

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Formal Complaint of)
Mitchell vs. Questar Gas Company) DOCKET NO. 08-057-08
) REPORT AND ORDER
)

ISSUED: March 30, 2009

By The Commission:

This matter is before the Commission on Gordon and Nancy Mitchell's formal complaint against Questar Gas Company (Questar), arising out of a dispute related to the transponder back-billing issues. On December 4, 2007, Mr. Mitchell received a bill from Questar with charges of \$2,176.41 with no explanation of those charges. Upon contacting Questar to determine the nature of those charges, he was informed that the amount was for back-billed, previous usage for the 24 months between November 17, 2005 and November 20, 2007. The Mitchell's, like several other Questar customers, had transponders that had been installed incorrectly, resulting in volume reporting errors, leading to customer paying for about half of their true usage. This gave rise to circumstances where Questar underbilled affected customers for one-half of their actual consumption. Mr. Mitchell apparently felt that because he had upgraded insulation in his residence, his bills should have actually decreased. Additionally, he felt that since Questar created the mistake, it should solely bear the costs of the underbilled usage, and that he should be free from paying any remaining portion of his usage for those 24 months. Unable to obtain a result he felt was satisfactory through Questar, Mr. Mitchell and his wife, Nancy, filed a formal complaint with the Commission on March 18, 2008.

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Along with other complainants similarly situated, the Mitchell's formal complaint was consolidated on April 1, 2008 into Docket No. 08-057-11. That matter was finally resolved pursuant to a stipulation that was partially modified and approved by the Commission on December 3, 2008. Some key points of the stipulation and resulting Order was: 1) customers that had been underbilled for usage after the transponder installation (pre-divide errors) would be back-billed for no more than 6 months prior to when the error was discovered; 2) those customers would have at least one year to pay the back-billed amount; Questar was ordered to make reasonable accommodation to allow those with hardship to have more than one year to pay; 3) customers that paid back-billed amounts in a timely manner would not be charged interest; 4) customers who felt that their individual customer circumstances warranted individual treatment retained the right to pursue unresolved issues with the Commission; and 5) also other provisions related to back-billing and apportionment of uncollected costs. Despite the relief granted in this Order, the Mitchell's decided to pursue their own individual complaint.

The Mitchells essentially ask the Commission to order Questar not to charge them for any remaining balance of the unbilled usage during for the two years the transponder errors occurred. The Mitchells were originally back-billed 24 months for a total of \$2,299.09. Following the Commission order in the consolidated docket, Questar was ordered to reduce the Mitchell's bill to \$193.15. In addition, the Mitchells were given a year in which to pay this amount. They did not claim any financial hardship would have prevented them from paying this amount within a year. However, had they established such a hardship, Questar would have been required to make reasonable accommodation to allow them greater time in which to pay the

balance. So long as they paid their bill, they would not be charged interest. In sum, they will have to pay about \$16 per month in addition to their normal monthly bill until the \$193.15 is paid. Questar provided information that the Mitchell's average annual usage from 1998 to 2003 was 242.7 Dths. After the transponder was installed, the annual usage dropped to 139.8 Dths. From June 2007 to November 2007, the Mitchells used 48.5 Dths, and from June 2008 to November 2008 it was 45.5 Dths.

The Division of Public Utilities (Division) filed their recommendation on March 10, 2008. The Division cited many of the facts above in reaching their recommendation. The Division found that the Mitchell's case did not present significant or exceptional difference from other customers' issues who were dealt with by the Commission Order issued in the consolidated docket. The Division found that the six month back-billing period was justified and recommended the Mitchell's complaint be dismissed.

The Commission, having reviewed the Mitchell's Complaint and also the information presented by the Division, agrees that the Complaint should be dismissed. The Mitchells, like several other customers who were back-billed, received significant relief. They had to pay only a portion of the back-billed amount for a two year period, whereas other customers who might not have had similar transponder errors paid 100% of their usage for that same time-frame. They have provided no evidence that their circumstances are so unique from others similarly situated that they should be completely absolved of paying any portion of the remaining back-billed amounts. Even if the mistakes were caused by Questar, the Mitchell's

argument that the back-billing of the \$193.15 for a two-year period is unfair is unpersuasive.

That action is just and reasonable. Therefore, the Commission Orders as follows:

ORDER

1. The formal complaint of the Mitchells is dismissed with prejudice;
2. Pursuant to Utah Code § 63G-4-301 and 54-7-15, an aggrieved party may request agency review or rehearing of this Order by filing a written request for review or rehearing with the Commission 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 Commission does not grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission'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 §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 30th day of March, 2009.

/s/ Ruben H. Arredondo
Administrative Law Judge

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Approved and confirmed this 30th day of March, 2009, as the Report and Order of
the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#61292