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SOUTHWEST GAS CORPORATION

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October 23, 2013

Docket Control Office
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

Arizona Corporation Commission
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**Subject: Docket No. G-01551A-13-0327
Richard Gayer v. Southwest Gas Corporation
Southwest Gas Corporation's Answer to Formal Complaint**

Southwest Gas Corporation hereby submits an original and 13 copies of its answers and responds to the Formal Complaint in the above-referenced docket.

Should you have any questions, please do not hesitate to contact me at (702) 876-7163.

Respectfully submitted,

Debra S. Gallo by kmt

Debra S. Gallo, Director
Government & State Regulatory Affairs

DSG/kt
Enclosure

1 by Southwest Gas is without merit. The Commission conducted a thorough
2 examination of revenue decoupling mechanisms (similar to the EEP) over an
3 approximate two-year period that included numerous workshops, which culminated in
4 the Commission's Policy Statement Regarding Utility Disincentives to Energy Efficiency
5 and Decoupled Rate Structures. Consistent with the Commission's policy statement,
6 the Company proposed revenue decoupling in the form of the EEP as part of its most
7 recent Arizona general rate case proceeding (Docket No. G-01551A-10-0458). All
8 interested parties had the opportunity to participate in this duly noticed proceeding,
9 including participating in the various public comment sessions that were held and where
10 the topic of decoupling was discussed by other members of the public. The EEP was
11 subsequently approved by the Commission (Decision No. 72723). Based on the
12 foregoing, any claim that implementation of the EEP, including the monthly weather-
13 related component, was covert and without notice is simply unfounded and contrary to
14 robust record that was developed prior to its implementation.

15 Second, Southwest Gas has consistently complied with the applicable provisions
16 of its Arizona Gas Tariff in the implementation and administration of the EEP. Although
17 Mr. Gayer has generally alleged that Southwest Gas has violated its tariff, he has failed
18 to identify any specific tariff provision which the Company has purportedly disregarded.
19 Since December 2012, Mr. Gayer has made frequent contact with the Company
20 regarding the calculation of his bill, specifically the monthly component of the EEP.
21 During this period, Southwest Gas has continually provided Mr. Gayer with detailed
22 explanations of the calculation of his bill, including walking him through these
23 calculations on several different occasions to assist him with verifying his own bill –
24 apparently to his satisfaction until the filing of the complaint. Moreover, at his request,
25 Southwest Gas has provided Mr. Gayer with an itemized monthly bill, an option that is
26 available to all of its customers upon request.

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1 Unfortunately, it appears being responsive to and accommodating each of Mr.
2 Gayer's requests with respect to his own service and billing is simply not enough, as is
3 demonstrated by Mr. Gayer filing his formal complaint.

4 **RESPONSES TO ALLEGATIONS MADE IN FORMAL COMPLAINT**

5 1. Answering paragraph 1, Southwest Gas is a public utility subject to the
6 jurisdiction of the Commission pursuant to Article XV of the Arizona Constitution and
7 the applicable provisions of Title 40 of the Arizona Revised Statutes, and denies the
8 allegations that are contrary to applicable law.

9 2. Answering paragraph 2, Southwest Gas admits that it participated in a
10 mediation held at the Commission with Mr. Gayer on August 27, 2013 in response to
11 an informal complaint that Mr. Gayer filed on or about June 17, 2013, and denies the
12 remaining allegations.

13 3. Answering paragraph 3, as part of its Opinion and Order rendered in
14 Docket No. G-01551A-10-0458 (Decision No. 72723), the Commission adopted a full
15 revenue decoupling mechanism and monthly weather adjustor. Pursuant to and in
16 accordance with the Commission's order, Southwest Gas has implemented a full
17 revenue decoupling mechanism and monthly weather adjustor, including, without
18 limitation, providing all appropriate notice to its customers, and Southwest Gas denies
19 the remaining allegations.

20 4. Answering paragraph 4, Southwest Gas is without knowledge or
21 information sufficient to form a belief as to the truth of the allegations pertaining to
22 Arizona Public Service Corporation's billing practices, and denies the remaining
23 allegations.

24 5. Answering paragraph 5, Southwest Gas denies all allegations that it
25 violated Rule 14-2-310(B)(2)(j) of the A.A.C. and any other applicable regulation or
26 statute, and denies the remaining allegations.

27 6. Answering paragraph 6, Southwest Gas denies all allegations that are
28 contrary to or inconsistent with the bills, and denies the remaining allegations.

