## In the Matter Of:

## In Re: QGC - Infrastructure Rate Adjustment

## **HEARING PROCEEDINGS DOCKET NO. 16-057-16**

November 22, 2016

Job Number: 353855

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the ) Application of Questar Gas ) Company to Change the ) HEARING Infrastructure Rate Adjustment

Docket No. 16-057-16

November 22, 2016 9:04 a.m.

)

)

Location: Public Service Commission 160 East 300 South, 4th Floor Salt Lake City, UT 84111 (801) 530-6769

Reporter: Teri Hansen Cronenwett Certified Realtime Reporter, Registered Merit Reporter Job Number: 353855

Page 2 1 APPEARANCES 2 Presiding Officer: Michael Hammer 3 4 For the Division of Patricia E. Schmid Public Utilities: Assistant Attorney General 160 East 300 South, Fifth Floor 5 Salt Lake City, Utah 84114 6 Jenniffer Nelson Clark 7 For Questar Gas Company: Senior Corporate Counsel 8 333 South State Street Salt Lake City, Utah 84145 9 Jenniffer.Clark@Questar.com 10 For the Office of Rex W. Olsen Consumer Services: 11 Assistant Attorney General 160 East 300 South, 5th Floor 12 P.O. Box 140857 Salt Lake City, UT 84114-0857 13 (801) 366-0353 rolsen@utah.gov 14 15 16 INDEX 17 Witness Page 18 JORDAN STEPHENSON 4 19 Direct Examination by Ms. Clark 20 ERIC ORTON 21 7 Direct Examination by Ms. Schmid 22 23 24 25

Page 3 November 22, 2016 9:04 a.m. 1 2 PROCEEDINGS 3 PRESIDING OFFICER HAMMER: My name is Michael 4 Hammer, and I am the commission's designated presiding officer for this hearing. This is the time and place 5 noticed for hearing in the Application of Questar Gas 6 Company to Change the Infrastructure Rate Adjustment. 7 That's Commission Docket No. 16-057-16. Let's go ahead 8 9 and take appearances, please. MS. CLARK: I'm Jenniffer Clark. I'm here on 10 11 behalf of Questar Gas Company. And with me I have 12 Jordan Stephenson, who will be the company's witness in 13 this matter. MS. SCHMID: Good morning. Patricia E. 14 15 Schmid with the Attorney General's offices representing the Division of Public Utilities. As the division's 16 17 witness this morning, we have Mr. Eric Orton who is sitting beside me at counsel table. 18 19 MR. OLSEN: Rex Olsen with the attorney 20 general's office on behalf the Office of Consumer 21 Services. And with me from the office is Dan Martinez. 2.2 PRESIDING OFFICER HAMMER: Are there any 23 preliminary matters that we need to address before we 24 commence with testimony? Then since it's Questar's 25 application, we'll ask Questar to call its first

Page 4 1 witness. 2 MS. CLARK: Thank you. The company calls Jordan Stephenson. 3 4 PRESIDING OFFICER HAMMER: Mr. Stephenson, as long as the court reporter is okay with it, I'm fine 5 with you staying seated where you are. 6 COURT REPORTER: Uh-huh. 7 8 PRESIDING OFFICER HAMMER: Mr. Stephenson, do 9 you swear to tell the truth? 10 THE WITNESS: Yes. 11 PRESIDING OFFICER HAMMER: Thank you. Please 12 proceed. 13 MS. CLARK: Thank you. 14 JORDAN STEPHENSON, 15 called as a witness at the instance of the applicant, 16 having been first duly sworn, was examined and testified as follows: 17 18 DIRECT EXAMINATION BY MS. CLARK: 19 20 Mr. Stephenson, please state your full name 0. 21 and your business address. 2.2 Α. Jordan Stephenson, and it's 333 South State, 23 Salt Lake City, Utah. 24 What is your title? 0. 25 I am a senior regulatory analyst. Α.

