

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Complaint of Ronald)
Griffen)
Complainant,)
v.)
Questar Gas Company,)
Respondent)

DOCKET NO. 02-057-01

ORDER OF DISMISSAL

ISSUED: June 23, 2003

By The Commission:

Ronald Griffen filed a customer complaint against Questar Gas Company (Questar) on April 12, 2002. The Division of Public Utilities submitted comments on September 13, 2002. Through an clerical error, Questar has not been informed of this customer complaint; no service upon Questar has been made. We are, however, able to resolve the matter without a response from Questar. We dismiss the complaint.

In his complaint, Mr. Griffen raises two issues: 1. He complains that Questar accepts credit card payments, but only through a third party provider and then with the customer paying a service fee associated with the credit card payment. 2. He objects to Questar's \$5.00 monthly customer service charge. On the first issue, Questar's charges for service are reviewed by the Commission in adjudicative, general rate case proceedings, open to the public. The reasonable costs and expenses of the company's utility service are reviewed and appropriate rates are then set to provide the company an opportunity to recover the level of costs and expenses used in the rate case. It is assumed that if the Commission sets a rate of X dollars for a service, the company will receive X dollars from customers in payment for the service.

Through the use of credit cards, customers of merchants may have the convenience of making this type of payment for goods and services, but credit card transactions incur a service fee from the credit card program administrator. Some merchants may be willing to absorb the credit card transaction fee, effectively reducing the revenue they receive from a customer who elects to take advantage of the merchants willingness to accept credit card payment, compared to other forms of payment. While other companies may elect to receive less revenues through a credit card transaction for goods or services (the grocery store example noted in Mr. Griffin's complaint), it is not unreasonable for a regulated utility to try to ensure that it receives the full revenue contemplated in the rates set by the Commission; requiring the customer to cover the credit card transaction fee associated with that means of payment. Nor is it necessarily unreasonable for a regulated utility to forego the expenses associated with itself setting up and maintaining a credit card transactions service arrangement with a credit card program administrator.

Without more, it is not unreasonable for a regulated utility to avoid, for itself, costs associated with credit card payments by arranging credit card payments through a third party and having customers pay fees associated with the credit card payment method. This protects the company (and its other customers) from having to bear costs incurred for those customers who desire, for their own reasons, to make payment via credit card. We note that Questar also accepts payment for utility services through free monthly electronic funds transfer, payment drop boxes and direct payment to the company. In each of these instances, the company receives the full amount of revenue contemplated in the Commission approved rates. Based upon our general knowledge and the information contained in Mr. Griffin's written complaint, we can conclude, without a need for a hearing, that Questar's credit card payment arrangement is not unreasonable.

On Mr. Griffin's second point, the \$5 monthly customer charge, we have already noted that Questar's charges are set or reviewed in rate proceedings before the Commission. In these proceedings, the Commission undertakes rate design to set a myriad of rates that, overall, provide the company with an opportunity to recover its reasonable service costs and

expenses. The monthly service charge has specifically been reviewed and set by the Commission, in conjunction with other rates, to recover costs incurred to provide service to Questar's customers. Our past rate case examination has reviewed the cost incurrence, level of expenses and the rate design which support including a monthly customer service charge at a \$5 level. We recognize that Mr. Griffin has not personally participated in these public proceedings and may not be aware of the substantial record evidence developed and used to support the specific rates set in these proceedings. At this juncture, Utah statute prevents us from reviewing the reasonableness of the monthly customer charge issue raised by Mr. Griffin's customer complaint. Utah Code Section 54-7-9 (the Commission is precluded from "entertain[ing a complaint] concerning the reasonableness of any rates or charges of any gas . . . corporation, unless the requested is signed by: [various governmental entities or representatives]; or by not less than 25 consumers or purchasers . . ."). Should Mr. Griffin desire to pursue this point, we invite him to participate in any future Questar rate proceeding where he could raise this point, provide his evidence and present his opinions concerning this particular charge and rate design.

Wherefore, based on Mr. Griffin's customer complaint and the foregoing discussion, we conclude that Mr. Griffin has failed to raise an adequate dispute concerning Questar's credit card payment arrangements and monthly customer charge which we could pursue under Utah statute. It is hereby Ordered that the Complaint is dismissed.

DATED at Salt Lake City, Utah, this 23rd day of June, 2003.

/s/ Richard M. Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

GW#34141