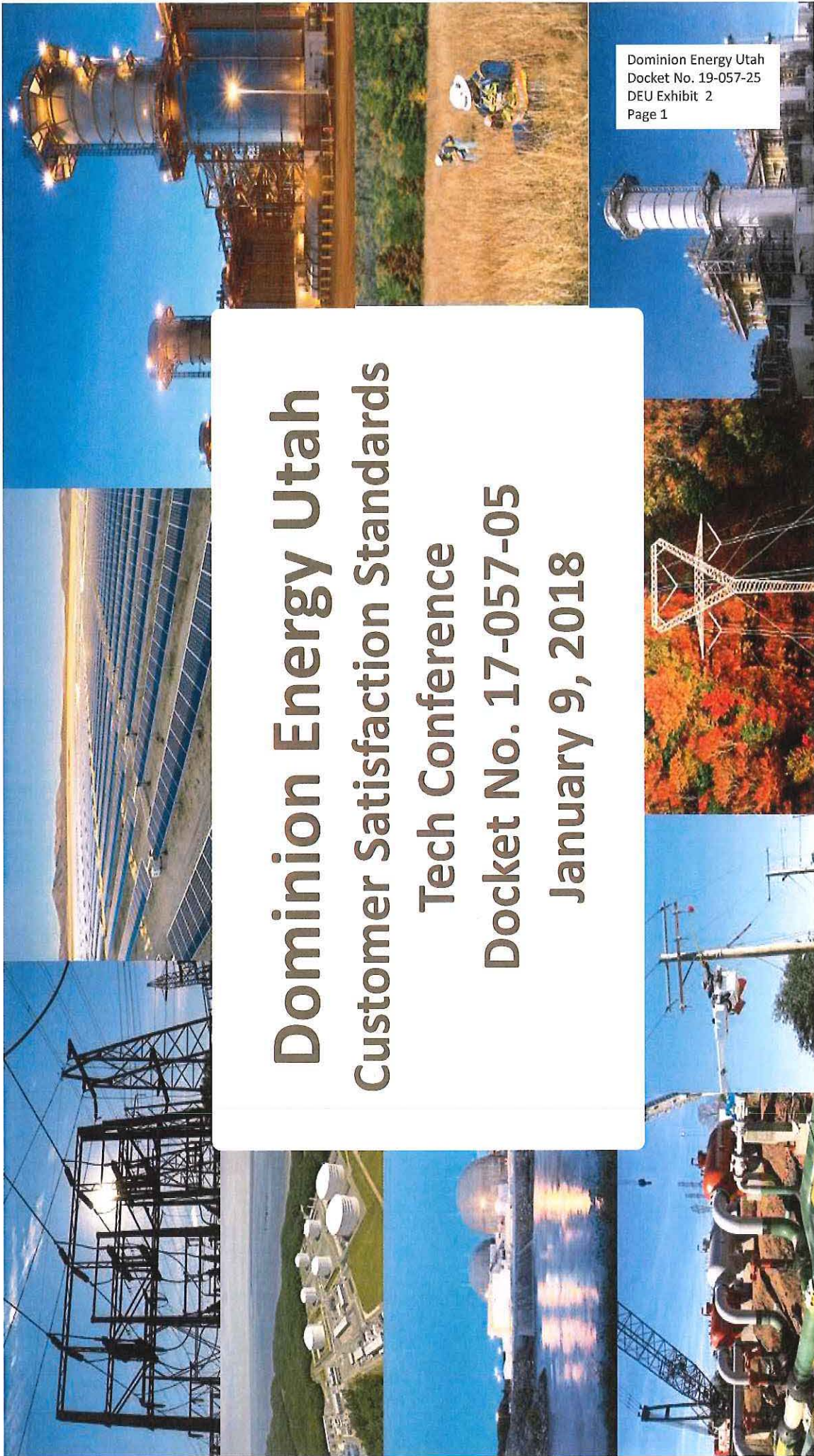


2018-19 AMR Installation Tracking

	Dec	Jan	Feb	Mar	Apr	May	June	July
Installs	18,650	18,611	18,618	20,355	20,623	21,509	21,484	21,337
Itron	710,391	729,002	747,620	767,975	788,598	810,107	831,591	852,928
Total	1,065,438	1,067,520	1,069,299	1,071,003	1,072,508	1,074,090	1,075,299	1,075,943
No Tran	2,739	2,757	2,726	2,726	2,710	2,673	2,202	1,296
Elster	355,047	335,761	318,953	300,302	281,200	261,310	241,506	221,719

Percentage	Dec	Jan	Feb	Mar	Apr	May	June	July
Itron	66.68%	68.29%	69.92%	71.71%	73.53%	75.42%	77.34%	79.27%
Elster	33.32%	31.45%	29.83%	28.04%	26.22%	24.33%	22.46%	20.61%
No Trans	0.26%	0.26%	0.25%	0.25%	0.25%	0.25%	0.20%	0.12%





Dominion Energy Utah

Customer Satisfaction Standards

Tech Conference

Docket No. 17-057-05

January 9, 2018

Merger Settlement Provision #47 (Customer Satisfaction Standards)

Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. ***If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.***

Customer Care

Service		2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	86.3%	84.4%	88.1%	92.0%	87.7%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.2%	99.5%	99.4%	99.5%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	57	70	51	33	53
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.8%	1.9%	1.5%	1.0%	1.6%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.9	5.1	5.0	4.8	5.0

Billing Metrics

Service		2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Billing								
1	Read each meter monthly	99%	Billing Statistics	94.8%	94.2%	97.4%	97.0%	95.9%
2	Percent of adjustments	3% Annual	Billing Statistics	0.56%	0.53%	0.53%	0.73%	2.35%
3	Send corrected statement to customer	5 Business Days	Internal Report	.78 days	1.75 days	2.21 days	1.75 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.9%	99.7%	99.8%	99.8%	99.8%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	100%	97%	94%	90%	95%

Transition from Manual to Automated Meter Reading

- Installed 1M transponders between 1999 and 2006
- Elster
 - 3.4, VRT

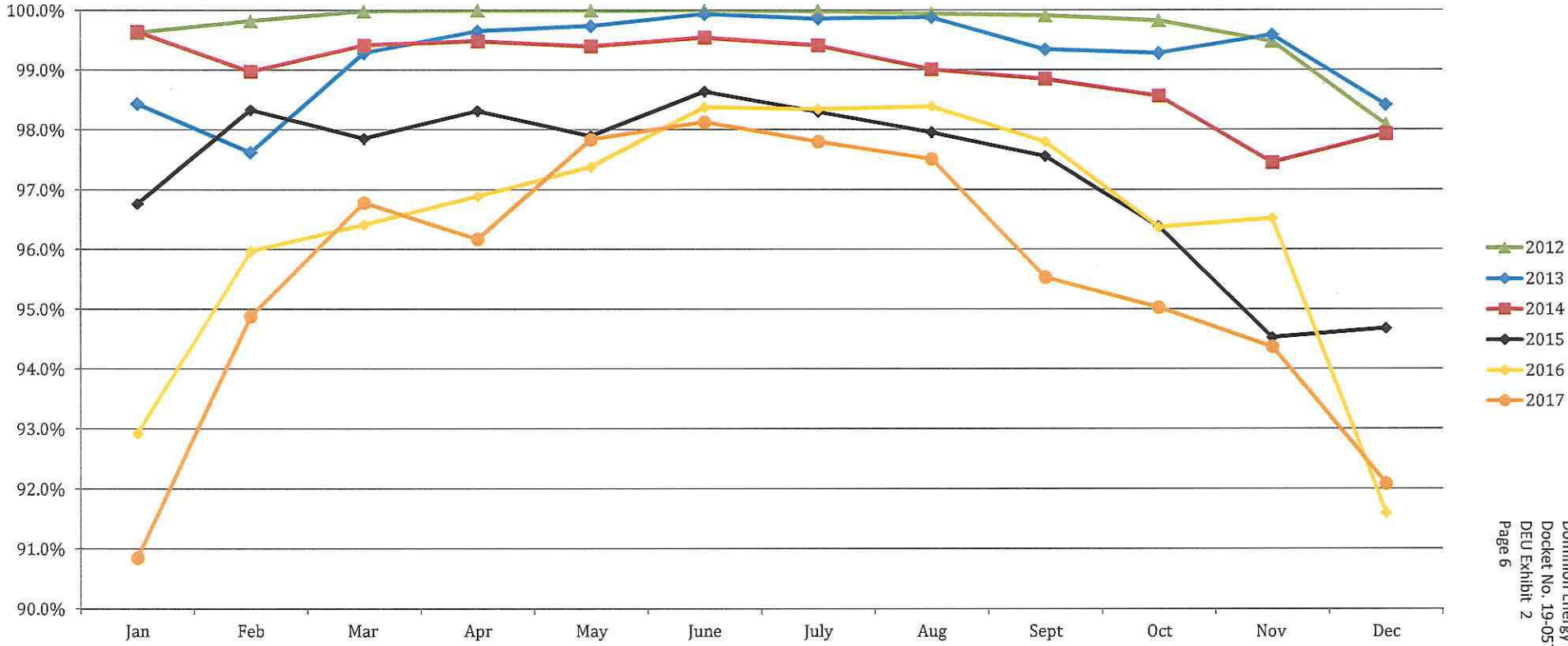


Elster 3.4

Elster VRT

Itron ERT

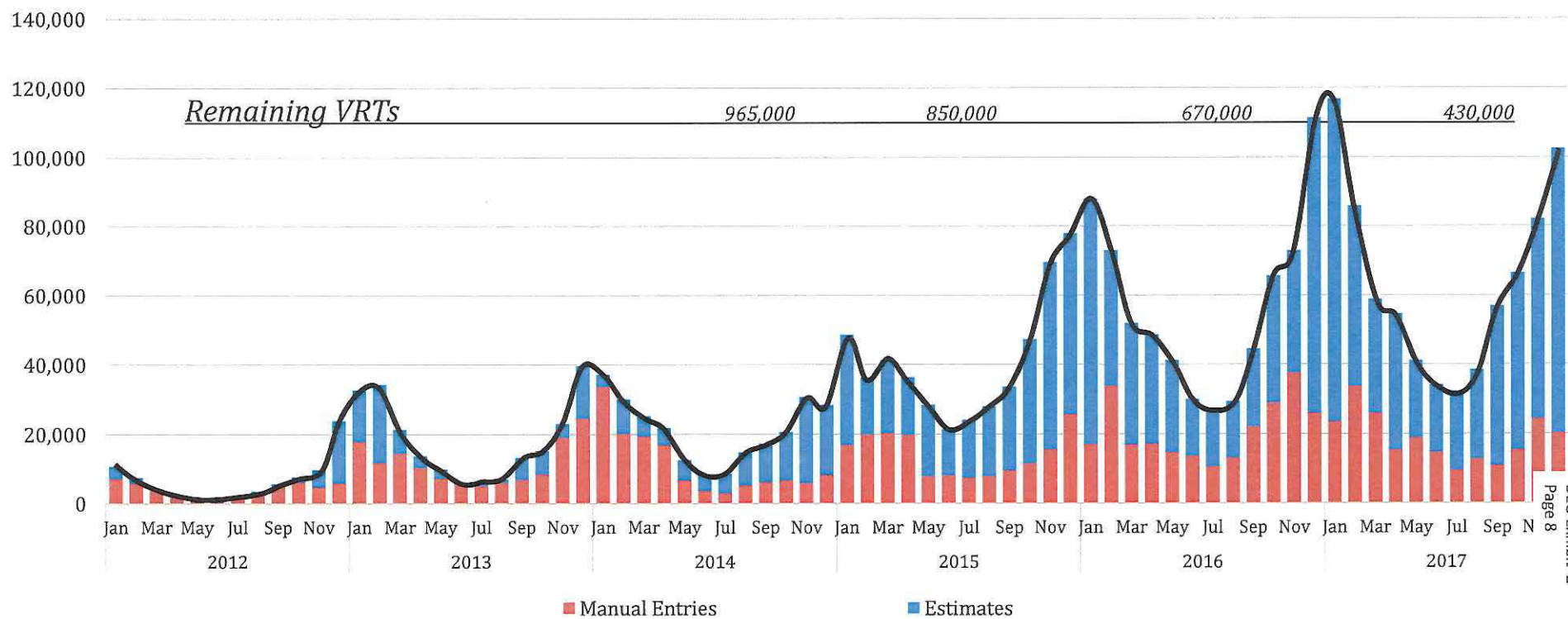
Total Read Rate



Current Reading Process

- On the first day we make two passes; one for Elster and one for Itron
- On the second day we make another pass for Elster
- On the third and fourth day we send out manual meter readers
 - We developed an iPhone app to send out unread meters
 - The app attaches pictures of the meter for billers' reference
 - The app populates dots on a map for each meter to be read

Manual Entries and Estimates



Estimation Process

— Three Step Progression

1. Compares to last year's usage for same time period
2. Compares to last month's if estimated last year
3. If last month estimated, reverts to trend estimate

— Trend

- Estimate is based off of average usage in trend area

— We have determined that Three Step is better for our current situation

Estimation Process

- **Most estimates are reasonable and no further action is needed**
- **Actions resulting from a bad estimate**
 - Customer Care receives a call (approximately 5% of estimates)
 - They can usually resolve the problem, but if not....
 - A field activity is usually issued and dispatched, to either Meter Reading or Operations
 - Field activity is completed as soon as possible and transponder is replaced
 - Billing department completes the follow-up work
 - Someone will call customer back if requested

