

# Questar Gas General Rate Case Update

UAE Breakfast  
July 21, 2016

## Overview

- Rate case application filed July 1, 2016
- Requesting \$361 million total revenue requirement
  - Increase of \$22 million, or 5.1%
- Requesting full-cost rates
  - All classes except FT-1

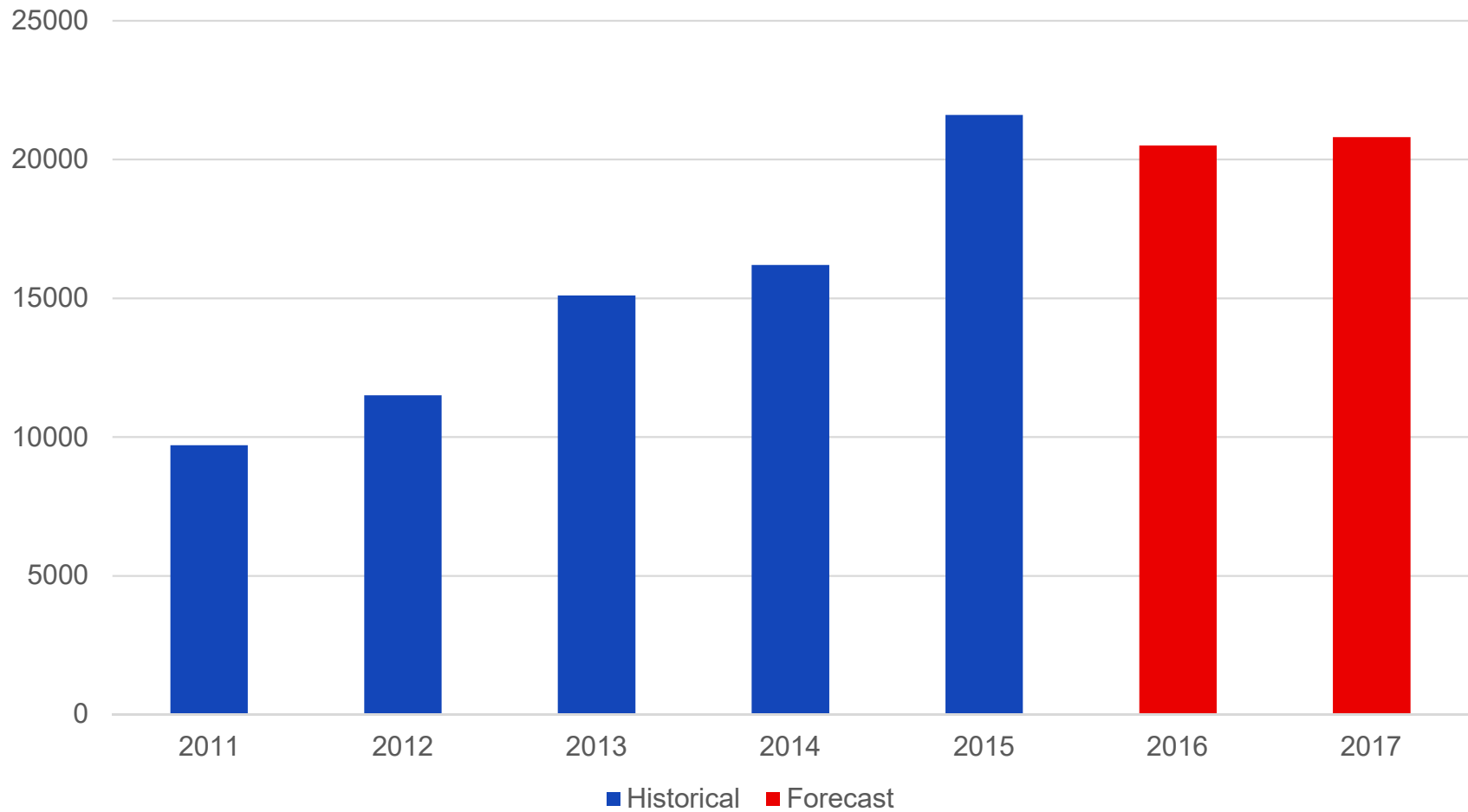
## **Merger with Dominion**

- Application filed March 3, 2016
- Rate case filed as though the merger did not take place
- Currently analyzing effects the Merger may have on expenses

