

IN THE MATTER OF THE
APPLICATION OF QUESTAR GAS
COMPANY FOR AUTHORITY TO
CHANGE ITS DEPRECIATION
RATES

Docket No. 13-057-19

APPLICATION

All communications with respect to
these documents should be served upon:

Colleen Larkin Bell (5253)
Jenniffer Nelson Clark (7947)
Questar Gas Company
333 S. State Street
P.O. Box 45433
Salt Lake City, Utah 84145-0433
(801) 324-5392
(801) 324-5935 (fax)
Colleen.Bell@questar.com
Jenniffer.Clark@questar.com

Attorneys for Questar Gas Company

APPLICATION
AND
EXHIBITS

December 16, 2013

Colleen Larkin Bell (5253)
Jenniffer Nelson Clark (7947)
Questar Gas Company
333 South State Street
P.O. Box 45433
Salt Lake City, Utah 84145-0433
(801) 324-5556
(801) 324-5935 (fax)
Colleen.Bell@questar.com
Jenniffer.Clark@questar.com

Attorneys for Questar Gas Company

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF QUESTAR GAS COMPANY FOR AUTHORITY TO CHANGE ITS DEPRECIATION RATES	Docket No. 13-057-19 APPLICATION
---	---

Pursuant to Utah Code Ann. §§54-4-1 and 54-4-24, and the Partial Settlement Stipulation in Docket No. 13-057-05, Questar Gas Company (“Questar Gas” or “Company”) hereby makes application to the Public Service Commission of Utah (“Commission”) for an order authorizing the Company to change depreciation rates. Questar Gas seeks Commission approval to apply any depreciation rates approved in this Docket to then-existing rates upon entry of the Commission’s order approving the rates.

In support of this Application, Questar Gas states as follows:

1. Questar Gas is a corporation organized and existing under the laws of the state of Utah, with its principal business office located at 333 South State Street, Salt Lake City, Utah. The Company is engaged in the business of providing natural gas as a local distribution company. Questar Gas currently distributes natural gas to approximately

910,000 customers throughout the state of Utah and in Franklin County in southeast Idaho subject to the ratemaking jurisdiction of the Commission. In addition, the Company distributes gas to communities and rural areas in southwest Wyoming under the jurisdiction of the Wyoming Public Service Commission.

2. This Application is filed pursuant to Utah Code Annotated §§ 54-4-1 and 54-4-24, which authorizes the Commission to prescribe the rates of depreciation to be used by Questar Gas, subject to the Commission's jurisdiction.

3. This Application is also filed pursuant to the Partial Settlement Stipulation filed in Docket No. 13-057-05. In that docket, most of the parties entered into a Partial Settlement Stipulation that provided, in part, that "the Company will file, in a separate docket, the depreciation study and will seek approval of new depreciation rates to become effective as ordered by the Commission." Partial Settlement Stipulation at paragraph 29. The Partial Settlement Stipulation also said, "The Parties agree that upon approval of the new depreciation rates, these rates and reserve variance will be applied to the rate base in this Partial Settlement Agreement and the rate spread consistent with the results of the Settlement Model, and the revenue requirement and rates in this docket will be adjusted accordingly."

4. In Docket No. 05-057-T01, Questar Gas filed for the approval of new depreciation rates that were calculated based upon its first depreciation study. In Docket No. 09-057-16, the Company introduced the results of its second depreciation study based upon 2007 investment balances. In the Revenue Requirement Stipulation in Docket No. 07-057-13, the Company agreed to perform a new depreciation study every five years on a going-forward basis. Since the last depreciation study was based upon 2007 investment

balances, the Company was required to perform the next study based upon the 2012 investment.

5. In February of 2013 the Company retained Gannet Fleming to conduct a depreciation study based upon this 2012 investment.

6. On July 1, 2013, Questar Gas filed a Verified Application in Docket No. 13-057-05, its current general rate case (“the General Rate Case”). Discovery commenced in that case and the Company anticipates it to be resolved by March 1, 2013. Questar Gas made reference to the Gannet Fleming study in direct testimony in that docket, anticipating that the study would be discussed in the course of the General Rate Case.

7. On October 11, 2013, Questar Gas provided the results of the Depreciation Study to the parties in the General Rate Case.

8. On October 18, 2013, the Utah Division of Public Utilities (“Division”) submitted a Memorandum to the Commission seeking guidance on how, procedurally, to advance issues related to the depreciation study. Many of the parties to the General Rate Case met on October 28, 2013 to discuss the matter and concluded that, in order to preserve the timeline set in the Scheduling Order in the General Rate Case, the Company would file this Application and the Depreciation Study would be reviewed and addressed here. *See* Partial Settlement Stipulation in Docket No. 13-057-05.

9. The Company offers the direct testimony of Kelly B. Mendenhall in support of this Application (Exhibit 1.0). In that testimony, Mr. Mendenhall provides historical background about the depreciation rates, introduces the depreciation study that was recently performed by Gannett Fleming, and summarizes the impact that the proposed rate changes will have on the revenue requirement in Docket No. 13-057-05.

10. WHEREFORE, by this Application, Questar Gas respectfully requests that the Commission find:

a. The Depreciation Study recommendations regarding depreciation rates are proper and adequate depreciation rates for the Company;

b. Adoption of the Depreciation Study's recommendations into Utah natural gas rates will result in just and reasonable rates; and

c. The Depreciation Study's recommended depreciation rates should be reflected in the Company's accounts upon entry of the Commission's Order in this matter.

RESPECTFULLY SUBMITTED this 16th day of December, 2013.

QUESTAR GAS COMPANY

Colleen Larkin Bell
Jenniffer Nelson Clark
Questar Gas Company

Attorneys for Questar Gas Company