AMR Evaluation

— 2015 March

- Performed a pilot program comparing Elster to Itron

— May

- Evaluated
 - Southwest Gas, MDU Utilities, Wasecha, References, Tests

— September

- Recommendation, Decision, Installation Strategy

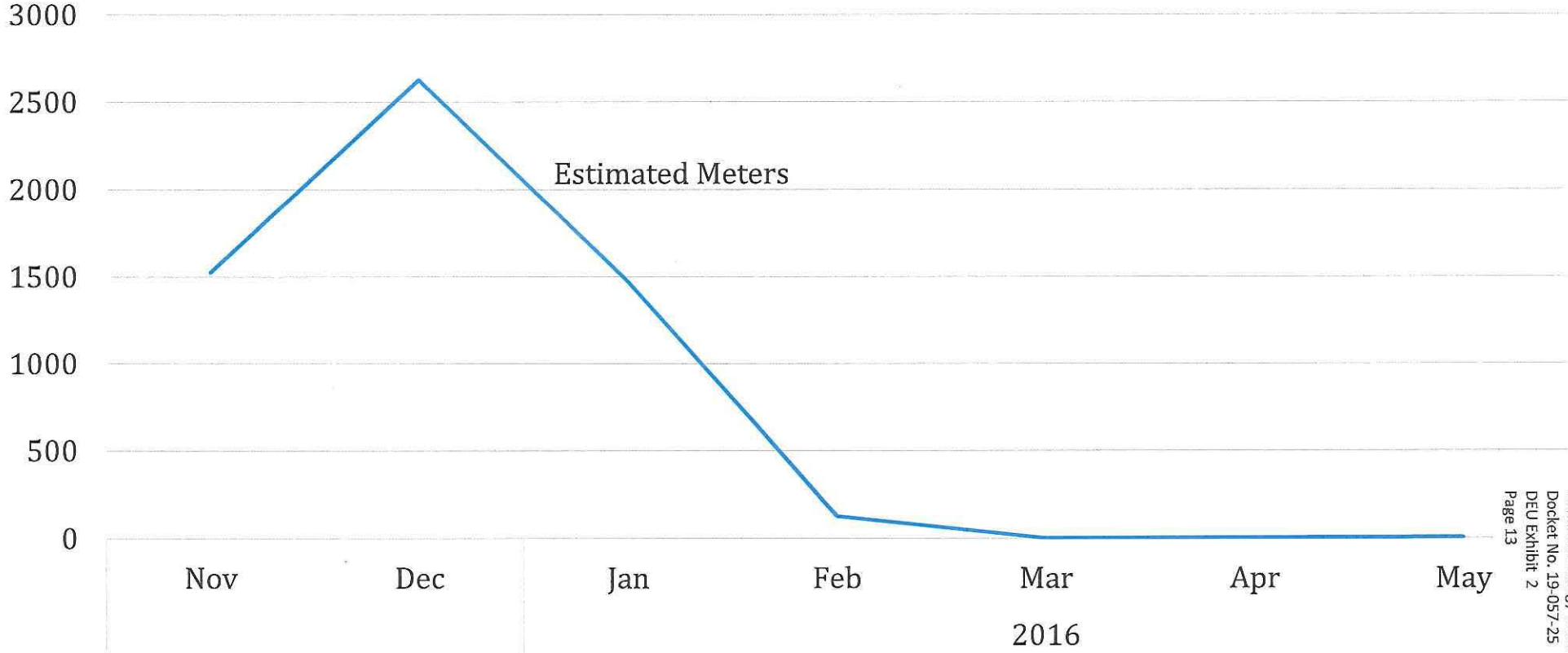
— November

- Began installing

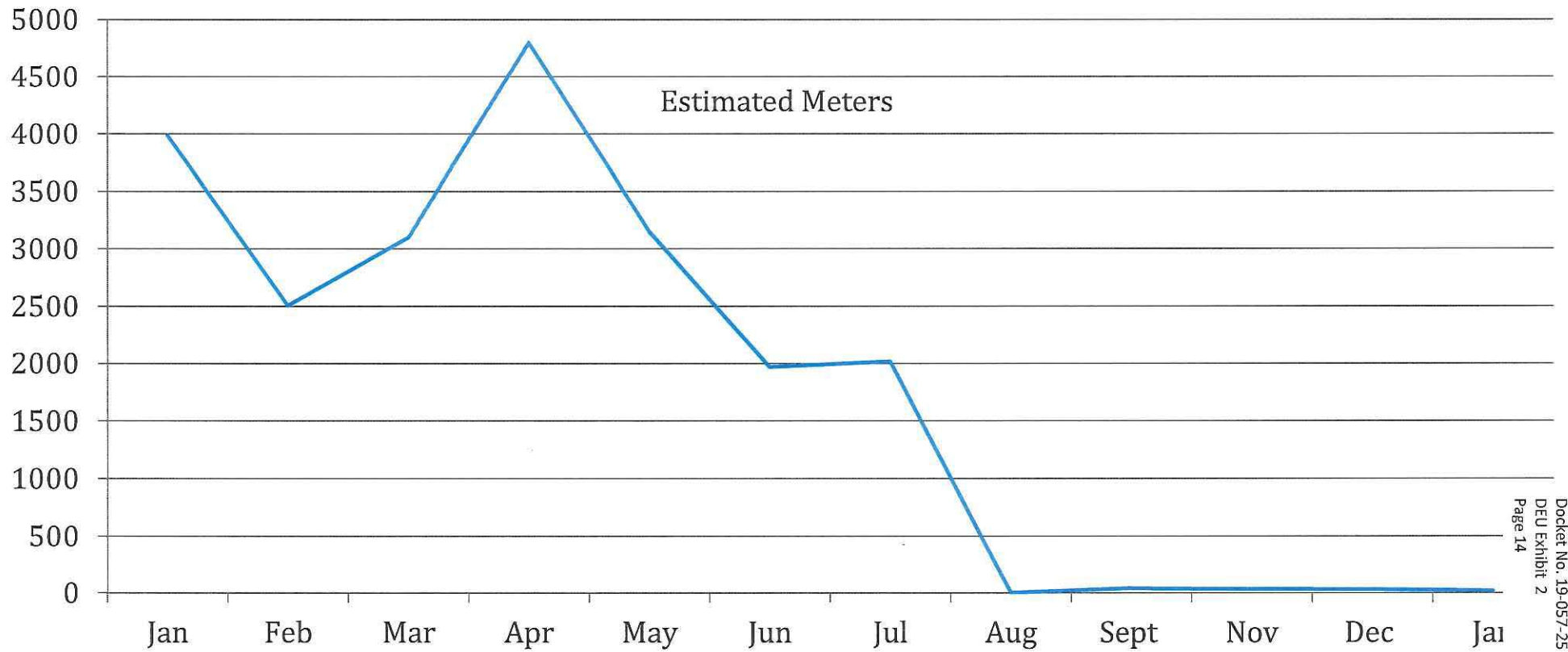
Why Itron

- **Technology: Bubble up vs Wake up**
- **Power Usage: Circuit design and Battery Consumption**
- **Reading Equipment: Portability, Networking, Stability, Power, and Reliability**
- **Transponder Construction: Cover, Bolts, Insulation, Antenna, Seal**
- **Features: Consistency, Speed, Distance, Drive Rate, Power Settings, History, Tamper Reporting**

