



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
Carolyn Roll, Utility Analyst
Eric Orton, Utility Analyst

Date: December 18, 2013

Re: Docket No. 13-057-18, Questar Gas Replacement Infrastructure 2014 Annual Plan

RECOMMENDATION (ACKNOWLEDGE)

The Division recommends the Public Service Commission (Commission) acknowledge the letter as meeting the necessary reporting requirement as set forth in Questar Gas Company's (Company) Utah Natural Gas Tariff PSCU 400, §2.07.

ISSUE

On November 15th, 2013, the Company submitted a letter along with exhibits to the Commission outlining the planned infrastructure replacement projects for the 2014 calendar year. On November 18, 2013, the Commission issued an Action Request to the Division regarding the Company's letter to the Commission. This is the Division's response to the Action Request.

DISCUSSION

The Company's 2014 Infrastructure Replacement program proposes five feeder line (FL) replacement projects. The total 2014 budget for these projects is listed in Exhibit 1, page 1 of 7 at \$55,000,000. The new projects are FL 6 in Salt Lake County, FL 18 in Davis County, and FL 34 in Salt Lake County. The projects that are continuations from 2013 are FL 36 in Salt Lake

County and FL 21-50 in Davis County. Exhibit 1, pages 3 through 7 are maps detailing the proposed routes of the feeder lines. The total budget of the infrastructure replacement program for 2014 is \$55,000,000 is within the allowed limits for annual expenditures, as described in the Settlement Stipulation in Docket No. 09-057-16, using the inflation factor for steel mains provided in Exhibit 4. Exhibit 5 provides an updated estimated feeder line replacement schedule. The original of this schedule was provided by Mr. Barrie McKay as Exhibit 1.7 in his filed testimony in Docket No. 09-057-16.

Exhibit 5 shows the feeder line replacement program through the year 2028. The Company estimates, subject to audit, that if all of the 2014 feeder line replacement projects are completed and in service as proposed, a typical GS residential customer can expect an incremental increase of \$9.40¹ in their annual bill.

The Company has requested permission in Docket No. 13-057-05 to expand the current infrastructure replacement program to include Intermediate High Pressure (IHP) pipeline. If approved, this would increase the expected 2014 expected spending amount included in the infrastructure replacement program to \$65 million. If the Commission approves the inclusion of the IHP lines in the tracker, the Division recommends that the Company include a revised budget in the 1st quarter progress report. The Division notes that as part of the settlement agreement in Docket No, 13-057-05 the Company has agreed to include a more detailed description of variances to the proposed budget and current replacement schedule in the quarterly progress reports including, changes to rankings of feeder lines scheduled for replacement.

CONCLUSION

The letter the Company filed with the Commission on November 15, 2014, outlining the 2014 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, if needed, that the Company file an updated budget in the first quarter of 2014.

¹ Replacement costs are approved through feeder line tracker filings, with the Commission, on an interim basis until the Division can complete an audit of those filings. The most recent filing was in Docket No. 13-057-15 approved by the Commission on 11/27/2013.

CC Barrie McKay, Questar Gas Company
 Kelly Mendenhall, Questar Gas Company
 Michele Beck, Office of Consumer Services