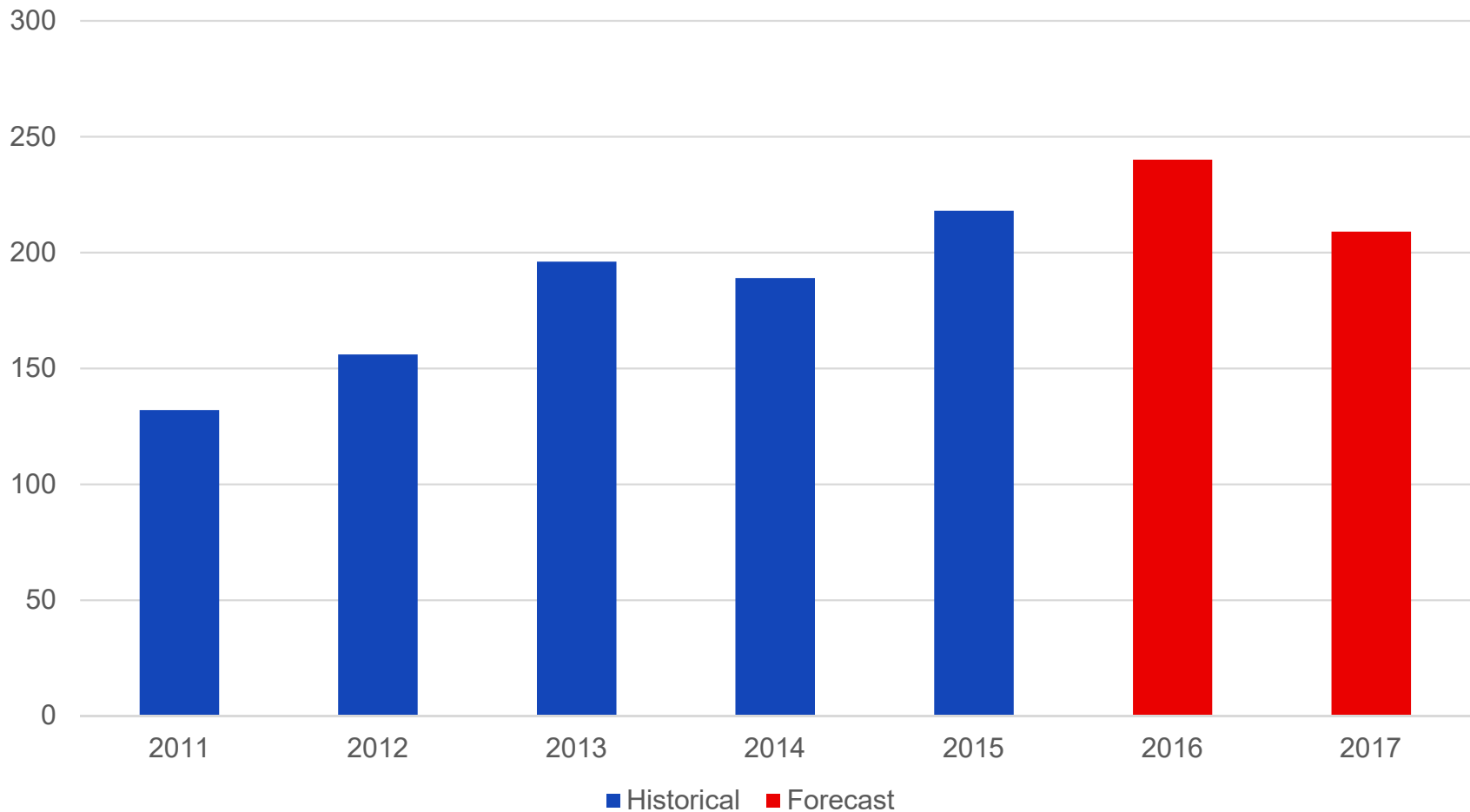
## Main Drivers of Rate Case

- Required in last rate case
- Expanding capital investment

# System Customer Additions



# Questar Capital Budget (Millions)



## Continuation of Infrastructure Tracker

- No change - Continue HP and IHP investment
- Total \$68 million per year

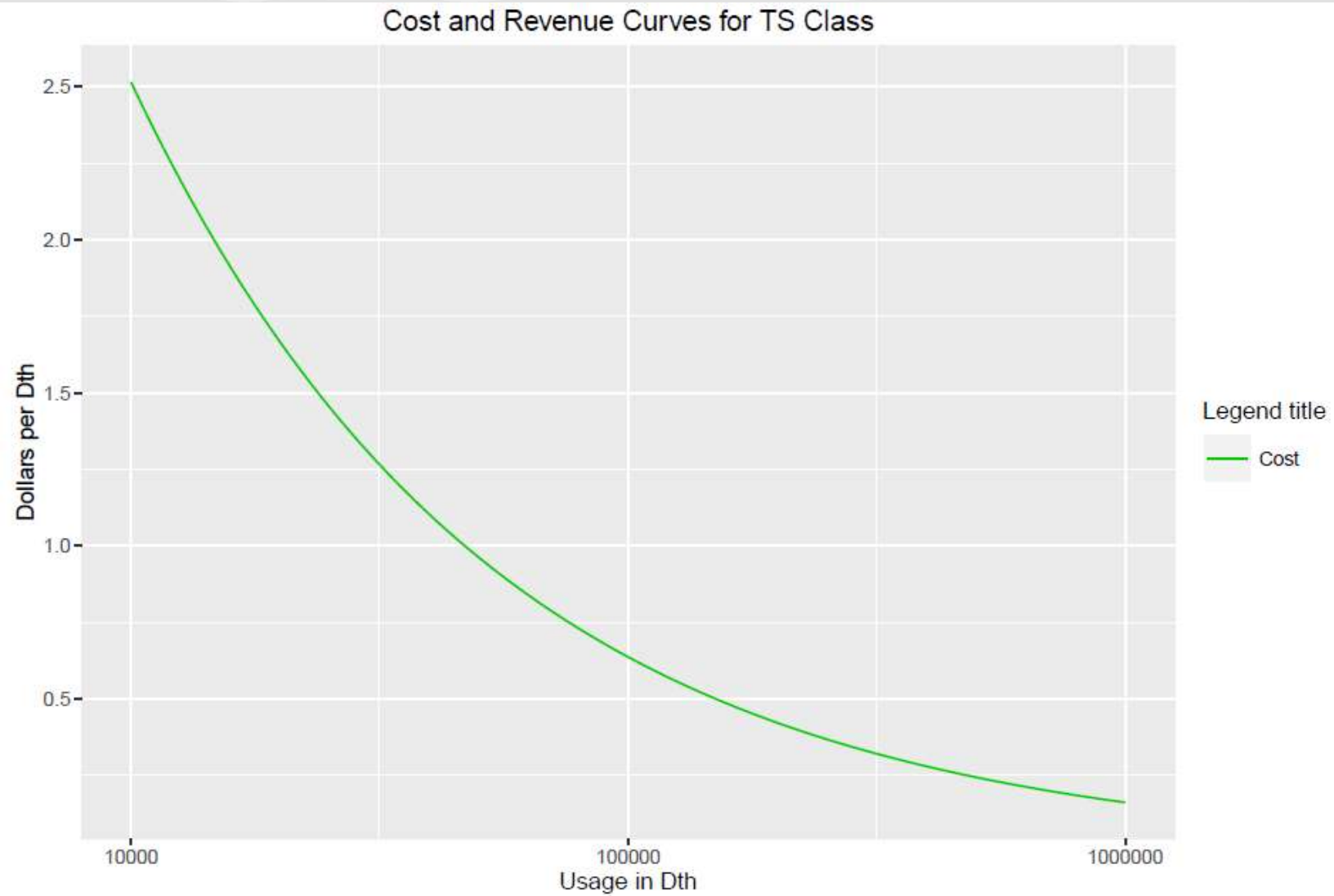


## Rate Design

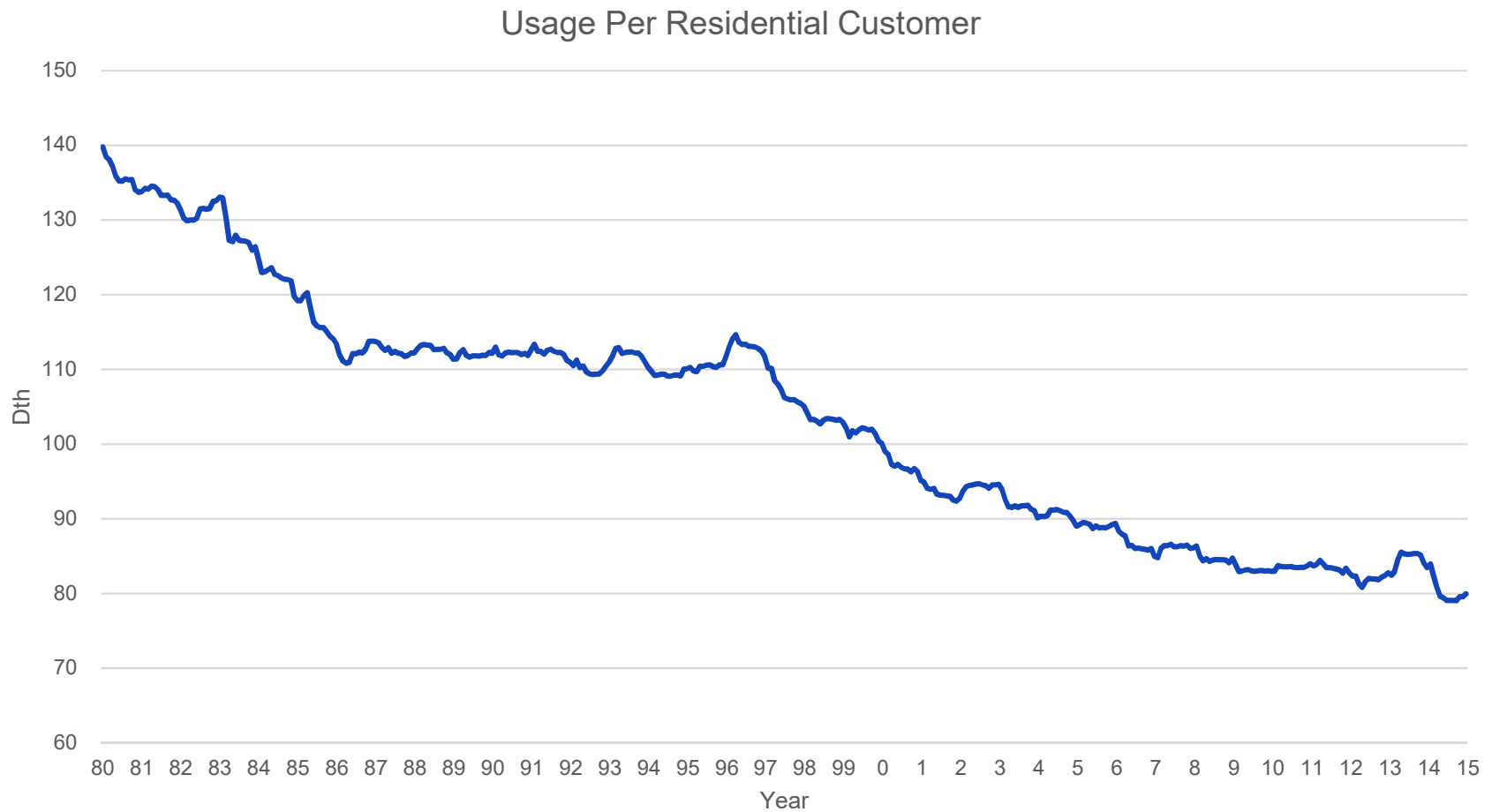
- Designed rates to reduce intra-class subsidies
- Proposed rate design includes new block breaks in all classes



# TS Cost Curve



# Declining Usage per Customer



## Basic Service Fees

BSF Category	Meter Capacity	Current	Proposed
I	0 – 899	\$ 6.75	\$ 8.00
II	900 – 6,999	\$ 18.25	\$ 22.50
III	7,000 – 23,999	\$ 63.50	\$ 83.00
IV	24,000 +	\$ 420.25	\$ 440.00

## General Service (GS) Rate

- Typical bill increasing 5.8%
- BSF category 1 increasing from \$6.75 to \$8
- New block structure in rate design
  - Existing block break 45 Dth
  - Proposed block break 6.5 Dth
- Intra-class subsidy between large and small customers reduced
- Reduction of inter-class subsidy

## Firm Sales (FS) Rate

- Typical bill increasing 4.59%
- Basic Service Fee changes
- Reduction of inter-class subsidy

	Block 1	Block 2	Block 3
Existing Break	First 200	Next 1,800	Over 2,000
Proposed Break	First 67	Over 67	

