

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
CITIZENS COMMUNICATIONS COMPANY,)
dba THE GAS COMPANY)
Application for Approval to Recover)
for Gas Consumed But Not Billed Due)
to Slow Meter (Rule 11(B)3).)
_____)

DOCKET NO. 02-0036

DECISION AND ORDER NO. 19412

RECEIVED
2002 JUN 14 P 4:19
DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

Filed June 14, 2002
At 8:00 o'clock A.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.
K. Higashi

Copies of the application were served on the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (Consumer Advocate). On March 19 and April 9, 2002, the Consumer Advocate issued information requests (IRs) to the Applicant. On April 2 and April 23, 2002, Applicant filed its responses to the IRs.

In its Statement of Position, filed on May 1, 2002, the Consumer Advocate advised that it does not object to the approval of Applicant's request to recover the revenues relating to the gas consumed but not billed to the Hotel.

II.

A.

In March of 2001, meter number 106151 (meter), one of four meters measuring utility gas consumption at the Hotel, began malfunctioning. The Hotel is a commercial account, which receives utility gas from Applicant as a "Schedule 60-Large Firm." In the eight months that followed, the meter measured at or near zero utility gas consumption. Thus, the meter measured more than two per cent slow for a period of time longer than three months.

Upon testing, Applicant's employees determined that the meter's "index drive gear" was stripped and allowed gas to pass through the meter without recording the gas flow. As a result, Applicant replaced the meter.

Applicant and the Hotel determined that a fair and reasonable way to determine the amount of gas that should have been billed to the Hotel for gas consumed was to calculate the Hotel's usage based upon the actual room occupancy during the period in question. Accordingly, Applicant and the Hotel calculated the average daily therms used per occupied room by using the consumption data for the period of November 2000 through January 2001. They then multiplied the average daily per room rate with the number of occupied room nights during the period of April through October 2001. Based upon the above-calculated per month consumption, the total amount to be billed to the Hotel, for the period of April 2001 through November 8, 2001, is \$61,529.99.²

Applicant represents that the Hotel agreed: (1) that the above-described methodology used to calculate the \$61,529.99 due is fair; and (2) to pay the amount upon the issuance of a billing for the applicable period.

B.

Rule No. 11(B)3 of Applicant's tariff³ provides as follows:

If a meter for commercial service, upon test as herein provided, is found to register more than 2% slow, the Company may render a bill for gas

² Applicant and the Hotel agreed to exclude the month of March 2001 from the billing, in an effort to fairly and amicably resolve the matter.

³ The commission approved Applicant's Tariff by Decision and Order No. 18481, filed on April 12, 2001, in Docket No. 01-0048.

consumed but not covered by bills previously rendered for a period not to exceed three months, provided that if the actual period of error exceeds three months and same can be definitely determined, the correction to be made, as herein provided, may cover such actual period, upon application to and order of the Public Utilities Commission.

C.

The Consumer Advocate expressed the following two concerns relating to this application: (1) the length of time that elapsed before Applicant discovered that one of the Hotel's meters was defective; and (2) the method by which Applicant and the Hotel determined the amount of gas that was consumed but not billed. However, after examining another method for calculating the amount due to Applicant, and considering the exclusion of any billing amount for the month of March 2001, the Consumer Advocate determined that the Hotel will not be "unduly harmed" by any dollar value difference resulting from the use of differing methodologies. The Consumer Advocate's non-opposition to the instant application is also influenced by the Hotel's agreement to Applicant's calculations.

III.

Upon careful consideration of the record, the commission finds that the stipulated amount due to Applicant by the Hotel of \$61,529.99 to be reasonable. As a result, the commission concludes that Applicant's application for approval to render a bill to the Hotel for \$61,529.99 for the period of April 2001 through November 8, 2001 should be approved.

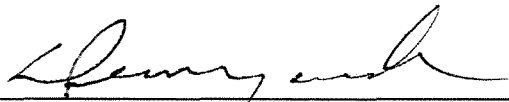
IV.

THE COMMISSION ORDERS:

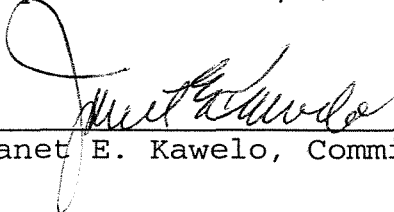
1. Applicant's application to render a \$61,529.99 bill to the Hotel for utility gas consumed during the period of April 2001 through November 8, 2001 is approved.
2. This docket is closed.

DONE at Honolulu, Hawaii this 14th day of June, 2002.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Dennis R. Yamada, Chairman

By (EXCUSED)
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Catherine P. Awakuni
Commission Counsel


CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 19412 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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DIVISION OF CONSUMER ADVOCACY
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Catherine Sakato

DATED: June 14, 2002