

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar Gas)
Company for Change in Tariff No. 300, Re: The)
Clarification of Company Practice and Policy as it)
relates to the setting of Meters and the International)
Mechanical Code)

DOCKET NO. 00-057-T04

ERRATUM TO
SUBSTITUTE ORDER

ISSUED: December 27, 2001

SYNOPSIS

This Substitute Order replaces the Commission's prior Order issued November 28, 2001. On September 13, 2000, Questar Gas Company ("Questar Gas" or the "Company") filed a request for proposed tariff change with the Public Service Commission of Utah ("Commission") seeking authority to revise its tariffs to clarify Company practice in regard to inspections performed by the Company on or before it initiates gas service. This tariff change was opposed by Mr. Ron Ivie representing the City of Park City and the Utah State Code Commission. Questar Gas, Mr. Ivie, the Division of Public Utilities ("Division"), and the Committee of Consumer Services ("Committee") entered into a Stipulation resolving the issues in this case which was filed with the Commission on November 8, 2001. The Commission finds that the terms and condition of the Stipulation resolve all of the outstanding issues in the above-entitled preceding and adopts the Stipulation as reasonable and in the public interest.

By The Commission:

PROCEDURAL HISTORY

1. The Commission previously issued an order in this Docket November 28, 2001. The Commission has determined that a substitute order should be issued to replace the November 28, 2001, Order. This Substitute Order provides additional detail and rationale for the resolution of the issues presented in this Docket. On September 13, 2000, Questar Gas filed a Request for Proposed Tariff Change with the Public Service Commission of Utah ("Commission") seeking authority to revise its tariff which it believes clarifies a longstanding Company practice with regard to inspections performed by the Company on or before the time it initiates gas service. On October 25, 2000, the Commission issued its Suspension of Proposed Tariff and Notice of a Scheduling Conference.
2. On October 31, 2000, Questar Gas, the Division, the Committee, and Mr. Ivie (collectively the "Parties") attended a scheduling conference where the Parties discussed issues in this docket and agreed to a procedural schedule.
3. On January 3, 2001, comments of various contractors, municipal officials and other interested Parties were filed with the Commission, followed by the direct testimony of Questar Gas on February 6, 2001. On March 6, 2001, the Division and Committee each filed responsive direct testimony.
4. On March 20, 2001, the Commission held a hearing to consider the recommendations of the Parties, accept expert testimony of the Parties, and receive public comment with regard to the proposed tariff change in this case. After the noon recess, the Parties expressed a desire to discuss their respective positions and work toward settlement of the case. This was followed by a 4:00 p.m. report by the Parties that an initial settlement had been reached, and a stipulation and proposed order would be submitted to the Commission for its consideration.
5. Since the March 20, 2001 hearing, the Parties have met on various occasions with a view to signing a stipulation

resolving all of the outstanding issues in this case. This Stipulation was filed on November 8, 2001.

STIPULATED ISSUES

6. Under the Stipulation, and citing the Uniform Building Standards Act, 58-56-1 et. seq. (1999), the Parties agreed that the ultimate responsibility for inspection of gas piping installation, venting, and all other associated installation for natural gas usage rests with the political subdivisions that perform inspections generally and issue building permits. This will usually involve the municipalities where building permits are sought and issued ("Inspecting Municipality").

7. The Parties Stipulated that Questar Gas will continue to perform its meter spot test before initiating gas service. This test, described by Company witness Michael D. Jaynes, will continue to include, as is Company policy, a visual inspection of venting, connections, operating pressure, and appliances. In this regard, Questar Gas will continue to "red tag" on the premises when it sees an unsafe appliance situation. In this respect, the Company will notify all Inspecting Municipalities of its red tag policy and will advise each municipality or agency that Questar Gas will notify them by email of any red tag. The red tag e-mail will list all premises where red tags were posted, sorted by zip-code number, and with new construction addresses highlighted.

8. The Parties stipulated that, during a transition period ending on July 1, 2002, Questar Gas will perform a pressure test in any structure where the Inspecting Municipality has not yet prepared to perform its inspection responsibilities. Providing this pressure test will cease by Questar Gas as each Inspecting Municipality provides for its own inspection and notifies Questar Gas of such preparations. In any event, the function of providing the pressure test will cease for any and all jurisdictions on July 1, 2002, at which time the only inspection function will be the meter spot test and visual inspection by the Company.

