
Formal Complaint of Chuck Waddell against Dominion Energy Utah	<u>DOCKET NO. 21-057-15</u> <u>ORDER</u>
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ISSUED: September 16, 2021

1. Background

On July 13, 2021, Chuck Waddell (“Complainant”) filed a formal complaint (“Complaint”) with the Public Service Commission (PSC) against Questar Gas Company dba Dominion Energy Utah (DEU) for increasing the proposed charges to install an “1100’ run” of gas-line and hookup, and associated construction costs for service to Complainant’s residence. DEU originally quoted Complainant estimated costs of approximately \$12,300 (“Original Estimate”), consistent with a Main Extension Agreement dated October 29, 2020 (“Draft Agreement”). DEU subsequently updated them to approximately \$21,000 (“Updated Costs”), consistent with a second Main Extension Agreement dated March 3, 2021 (the “Updated Agreement”).¹

The Complaint alleges that between the time when DEU quoted Complainant the Original Estimate and the Updated Costs, Complainant made a good faith effort to convince his neighbors that they join him and share the costs “so that [they] could reduce the cost for each hookup.”² Complainant asserts that when his neighbors found out about the Updated Costs, they

¹ The Main Extension Agreements are attached to the DEU Response (defined later in our order) as Exhibits A and B, respectively. DEU refers to the Draft Agreement as “a *draft* Main Extension Agreement that *estimated* ... the cost[s] of installing the mainline [to] ... be \$12,332.70.” Emphasis added. However, the only difference between the two agreements appears to be the costs. There is no indication in the Draft Agreement that it is a draft nor that the costs are “estimated costs.” In addition, the costs reflected in each agreement are specific – \$12,332.70 in the first and \$21,017.00 in the second. This may have contributed to the confusion regarding DEU’s Original Estimate.

² Complaint, at 1.

all “backed out.” The Complaint consequently requests that the PSC require DEU to coordinate with Complainant’s neighbors and encourage them to share in the Updated Costs.

On August 12, 2021, DEU filed its response to the Complaint (“DEU Response”). DEU explains that after providing Complainant with the Original Estimate, DEU conducted a competitive bidding process in all of its construction zones, as it does every three years “to ensure ... costs ... are competitive and fair.”³ DEU explains that the Original Estimate was based on DEU’s last bidding process which occurred in 2017 and therefore is not accurate.⁴ DEU asserts that the Updated Costs are higher but that they are current, and that once DEU received updated costs consistent with the bids, it subsequently entered into contracts with the successful bidders, with new costs effective January 1, 2021.

DEU further explains that the Updated Costs are based on actual costs associated with the main extension, consistent with DEU’s Utah Natural Gas Tariff No. 500 (“Tariff”) and, therefore, are not arbitrary. DEU indicates that the Tariff provides that “[a]n applicant must pay an up-front cas[h] contribution in aid of construction in advance of extension of IHP main. The cash contribution will be equal to the sum of the Main Extension costs for extending a main as defined below.”⁵ DEU claims that the Updated Costs include costs for “pipe; trenching; asphalt and cement cuts; asphalt and cement replacement; fill and compaction; permit fees” and other construction related costs (specifically referenced in the Tariff). DEU states these costs were

³ DEU Response, at 2.

⁴ *Id.*

⁵ *Id.* at 2-3 (quoting Tariff at § 9.03).

provided to Complainant as part of the Updated Agreement. The detail associated with the Updated Costs is attached to the DEU Response as DEU Confidential Exhibit C.

The reply deadline to the DEU Response was August 27, 2021 and no reply was filed.

2. Discussion

We have carefully reviewed all of the information provided by the parties. We acknowledge the confusion regarding DEU's Original Estimate and the Updated Costs and find that DEU's communications to Complainant concerning the nature of the Original Estimate could have been more clear.⁶ The focus of the Complaint, however, is not that DEU should be held to the Original Estimate rather than the Updated Costs, given the significant increase.⁷ Rather, Complainant asks the PSC to require DEU to encourage Complainant's neighbors who would also benefit from the requested hook-up main line, to share in the Updated Costs.

While the Updated Costs are significantly higher than the Original Estimate,⁸ we find that they are more accurate. The Updated Costs are based on current pricing and not 2017 pricing, consistent with the bidding process that occurred in late 2020. We also find that the work to be performed and the associated costs are consistent with the type of work and the costs referenced in the Tariff, including the method of charging for the work to be performed. The Tariff states that "[a]n applicant must pay an up-front cash contribution in aid of construction in advance of extension of IHP main. The cash contribution will be equal to the sum of the Main Extension

⁶ For example, there is no indication in any of the materials provided to the PSC that Complainant had any knowledge that the costs reflected in the Draft Agreement were only estimates. It is also not clear that Complainant had any knowledge that DEU would be issuing a request for proposals for new construction costs that would impact the Original Estimate.

⁷ We conclude that any such request would be a contract law issue over which we do not have jurisdiction in any event.

⁸ Complainant states that the Updated Costs are 38 percent higher than the Original Estimate.

costs for extending a main as defined below.” Tariff at § 9.03. There is nothing in the Tariff that requires DEU to divide the charges for the work to be performed among “potential” customers. As far as the PSC can discern, only Complainant has approached DEU for the work necessary to hook up a line for service. There is nothing in the law nor any other information on the record to support Complainant’s request. While the PSC recognizes Complainant’s efforts in attempting to divide the Updated Costs among his neighbors, the PSC cannot require DEU to encourage Complainant’s neighbors to share in the costs. DEU is charging Complainant Updated Costs which are accurate and based on current costs and which are consistent with the Tariff.

3. Order

For the reasons explained above, the PSC denies the relief sought in the Complaint.

DATED at Salt Lake City, Utah, September 16, 2021.

/s/ Yvonne R. Hogle
Presiding Officer

Approved and Confirmed September 16, 2021, as the Order of the Public Service
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#320280

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on September 16, 2021, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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