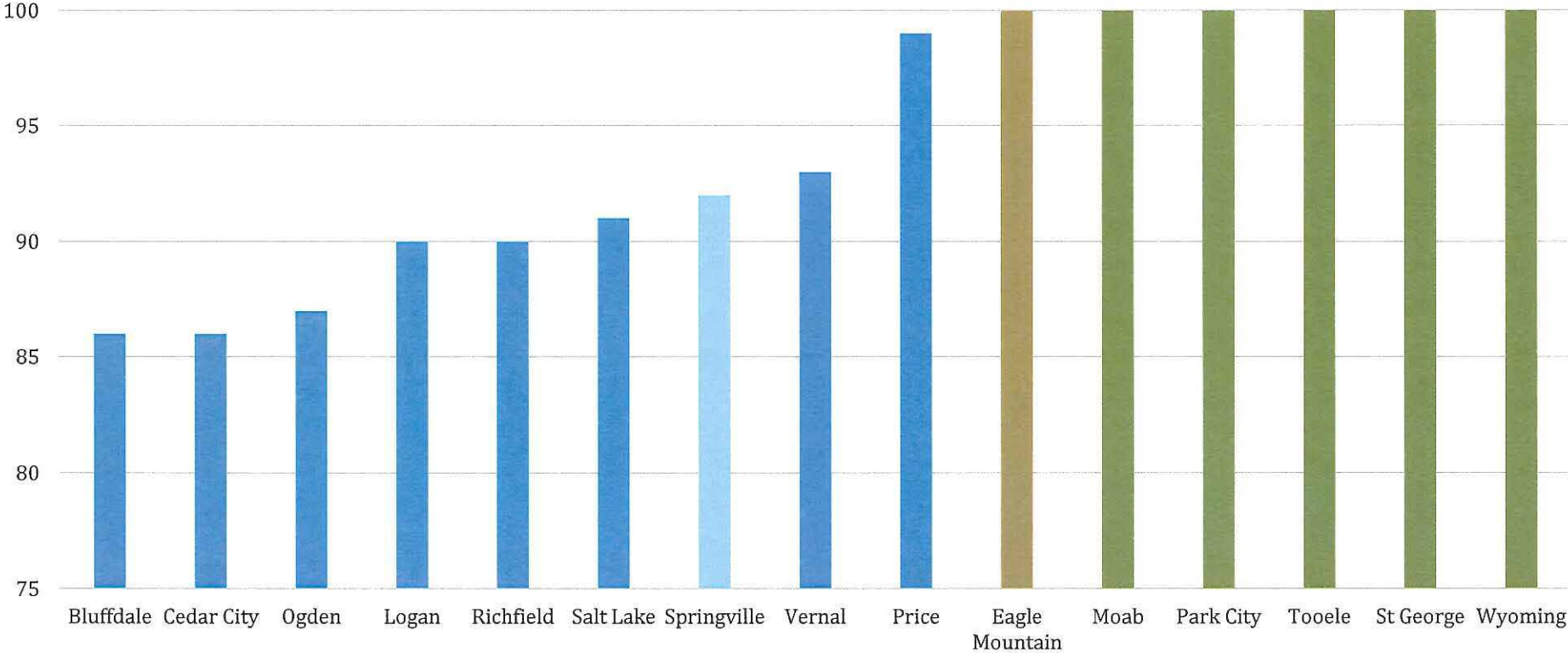
2016 Tooele Results



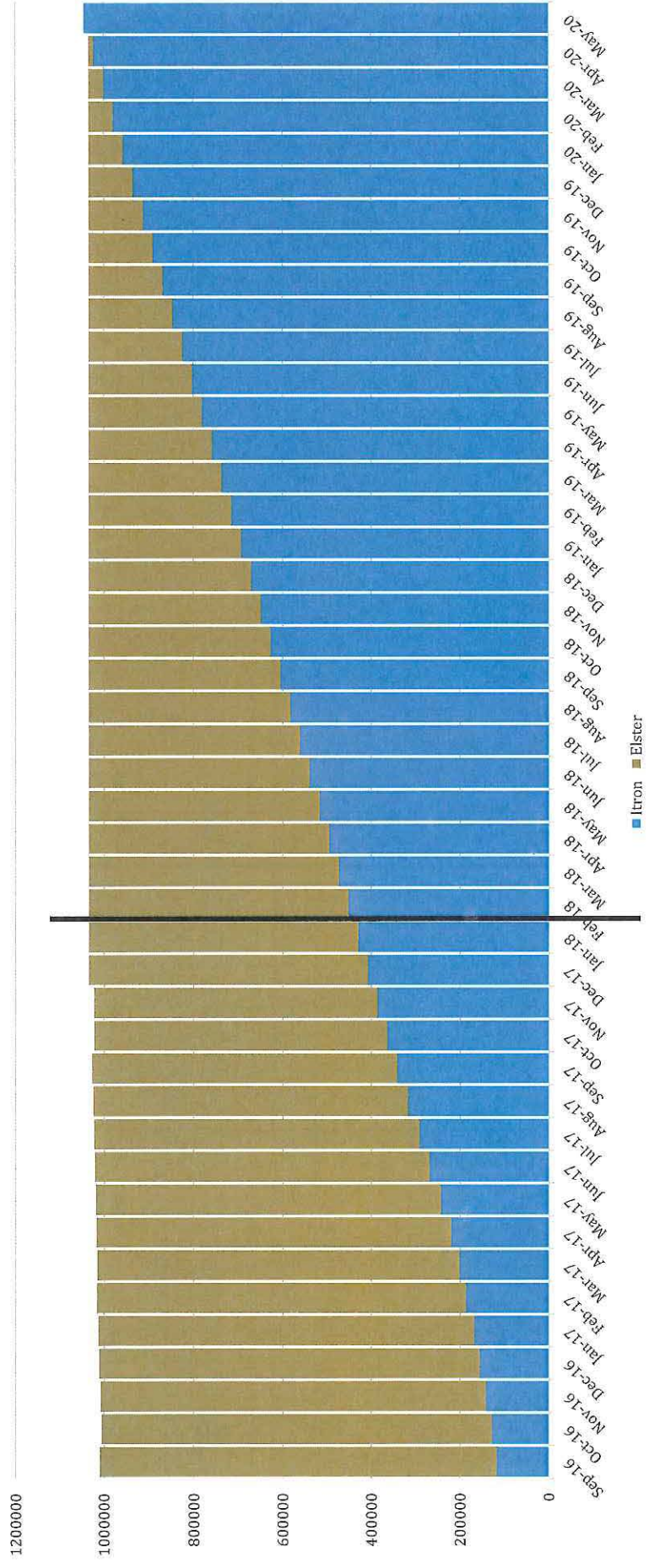
2016 St George Results



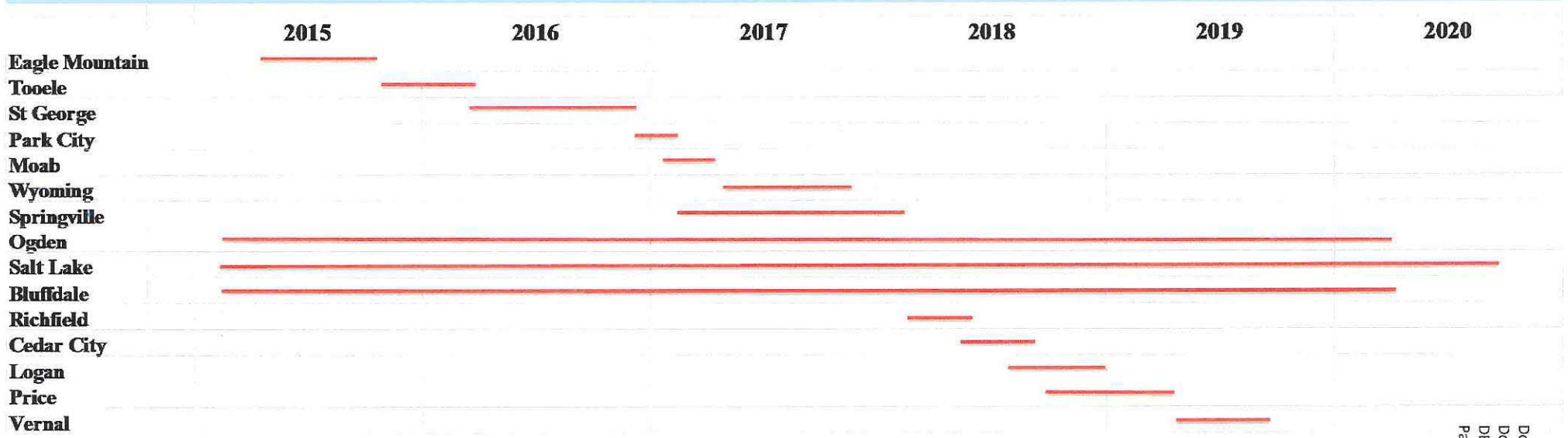
Reply Rate by Area



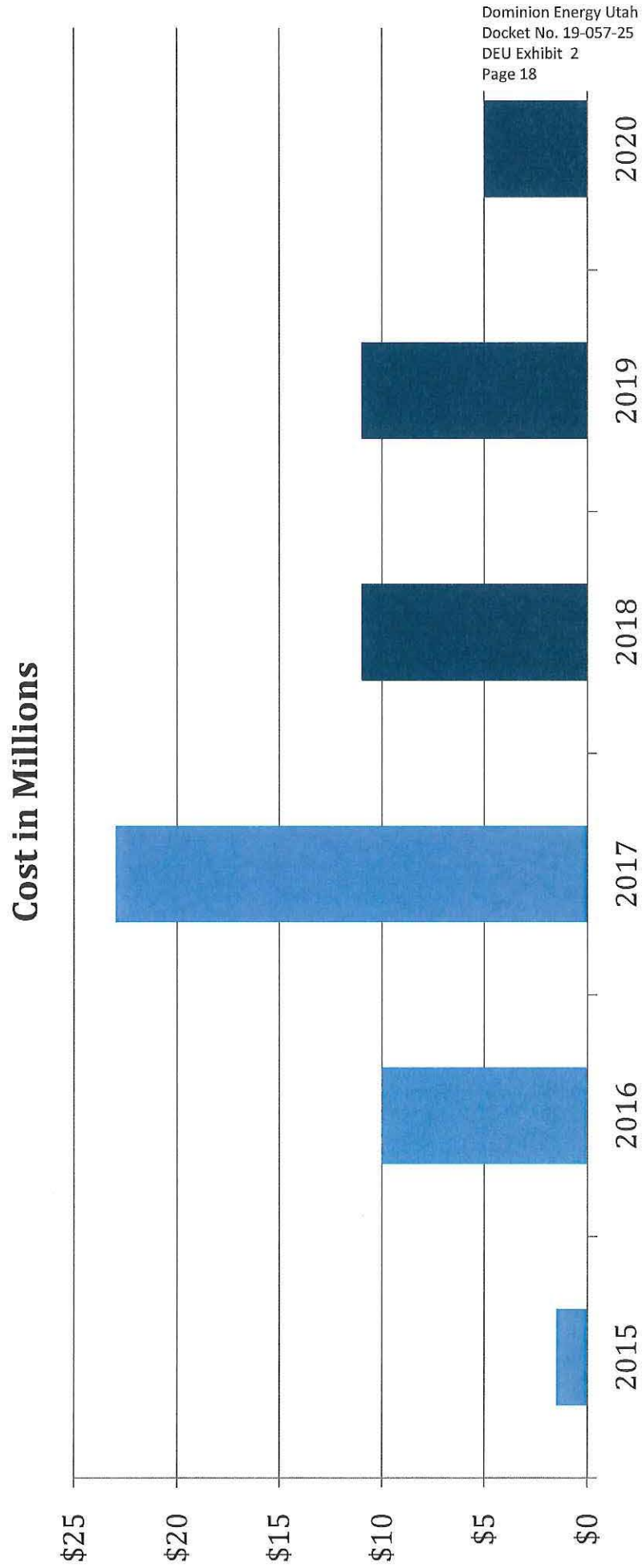
2017 Itron vs Elster Ratio



Installation Schedule



Transponder Replacement Project Costs



Remediation Plan

- **2nd Quarter Merger Integration Report (DEU Exhibit 14, Page 1)**

The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. This should result in reduced battery failures, higher meter reads and lower call volume.

- **3rd Quarter Report Merger Integration Report (DEU Exhibit 20, Page 1)**