9. The Parties stipulated that Questar Gas will henceforth initiate gas service at any premises where the Company has performed its meter spot check and visual inspection and where either i) the Inspecting Municipality has notified the Company of the passage of a full inspection, or ii) where a pressure test has been performed by the Company. On or after July 1, 2002, the Company will not initiate gas service unless it has performed its own meter spot test and it has received notification from the Inspecting Municipality that a full inspection has been performed.

10. With respect to contractors, builders, and installers, the Parties stipulated that the training responsibility for these parties does not rest with Questar Gas. Any certification, training and ongoing compliance will be performed under the auspices of the Uniform Building Code Commission and the Division of Occupational and Professional Licensing. However, the Parties agreed that Questar Gas will provide its "Good Practices Manual," or any succeeding publication to builders, contractors or installers as a resource of generally accepted installation standards.

11. The Parties stipulated that Questar Gas will, through its Technical Training Department, provide technical support for Inspecting Municipalities in their evaluation of test equipment for manifold pressure and altitude adjustment. Questar Gas will provide primary and backup contacts to provide technical assistance to Inspecting Municipalities. This technical assistance will not terminate on July 1, 2002.

12. The Parties stipulated that, at the time of its meter spot test, if the Company determines for the first time that a meter set above four ounce capacity is required at the premises, it will so notify the Inspecting Municipality of this situation so that any inspection procedures can be performed by such agency. Questar Gas will not increase gas pressure to such premises until it has received authorization from the respecting Municipality.

13. The Parties stipulated that, if an inspector of a Inspecting Municipality notifies the Company of an unsafe situation, the Company will shut off gas service to that premises only if a written notification is received by fax or regular mail by the Company and signed by the appropriate supervising official of the Inspecting Municipality.

14. The Parties stipulated that, within one month of the date of the Commission's Order adopting the Stipulation, the Company will review its service logs, records and files and will issue a report to the Inspecting Municipalities, the Division and Committee, summarizing the problem areas it has seen in the course of its regular meter spot testing and visual inspection, including a report of problem areas uncovered during green tag inspections. Included in this report will be a priority list of problem areas which should be addressed by inspection officials as Inspecting Municipalities

fully undertake this inspection function.

15. In the Stipulation, the Parties sought language from the Commission in its Order to emphasize the general public interest of Inspecting Municipalities completing this necessary inspection function.

ULTIMATE FINDINGS AND CONCLUSIONS

16. The Commission has proper jurisdiction over the applicant and the subject matter of the Application.

17. The Stipulation disposes of the ultimate issues to be decided in this proceeding. In particular, the terms and conditions of the Stipulation provide for a reasonable transition period whereby Questar Gas will continue to perform inspection functions within the context of its meter spot test and will perform other visual inspections, particularly during a transition period while Inspecting Municipalities obtain authority and funding to perform their respective code inspection functions.

18. Undertaking of Code Inspection functions by Inspecting Municipalities will require, not only authorization from city councils and other enabling bodies, but additional tax-supported funding from their respective constituencies. While it is beyond the Commissions jurisdiction to direct or order any such funding, as a regulatory body the Commission finds it to be in the public interest and just and reasonable for Inspecting Municipalities to pursue and maintain funding to perform code inspection function which will have a general support of Questar Gas and primarily review and authority with the Utah State Code Commission.

19. The Commission finds and concludes that the terms and conditions of the Stipulation are unanimously supported by the Parties, and are factually supported by the expert witnesses testifying in this case, including Company witnesses Michael D. Jaynes and Ronald W. Jibson, Darrell S. Hanson for the Division and Eric Orton for the Committee. All witnesses in this proceeding agree that ultimate code inspection responsibility does not fall with Questar Gas but that a reasonable transition period is required to insure the public safety while inspection responsibilities and procedures are undertaken by Inspecting Municipalities.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

The November 8, 2001 Stipulation reached by Questar Gas Company, the Division of Public Utilities, the Committee of Consumer Services, and Ron Ivie is in the public interest and the terms and conditions provided therein are just and reasonable, therefore, it is hereby approved as of the effective date of this Order.

Dated at Salt Lake City, Utah, this 27th day of December, 2001.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

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