## Interruptible Sales (IS) Rate

- Typical bill increasing 3%
- Reduction of intra-class subsidy
- Basic Service Fee changes

	Block 1	Block 2	Block 3
Existing Break	First 2,000	Next 18,000	Over 20,000
Proposed Break	First 365	Over 365	

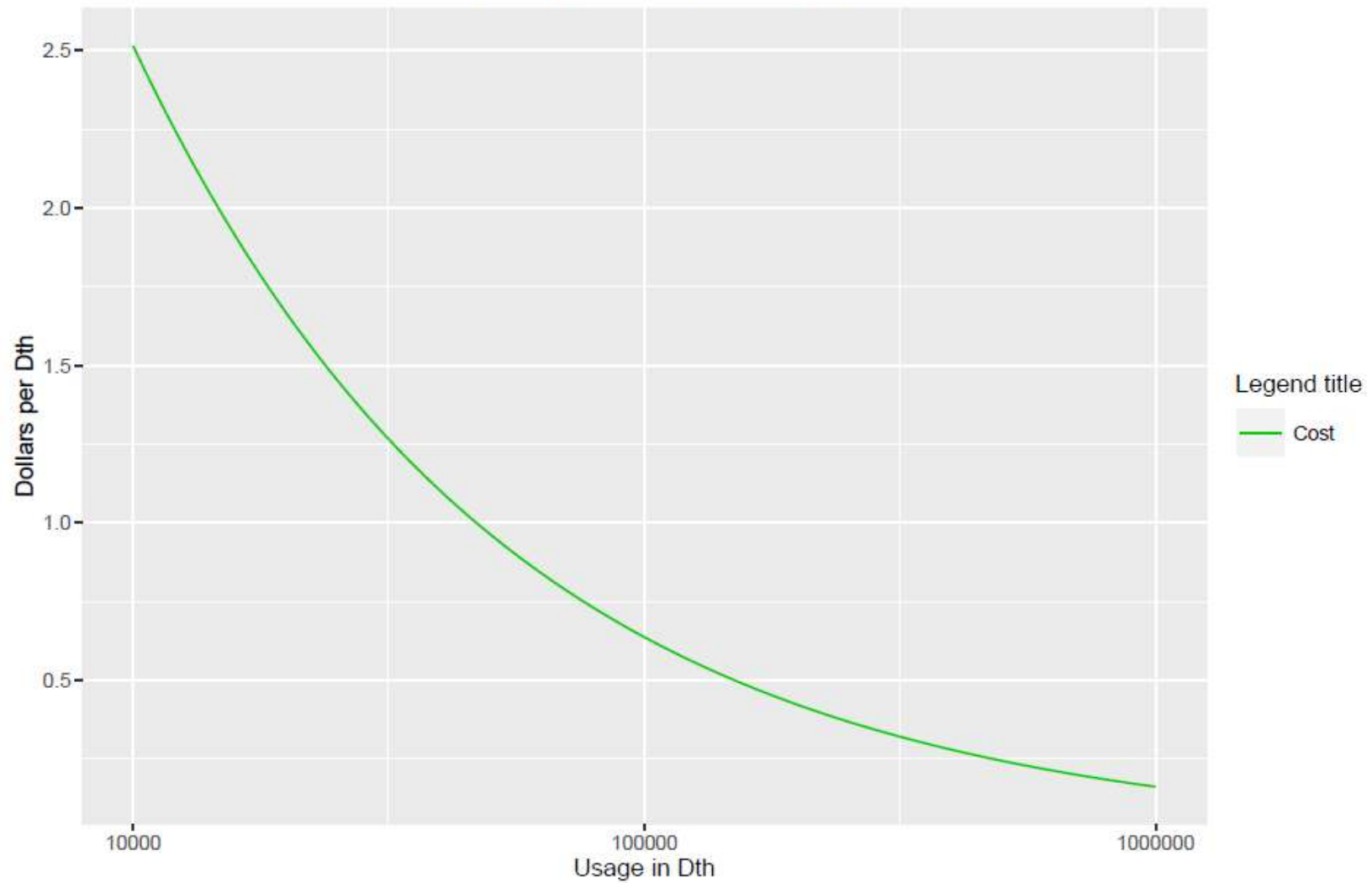
## Transportation Service (TS) Rate

- Typical bill increasing 17%
- Reduction of inter-class subsidy
- Basic Service Fee changes
- Reduction of intra-class subsidy