The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. Approximately 55% of the failing transponders have been replaced but the remaining transponders that are still in service continue to experience declining performance. As these failing transponders are replaced it should result in higher meter reads.

Months	2018							2019							
	estimated	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1	15540	18456	23109	24501	29922	26924	21164	25408	21174	16267	7548	6767	4954	5231	8839
2	3416	4783	6930	11795	14881	20797	19375	11793	16466	12680	7738	3727	2421	1779	2134
3	1215	1223	1752	3380	5559	11367	10984	11038	6361	11321	9627	5441	2208	1336	1042
4	520	544	488	1155	162	4367	5462	4390	5877	4148	9600	7096	3845	1693	881
5	323	284	258	324	927	1309	2179	2820	2818	3613	3016	7926	5524	2646	740
6	303	126	170	154	194	682	655	1220	1521	2027	2767	2172	6027	3699	1335
7	346	76	100	134	103	162	595	470	915	975	1723	2249	1624	3724	1378
8	64	119	50	96	103	92	130	523	393	678	853	1242	1685	741	1415
9	43	20	23	45	91	46	73	81	478	324	392	629	934	949	219
10	26	26	5	14	36	33	32	45	64	393	134	268	321	578	337
11	2	17	10	1	8	5	5	21	30	45	114	104	182	77	303
12	3	1	4	6		1	3	3	4	25	27	72	72	124	30
13		3		3	4		1	1	2	3	13	19	44	7	15
14			2		2	3				1	3	10	14	3	2
15				2			1	1	1	1		3	7	1	2
16														1	1
Grand Total	21801	25678	32901	41610	51992	65788	60659	57814	56104	52501	43555	37725	29862	22589	18673
	484	259	192	296	341	339	838	1143	1884	2440	3243	4564	4818	6193	3682

[Skip Navigation](#)Dominion Energy Utah
Docket No. 19-057-25
DEU Exhibit 4

Estimated Bills Q & A

Why have you estimated my bill?