Page 5 Did you prepare the application in this 1 0. 2 matter, or was it prepared under your direction? 3 Α. Yes. 4 ο. Do you have any corrections to the application or its exhibits? 5 6 Α. No. Would you adopt the application and the 7 0. accompanying exhibits as your testimony today? 8 9 Α. Yes. Mr. Stephenson, would you please summarize the 10 0. 11 relief the company is requesting in this docket. 12 Α. Yes. In this docket the company seeks to adjust the infrastructure tracker replacement rate to 13 include approximately \$17 million of investment related 14 15 to replacement projects that were in service as of October 31st, 2016. 16 17 The company times these filings around when investment is closed. This year the filings were made 18 19 one month apart for this replacement adjustment charge 20 because of the large amounts of investment that closed 21 in September and October of 2016. The majority of the 22 additional investment since the last filing occurred in 23 the Feeder Line 21 in Salt Lake belt main projects in 24 October. 25 The company is requesting a 2.2 million dollar

1	Page 6 increase in annual revenue related to this investment,
2	resulting in a total annual revenue requirement of 19.4
3	million dollars. If approved, this would result in
4	annual increase of one dollar and 70 cents per year or a
5	.25 percent paid by a typical customer using 80
6	decatherms per year, and that concludes my summary.
7	MS. CLARK: The company would move for the
8	admission of the application and the company exhibits.
9	PRESIDING OFFICER HAMMER: Any objections?
10	MR. OLSEN: No objection.
11	PRESIDING OFFICER HAMMER: They are admitted.
12	Thank you.
13	MS. CLARK: Mr. Stephenson is available for
14	further questions.
15	PRESIDING OFFICER HAMMER: Any
16	cross-examination, Ms. Schmid?
17	MS. SCHMID: No questions.
18	PRESIDING OFFICER HAMMER: Mr. Olsen?
19	MR. OLSEN: No questions, thank you.
20	PRESIDING OFFICER HAMMER: Thank you. Any
21	additional witness, Ms. Clark?
22	MS. CLARK: The company has nothing further.
23	Thank you.
24	PRESIDING OFFICER HAMMER: Thank you.
25	Ms. Schmid.

Page 7 MS. SCHMID: Thank you. The division would 1 2 like to call its witness, Mr. Eric Orton. Could he please be sworn. 3 4 PRESIDING OFFICER HAMMER: Mr. Orton, do you swear to tell the truth? 5 6 THE WITNESS: Yes, sir. 7 PRESIDING OFFICER HAMMER: Thank you. Please 8 proceed. 9 ERIC ORTON, called as a witness at the instance of the Division of 10 11 Public Utilities, having been first duly sworn, was 12 examined and testified as follows: 13 DIRECT EXAMINATION BY MS. SCHMID: 14 15 Mr. Orton, by whom are you employed and in Q. 16 what capacity? The Utah Division of Public Utilities. I am a 17 Α. technical consultant. 18 19 0. In that capacity have you participated on 20 behalf of the division in this docket? 21 Α. Yes. 22 ο. Did you prepare or cause to be prepared the 23 division's action request response filed with the commission on November 14th, 2016? 24 25 Α. Yes.

Page 8 1 Do you have any changes that need to be made 0. 2 to that action request response? 3 Α. No. I believe it's accurate. 4 ο. With that, do you adopt the action request response as your testimony today? 5 I do. 6 Α. MS. SCHMID: The division would like to move 7 that the action request response filed on November 14th, 8 9 2016, be admitted. 10 MS. CLARK: No objection. 11 PRESIDING OFFICER HAMMER: Any objection? 12 MR. OLSEN: No objection. 13 PRESIDING OFFICER HAMMER: They are admitted. 14 MS. SCHMID: Thank you. 15 (By Ms. Schmid) Mr. Orton, do you have a Q. 16 summary today? 17 Α. T do. 18 Please proceed. Q. Thank you. In this filing the company 19 Α. 20 includes one more month of infrastructure investment 21 placed into service and now proposes to collect the revenue requirement associated with this investment 22 amount in rates. This amount, in addition to what is 23 already allowed in rates on an interim basis, provides 24 25 the total revenue requirement of \$19.4 million.