1 7. Answering paragraph 7, Southwest Gas denies all allegations that it
2 violated any applicable law, and denies the remaining allegations.

3 8. Answering paragraphs 8 and 9, Southwest Gas has complied with all
4 applicable law in implementing its decoupling mechanism and monthly weather
5 adjustor, including, without limitation, the calculation of any related rates and/or
6 adjustments, and denies the remaining allegations.

7 9. Answering paragraphs 10 and 11, Southwest Gas is without knowledge
8 or information sufficient to form a belief as to the truth of the allegations.

9 10. Answering paragraph 12, Southwest Gas has complied with all
10 applicable law in implementing its decoupling mechanism and monthly weather
11 adjustor, including, without limitation, the calculation of any related rates and/or
12 adjustments, and denies the remaining allegations.

13 11. Answering paragraph 13, Southwest Gas is without knowledge or
14 information sufficient to form a belief as to the truth of the allegations pertaining to
15 “[g]lobal warming and other climate changes” and the impacts, if any, on customer
16 bills, and denies the remaining allegations. Irrespective, the impacts, if any, on
17 customer bills would be negligible as any such trends are captured when establishing
18 weather-adjusted volumes in the Company’s general rate cases.

19 12. Answering paragraph 14, Southwest Gas denies all allegations that are
20 contrary to or inconsistent with its Arizona Gas Tariff No. 7.

21 13. Answering paragraph 15, Southwest Gas denies all allegations that are
22 contrary to or inconsistent with Rule No. 9(H)(1) of its Arizona Gas Tariff No. 7.

23 14. Answering paragraph 16, Southwest Gas has complied with all
24 applicable law in implementing its decoupling mechanism and monthly weather
25 adjustor, including, without limitation, the calculation of any related rates and/or
26 adjustments, and denies the remaining allegations.

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1 15. Answering paragraph 17, Southwest Gas denies all allegations of
2 unlawful discrimination in violation of the Arizona Constitution Article 15, section 12
3 and Arizona Revised Statutes section 40-334, and denies the remaining allegations.

4 16. Answering paragraph 18, Southwest Gas denies all allegations that are
5 contrary to or inconsistent with Arizona Gas Tariff No. 7, and submits that it has
6 complied with all applicable law in implementing its decoupling mechanism and
7 monthly weather adjustor, including, without limitation, the calculation of any related
8 rates and/or adjustments, and denies the remaining allegations.

9 17. Answering paragraphs 19, 20, and 21, during the mediation held at the
10 Commission on August 27, 2013, Mr. Gayer proposed to withdraw his informal
11 complaint and refrain from any further regulatory or legal action if the Company
12 agreed to undertake certain actions, including, but not limited to, providing each of its
13 customers with an itemized bill. Southwest Gas did not accept Mr. Gayer's proposal
14 in part due to the fact that Mr. Gayer was already receiving, and continues to receive,
15 an itemized bill and all other customers have the option to request an itemized bill. In
16 addition, in an e-mail sent to the Company by Mr. Gayer on August 27, 2013, Mr.
17 Gayer proposed to dismiss his informal complaint if the Company agreed to provide
18 him with a complete residential customer list for all Southwest Gas customers located
19 in the Phoenix area, including the full name, address, and e-mail address for each
20 customer, in exchange for a clerical charge. The Company advised Mr. Gayer that it
21 was unable to comply with his request, as it was not at liberty to disclose the
22 requested personally identifiable information. Southwest Gas denies the remaining
23 allegations.

24 18. Southwest Gas denies all allegations of the Formal Complaint that are
25 not specifically admitted herein.

26 WHEREFORE, Southwest Gas respectfully requests:

27 A. That Mr. Gayer take nothing by way of his Formal Complaint, and that the
28 Complaint be dismissed with prejudice; and

1 B. For such other relief as this Commission deems appropriate.

2 Dated this 23rd day of October 2013.

3 Respectfully submitted,

4 SOUTHWEST GAS CORPORATION

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6 _____
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14 *Attorney for Southwest Gas Corporation*

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents on all parties of record in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

Lyn Farmer
Chief Hearing Officer
Arizona Corporation Commission
1200 Washington St.
Phoenix, AZ 85007-2927

Janice Alward
Legal Division
Arizona Corporation Commission
1200 Washington St.
Phoenix, AZ 85007-2927

Richard Gayer
526 West Wilshire Dr.
Phoenix, AZ 85003

Dated at Las Vegas, Nevada, this 23rd day of October, 2013.



an employee of Southwest Gas Corporation