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Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Doug Wheelwright, Technical Consultant
Eric Orton, Utility Analyst

Date: October 15, 2014

Subject: Action Request Response and Initial Comments regarding Docket 14-057-T05. In the Matter of the Application of Questar Gas Company for Authority to File a Change in its Existing Tariff

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve the revised tariff sheets as submitted by Questar Gas Company (Company) on September 18, 2014, and make them available for public inspection.

ISSUE

The current tariff sheets (Section 8.02) require that the Company prorate a customer's bill when new rates become effective. This proration requirement has been accomplished without incident for many years when the new rates have been calculated based on the customer's volumetric usage. The Basic Service Fee (BSF) portion of the customer's bill is not based on the volume of usage and has not been changed for many years.

The current issue arose due to the Commission ordered increase in the BSF in the Company's last general rate case (13-057-05). This change would, according to the tariff, require the Company to prorate the new BSF for all customers. This effort (to prorate the new BSF rates) created complications with the Company's billing system due to the 18 separate billing cycles which occur during the month. Calculating the prorated BSF would require manual entries and could result in inaccuracies in customer's accounts.

It was determined that an examination of these tariff sheet requirements and the Company's practices would be appropriate to bring the Company's practices or the corresponding tariff sheets into agreement so that the customer's bills are calculated precisely according to the tariff. This endeavor eventually led to the proposed tariff amendments (Company's exhibits 1 and 2 in the application) which simplifies and clarifies the Company's responsibility with respect to prorating the BSF.

In its application of July, 9, 2014, "The Company proposes to change the Tariff such that Basic Service Fees would not be prorated, but would be charged based upon the BSF that is in effect at the time of billing." In its tariff, it proposes to use the language "Fixed charges will be assessed each billing period and will be based on the fee in effect at the time of billing."

BACKGROUND

On July 9, 2014 the Company submitted its original proposed tariff changes. On that same day the Commission issued its Action Request to the Division, along with its Notice of Filing and Comment Period. On July 17, 2014 the Office of Consumer Services (Office) requested that the Commission amend the comment period and order suspending the tariff. On July 18, 2014 the Commission granted the Office's request and set October 15, 2014 as the initial comment deadline, with reply comments due October 24, 2014. On September 18, 2014 the Company filed its "Motion to Amend Application to Include Revised Exhibits" On September 24, 2014, the Commission granted the Company's motion and accepted the new exhibits "substituted for the exhibits originally attached to the Application filed on July 9, 2014."

DISCUSSION

Following the initial filing and the request from the Office, the Office and Division met with the Company to work through the issue and eventually came to a workable resolution. As a result of those discussions, the Company modified the proposed tariff changes. On September 18, 2014, the Company filed the revised tariff sheets as reflected in its attached Exhibits 1 and 2 with the Commission.

CONCLUSION

The Division has reviewed the Company's amended application, which includes the revised exhibits as amended tariff sheets, and finds that the proposed tariff sheets are an accurate representation of the results the discussions, and resolves the BSF proration dilemma in a practical way. Therefore, the Division recommends that the Commission approve the revised tariff sheets, and make them available for public inspection.

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