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To: Public Service Commission

From: Division of Public Utilities
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Date: January 5, 2016

Subject: 15-057-T06 - Questar Gas Company Compliance filing regarding Docket No. 14-057-31 Report and Order

RECOMMENDATION

The Division recommends the Commission approve the tariff as filed with an effective date of February 1, 2016.

BACKGROUND

On November 9, 2015, the Commission issued its Order in Docket No. 14-057-31. The Order approved an imbalance charge to Questar Gas Company's (Questar Gas or Company) Transportation Customers of \$0.08896 per Dth to be applied to daily volumes outside of a 5 percent tolerance. The Order directed Questar Gas to file revised tariff sheets and to include a proposed effective date. On November 23, 2015, the Company filed revised tariff sheets for Sections 5.01, 5.05, 5.06 and 5.07 of the Questar Gas Tariff and identified an effective date of February 1, 2016. On December 8, 2015, the Division filed an Action Request Response recommending approval of the revised tariff sheets. On December 8, 2015, representatives from Nucor Steel - Utah, a Division of Nucor Corporation (Nucor) and Summit Energy, LLC (Summit

Energy) filed comments requesting a delay in the effective date. In addition, Summit Energy raised concerns relating to small customer billing and the rounding used to calculate the imbalance charge. On December 22, 2015, the second Commission Order denied the change in the effective date and supported the recommendation from Summit Energy to clarify the rounding calculation in the language of the Tariff.

ISSUE

The rounding issue addressed by Summit Energy acknowledges that the natural gas nomination process is limited to whole numbers while the actual usage and customer billing system uses more accurate measuring methods. Questar's December 15th reply comments identified how the Company would calculate the imbalance charge by rounding the decatherms outside the tolerance to the nearest tenth. A breakdown or explanation of the proposed calculation was not included in the tariff language and the Commission determined that additional language would improve the transparency and could minimize future disputes. On December 22, 2015, the Commission Order directed the Company to submit revised tariff sheets identifying how rounding will be implemented.

DISCUSSION

On December 28, 2015, the Company submitted revised tariff sheet 5.01 which added clarification to the Transportation Imbalance Charge paragraph. The revised sentence reads as follows;

When the Daily Imbalance exceeds 5% of the actual usage, the charge will be assessed **based on the daily Dth imbalance rounded to the nearest tenth.**

The words in bold are the only changes to the tariff language. The recommended change in the Tariff does not represent a change in the billing practices of the Company but does provide greater clarity for customers.

CONCLUSION

The Division believes that the revised Tariff sheets satisfy the Commission's Order and recommends that the Commission approve the tariff sheets as filed by the Company with an effective date of February 1, 2016.

CC: Barrie McKay, Questar Gas Company
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