

BEFORE THE
PUBLIC SERVICE Commission OF UTAH

Questar Gas Company

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Docket No. 02-057-XX

**PREPARED DIRECT TESTIMONY OF
RONALD W. JIBSON
FOR QUESTAR GAS COMPANY**

May 1, 2002

1

2 **Q. Please state your name and business address.**

3 A. My name is Ronald W. Jibson. My business address is 180 East 100 South, PO
4 Box 45360, Salt Lake City, Utah 84145.

5

6 **Q. By who are you employed and what is your position?**

7 A. I am employed by Questar Regulated Services Company.

8

9 **Q. What are your qualifications to testify in this proceeding?**

10 A. I am General Manager of Questar Gas. In this position I direct the operational
11 and non-administrative functions for the Company including construction, provision of
12 service, technical support, billing, customer relations and _____.

13

14 **Q. Please describe your background and experience with the Company.**

15 A. (Brief Description of Education, employment history, including various positions
16 with Mountain Fuel and QGC. Be sure to include you position with the AGA and current
17 responsibilities testifying at the national level.)

18

19 **Q. What is the purpose of your prefiled testimony in this proceeding?**

20 A. I would like to present a review of our operational performance during the past
21 few years, including a review of service levels and declining customer satisfaction. I will
22 outline steps Questar Gas Company ("QGC" or the "Company") has taken to continue

1 providing service under current regulatory restrictions. I will then describe QGC's plans
2 for providing customer service in the future.

3
4 **Q. Mr. Allred has described, on a per-customer basis, that O&M costs and employees
5 have continued to decline. How has this been accomplished in past years?**

6 A. I will not restate the Company's history prior to 2000, which was addressed by
7 Susan Glasmann in her direct testimony in Docket No. 99-057-20. To summarize, she
8 discussed how QGC has taken proactive steps to improve productivity while maintaining
9 customer satisfaction levels. She described how technology, employee cross-training,
10 formation of resource pools and outsourcing have allowed for this increase productivity.
11 She also reviewed the centralization of various functions and closure of business offices
12 throughout our service territory.

13
14 **Q. Was customer satisfaction affected during this time?**

15 A. Signs of declining service were beginning to appear a few years ago. For
16 example, some customers with noncritical service requests were required to wait 2 ½
17 weeks for service. Meanwhile, in the call center, 16% of customers had abandoned their
18 calls before they were answered, which increased to 50% during peak periods. We have
19 also experienced challenges with customer satisfaction with regard to maintenance,
20 construction and other QGC functions.

21
22 **Q. In your opinion, what do QGC customers expect and require from their natural gas
23 provider?**

24 A. During the past couple of years, the Company has gone to extensive efforts
25 through customer focus groups and surveys to determine the expectations of customers
26 with regard to natural gas service. [Include summary sheets or survey results if not too
27 cumbersome as exhibits.] These focus groups and surveys clearly indicate that our
28 customer's highest priorities are (1) low natural gas prices, (2) reliability and (3) safe

1 service. As shown in the exhibits, there is a clear separation between the importance of
2 these three expectations and other possible utility service such as
3 _____.

4
5 **Q. Have customer expectations been met by QGC employees in the past?**

6 A. QGC has historically exceeded customer expectations routinely checking
7 appliances, lighting pilot lights and performing in-home inspections. While some
8 customers view these as important functions and may even rely on them, these services
9 have been used by a relatively small percentage of our customer base.

10
11 **Q. Have these services been discontinued?**

12 A. To attempt to provide an adequate return on our shareholders investment, the
13 Company has eliminated services that can be performed by third parties and which do not
14 affect the majority of our customers. These include checking appliances, lighting pilot
15 lights and in home inspections. While this has resulted in an inconvenience to some
16 customers, I believe that terminating these services has allowed us to meet our customer
17 expectations while controlling costs. Frankly, the Company had no choice but to
18 eliminate these services. QGC downsized its workforce through an early retirement
19 initiated just after the last rate case. We are still focusing on controlling costs and
20 focusing our time on the two main functions of reliability and safety.

21
22 **Q. How has this been accomplished?**

23 A. We have been able to accomplish this through utilization of some outsourcing of
24 services and clarifying the roles that city inspectors were required to perform but have
25 been relying on the Company to provide. In addition, we have continued the cross-
26 training of employees to allow for reliability and safety concerns to be met during peak
27 periods.

28

1 **Q. Do you expect this trend to continue in the future?**

2 A. It will be a daunting task to maintain current service levels when we are adding
3 almost 20,000 customers per year and requiring more and more efforts of our current
4 work force. We are close to the point where our current employee workforce can barely
5 provide for the basic services we are still maintaining and some changes may be required
6 if current trends continue.

7
8 **Q. Please describe what you mean?**

9 A. If further cost cutting is required, the Company would have no alternative but to
10 change our basic service level which is now meeting basic customer expectations. For
11 example, currently when we receive a call from a customer needing help with a gas leak,
12 we currently send a representative to diagnose the leak and fix the problem if it is minor
13 in nature. If it cannot be immediately fixed, the QGC service tech will secure the leak
14 while directing the customer for further corrective actions. In the future, I am afraid that
15 a gas leak call will necessarily require to service tech to merely go to the home, shutoff
16 gas service at the gas meter, and request the customer to immediately call a heating
17 contractor to determine the cause of the leak and fix it. While it could be argued that this
18 complies with the Company's main charge of providing reliable and safe service, it could
19 result in significant dissatisfaction with our customers. Especially if a gas leak call is
20 made during a cold period, merely shutting off the gas will keep the customer safe, but
21 may result in significant discomfort for the customer.

22
23 **Q. Are you satisfied with the service you are currently providing for customers?**

24 A. The Company continues to be a leader in customer satisfaction ratings among
25 utilities. However, the past several years has caused a significant decline in these
26 measures. For example, [include data] I would also note that the Company and the
27 Commission have both received an increasing number of complaints from customers,
28 some of which arise from our inability to quickly resolve their concerns. Currently, the

1 Company is meeting or customers' highest priorities by providing low cost natural gas
2 service which they can be assured is reliable and safe. But I am concerned. Safety is one
3 thing, but continued increasing customer discomfort and dissatisfaction concerns me.
4 Speaking on behalf of our service employees, I also must emphasize how demoralizing it
5 is to attempt to provide quality natural gas service, lacking resources to do a proper job,
6 and being faced with undeliverable customer dissatisfaction.
7

8 **Q. What do you recommend in this case?**

9 A. We are at the point where employee levels need to be adjusted somewhat to even
10 maintain our current levels of service. I have currently planned to hire ___ employees to
11 serve our current customer base. I would hope that the Commission recognizes its rate
12 relief it allows in the end determines the quality of service that the Company can provide.
13 I believe that it would be in the public interest for the Company to be able to continue to
14 provide current service levels performed by our employee workforce. I also believe that
15 a minor upward adjustment in our workforce is required to maintain the functions we
16 currently perform. If the Commission determines that a return to a more comprehensive
17 service level is warranted to accomplish this.
18

19 **Q. Does this conclude your testimony?**

20 A. Yes it does.