



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Chris Parker, Director
Artie Powell, Energy Section Manager
Marlin Barrow, Technical Consultant

Date: January 18, 2011

Re: Docket No. 10-057-16, Questar Gas Replacement Infrastructure 2011 Annual Plan

RECOMMENDATION

The Division recommends the Commission acknowledge the letter as meeting the necessary reporting requirement. The Division also recommends that the Company file an updated version of Mr. Barrie McKay's Exhibit 1.7 from Docket No. 09-057-16 with each annual infrastructure plan.

ISSUE

On November 15th, 2010, Questar Gas Company (Company) submitted a letter along with exhibits to the Public Service Commission outlining the planned infrastructure replacement projects for the 2011 calendar year.

DISCUSSION

The 2011 Infrastructure Replacement program has four (4) feeder line (FL) replacement projects planned along with cleanup on the just completed FL 19. Those four projects are FL 12 in Salt Lake, FL 17 in Layton, FL 18 in Davis County and FL 25 in Utah County. The exact locations and route maps were provided in Exhibit 1 attached to the letter. The total cost of the

infrastructure replacement program for 2011 is projected to be \$45,000,000, which is within the allowed limits for annual expenditures, as described in the Settlement Stipulation in Docket No. 09-057-16. FL's 12 and 17 were original identified in Mr. McKay's Exhibit 1.7, filed in Docket No. 09-057-16, as beginning in 2011. In that same exhibit, FL 25 was originally scheduled for 2012 while FL 18 was scheduled for 2018. The Company has indicated that the reason FL 18 was moved to 2011 is because it is a project that can be completed in the Jan-Mar 2011 heating season without disrupting winter delivery options, has a short construction duration, and utilizes 12" pipe that is readily available at this time. After reviewing the letter, the Division requested, for informational purposes, that the Company provide an update to Mr. McKay's Exhibit 1.7. The Company's updated Exhibit is attached to this memo.

CONCLUSION

The letter the Company filed on November 15, 2010, outlining the 2011 Infrastructure Annual Plan and Budget, is in compliance with paragraph 15 of the Settlement Stipulation, that was attached as Exhibit A to the Commission's Report and Order, issued June 3, 2010 in Docket No. 09-057-16. The Division recommends the Commission acknowledge the letter as being compliant with the proper reporting requirements. The Division also recommends that the Company update Mr. McKay's Exhibit 1.7 with each annual infrastructure plan and explain changes in the proposed timing of feeder line projects from year to year.

CC Barrie McKay, Questar Gas Company
 Michele Beck, Office of Consumer Services
 Eric Orton, Office of Consumer Services