Our gas meters are read each month by a “transponder,” a small radio transmitter that sends the usage measured at the meter to a receiver-equipped vehicle that drives through your neighborhood. To determine the amount of gas you have used since the last time your meter was read, we subtract the previous month’s meter reading from the current reading.

If the transponder doesn’t transmit the information, the company will estimate the read for that month. A transponder is an electronic piece of equipment that can fail for a variety of reasons. We are currently in the process of placing newer and more reliable equipment on our meters to reduce the number of estimations. As of August 2019, the project is about 80 percent complete.

What factors go into the calculation of my bill?

Our estimation calculation looks at the same month for the previous year (or a similar time period) and takes into account the number of days in the billing cycle along with relevant weather factors.

What happens when a reading comes in after my bill has been estimated?

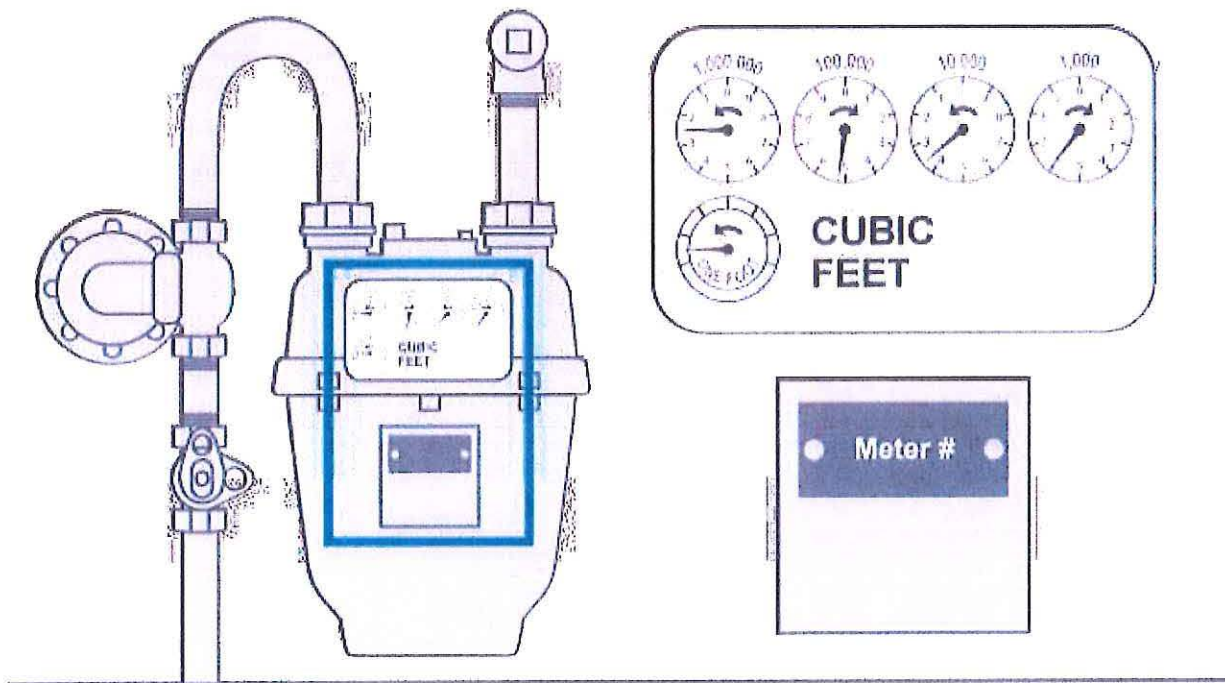
Once we receive an actual reading (either by physically reading your meter or through a replaced transponder), the account will be billed according to the updated meter reading. This means that if the estimations were low, you could see a higher-than-normal bill for that month. If the estimations were high, you could see a lower-than-normal bill or a credit on your account.

How do I know the updated reading is correct?

While we bill your account with an estimated reading if the transponder isn’t transmitting, we can verify your gas usage via the meter index. The meter index is a part of the meter and continues to count accurately even if there is a problem with the transponder. The meter index provides us with an accurate backup reading.

What should I do if I see my bill estimated for multiple months?

Dominion Energy strives to read meters each month for actual usage. If your bill is estimated for multiple months, you can email a photo of the dials on your meter to customercare@dominionenergy.com (be sure to include the badge/meter number on the meter). With that information, we can bill the account based on the meter’s current reading. Or, you may call us at 800-323-5517 and we will send a representative to read your meter manually.



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