	Darra
1	Page 9 Based upon the division's review, the
2	application is compliant and will produce rates that are
3	just, reasonable and in the public interest. And
4	therefore, we recommend that the application be approved
5	on an interim basis until the division can complete its
6	audit, at which time we will make a final recommendation
7	to the commission. That's it. Thank you.
8	MS. SCHMID: Mr. Orton is now available for
9	questioning.
10	PRESIDING OFFICER HAMMER: Ms. Clark?
11	MS. CLARK: We have no questions.
12	PRESIDING OFFICER HAMMER: Mr. Olsen?
13	MR. OLSEN: No questions.
14	PRESIDING OFFICER HAMMER: Thank you.
15	Anything else, Ms. Schmid?
16	MS. SCHMID: Nothing else. Thank you very
17	much.
18	PRESIDING OFFICER HAMMER: Mr. Olsen?
19	MR. OLSEN: Thank you. Mr. Martinez has no
20	prepared statement but is here available if there are
21	questions from the court.
22	PRESIDING OFFICER HAMMER: Do any of the
23	parties have any questions?
24	MS. CLARK: No.
25	MS. SCHMID: No.

<b></b>	Page 10			
1	PRESIDING OFFICER HAMMER: Mr. Martinez, I			
2	suppose I'll simply ask you whether the office has an			
3	official position or statement of position in this			
4	matter. I mean, I know you haven't formally prepared			
5	anything. But do you have a recommendation for the			
6	commission?			
7	MR. MARTINEZ: The office did review the			
8	company's application, and the information that has			
9	already been stated in the record the office agrees with			
10	and is did not have anything further to add to the			
11	record at this time.			
12	PRESIDING OFFICER HAMMER: So not to press			
13	you, but you are not the office is not recommending			
14	approval or recommending that the commission not			
15	approve?			
16	MR. MARTINEZ: The office does not oppose the			
17	company's application at this time.			
18	PRESIDING OFFICER HAMMER: Thank you.			
19	Ms. Clark, any questions?			
20	MS. CLARK: I have no questions for			
21	Mr. Martinez.			
22	PRESIDING OFFICER HAMMER: Ms. Schmid?			
23	MS. SCHMID: No questions.			
24	PRESIDING OFFICER HAMMER: Anything else,			
25	Mr. Olsen?			

	Page 11
1	MR. OLSEN: Nothing further. Thank you.
2	PRESIDING OFFICER HAMMER: Okay. Thank you.
3	Well, I know that these rates are requested to be
4	effective December 1st. So is there a request perhaps
5	for a bench order?
6	MS. CLARK: Yes, please. The company would
7	request that the commission approve the application on
8	an interim basis via a bench order so that rates can be
9	effective December 1st.
10	PRESIDING OFFICER HAMMER: Okay. Well, I'll
11	need to see if I can wrangle a quorum together, so we'll
12	be in recess for just a few minutes.
13	MS. CLARK: Thank you.
14	(Recess from 9:11 a.m. to 9:15 a.m.)
15	PRESIDING OFFICER HAMMER: Having considered
16	the application, the accompanying exhibits and the
17	testimony presented at hearing, the commission finds the
18	application to be just, reasonable and in the public
19	interest. The commission therefore grants the
20	application and approves the rates proposed in the
21	application on an interim basis until the division
22	completes its audit.
23	This bench order has been approved and
24	confirmed by the commission, and the commission will
25	issue a written order to memorialize it. If there's

Page 12 nothing further from the parties. MS. CLARK: No, thank you. MS. SCHMID: Nothing further from the division. MR. OLSEN: Nothing further. PRESIDING OFFICER HAMMER: We're adjourned. Have a nice morning. MS. SCHMID: Thank you. (The hearing concluded at 9:16 a.m.) 

1	Page 13 CERTIFICATE				
2	STATE OF UTAH )				
3	COUNTY OF SALT LAKE )				
4	THIS IS TO CERTIFY that the foregoing proceedings				
5	were taken before me, Teri Hansen Cronenwett, Certified				
6	Realtime Reporter, Registered Merit Reporter and Notary				
7	Public in and for the State of Utah.				
8	That the proceedings were reported by me in				
9	Stenotype, and thereafter transcribed by computer under				
10	my supervision, and that a full, true, and correct				
11	transcription is set forth in the foregoing pages,				
12	numbered 3 through 12 inclusive.				
13	I further certify that I am not of kin or otherwise				
14	associated with any of the parties to said cause of				
15	action, and that I am not interested in the event				
16	thereof.				
17	WITNESS MY HAND and official seal at Salt Lake				
18	City, Utah, this 2nd day of December, 2016.				
19					
20	Tei Hansen Cronenwett				
21	Teri Hansen Cronenwett, CRR, RMR License No. 91-109812-7801				
22	My commission expires:				
23	January 19, 2019				
24					
25					

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