	Block 1	Block 2	Block 3	Block 4
Existing Break	First 200	Next 18,000	Next 98,000	Over 100,000
Proposed Break	First 400	Next 1,600	Next 48,000	Over 50,000

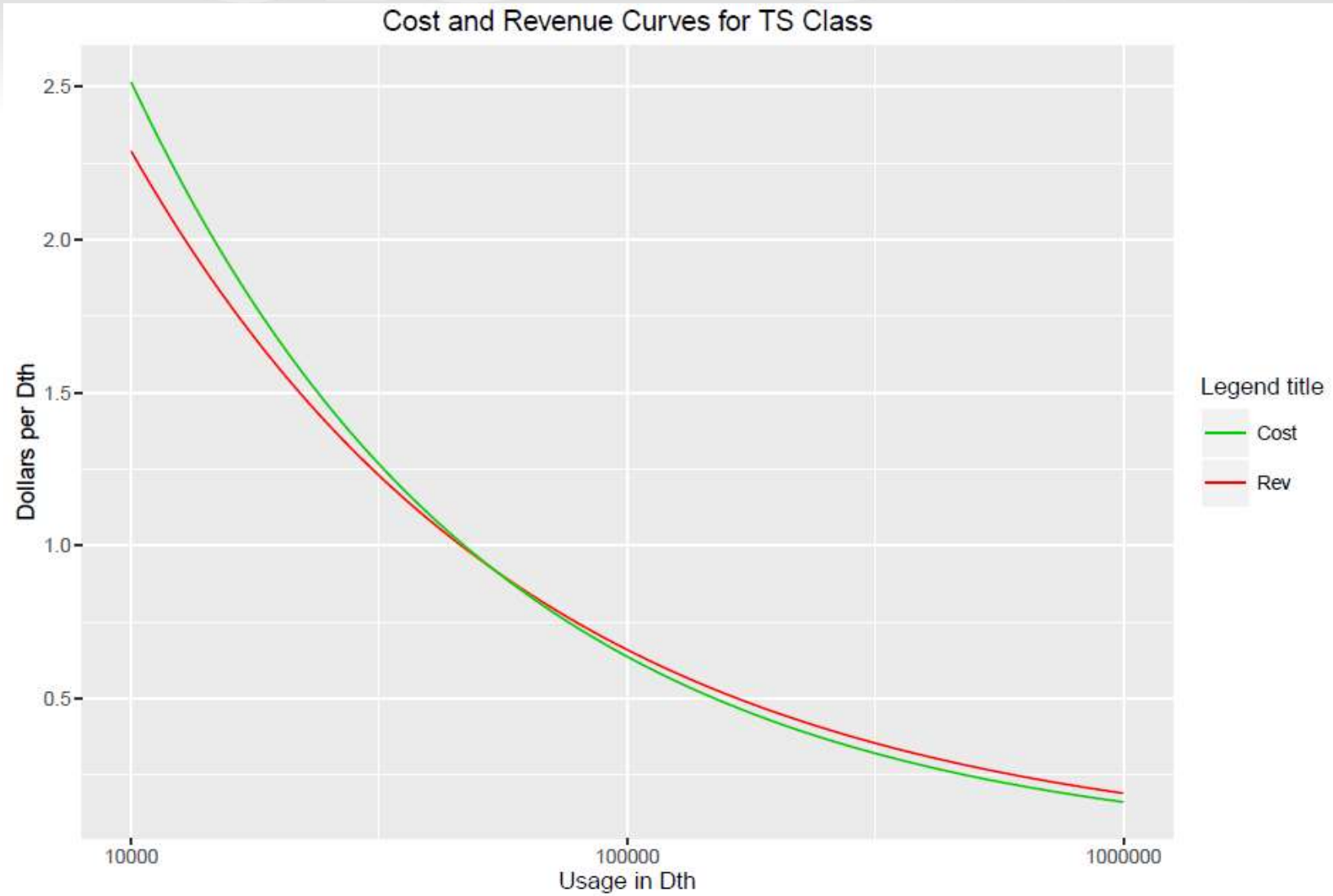
# TS Cost Curve

Cost and Revenue Curves for TS Class



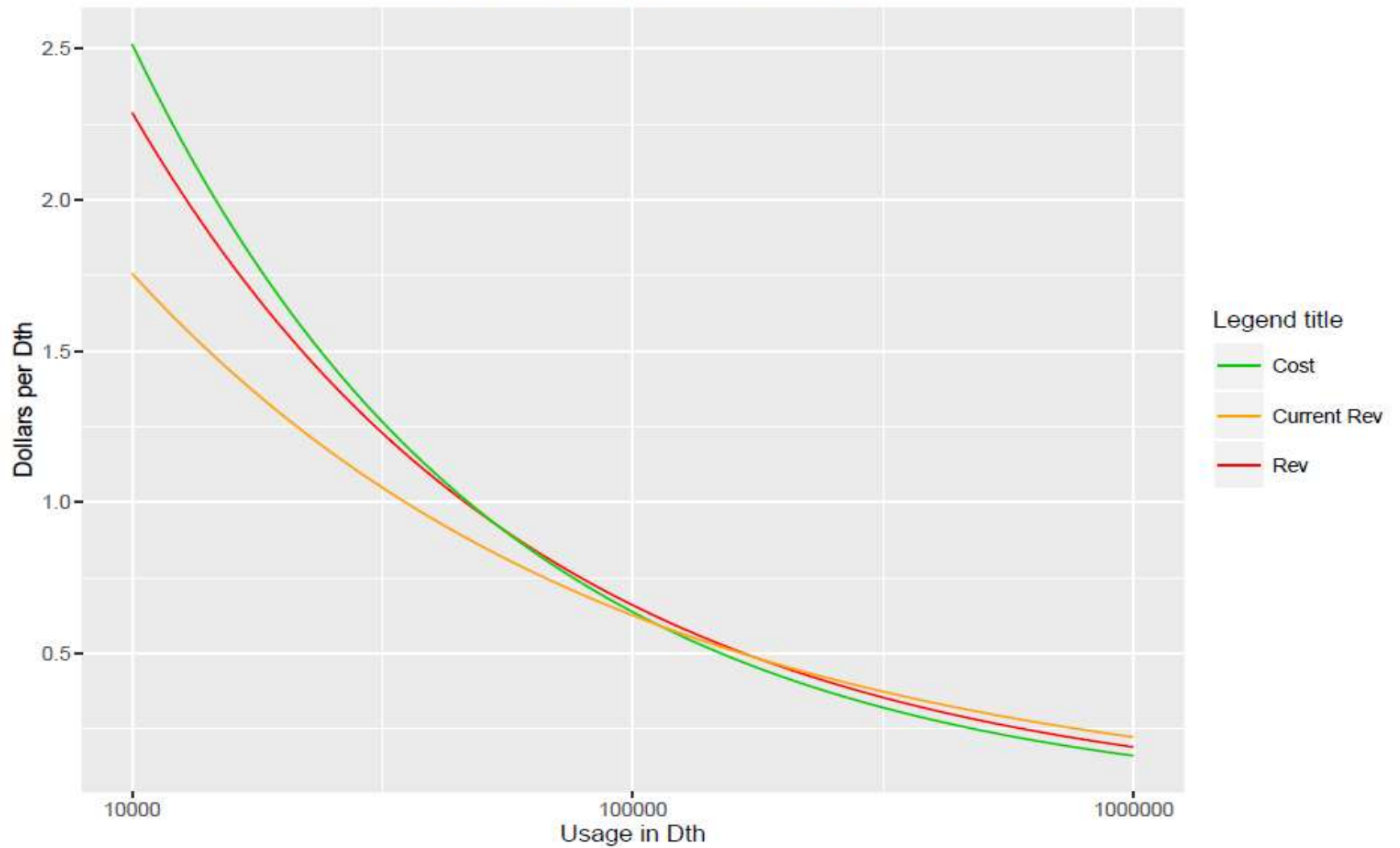


# TS Cost Curve



# TS Cost Curve

Cost and Revenue Curves for TS Class



# Rate Impact

Impact of Proposed Rates on Customers of Different Sizes					
		(A)	(B)	(C)	(D)
TS Class 1/					
	Annual Usage	Number of Customers	Average Increase	High	Low
1	0-30,000	394	21%	26%	4%
2	30,001-100,000	87	10%	21%	2%
3	100,000-805,000	58	3%	11%	-1%
4	>805,000	5	-1%	1%	-2%
5		544	17%	26%	-2%

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**Questions?**