
In the Matter of the Pass-Through Application
of Questar Gas Company for an Adjustment in
Rates and Charges for Natural Gas Service in
Utah

DOCKET NOS. 08-057-23, 09-057-03,
09-057-12, and 10-057-09

ORDER SETTING FINAL RATES

ISSUED: May 14, 2018

BACKGROUND

On October 2, 2008, Questar Gas Company, now doing business as Dominion Energy Utah (Dominion) filed a 191, Pass-Through Account (191-Account) application in Docket No. 08-057-23, requesting an annualized gas cost-related rate decrease of \$68.8 million, effective November 1, 2008. In an order issued October 30, 2008, the Utah Public Service Commission (PSC) approved this application on an interim basis pending the completion of an audit by the Division of Public Utilities (DPU).

On February 10, 2009, Dominion filed a 191-Account application in Docket No. 09-057-03, requesting an annualized gas cost-related rate decrease of \$161.4 million, effective March 1, 2009. In an order issued February 26, 2009, the PSC approved this application on an interim basis pending the completion of an audit by the DPU.

On September 1, 2009, Dominion filed a 191-Account application in Docket No. 09-057-12, requesting an annualized gas cost-related rate decrease of \$32.8 million, effective October 1, 2009. In an order issued September 30, 2009, the PSC approved this application on an interim basis pending the completion of an audit by the DPU.

On June 24, 2010, Dominion filed a 191-Account application in Docket No. 10-057-09, requesting an annualized gas cost-related rate increase of \$48.3 million, effective August 1,

2010. In an order issued July 28, 2010, the PSC approved this application on an interim basis pending the completion of an audit by the DPU.

THE DPU'S AUDIT REPORT

In memoranda dated February 16, 2018, and March 16, 2018, the DPU informed the PSC it had completed its audits of Dominion's 191-Account in the instant dockets and concludes the 191-Account is stated fairly, and the costs are prudent and in conformance with prior PSC orders. The DPU's audit report also summarizes the findings of two separate, independent reviews conducted by DPU-retained contractors.

The first review, performed by Williams Consulting, Inc., investigated the costs associated with a system-wide gathering agreement for years 2009 and 2010. The DPU reviewed these costs and concludes they are properly stated, prudently incurred, and follow the terms of the agreement.

The second independent audit, performed by Overland Consulting, reviewed the Wexpro Operator Service Fee from 2009 to 2014. Overland Consulting's audit report, filed in Docket No. 13-057-07,¹ resulted in an adjustment to the 191-Account in 2017, and also resulted in implementations of various accounting changes beginning in 2015. The DPU stated it will verify that the 191-Account adjustment and the stipulated accounting changes were correctly implemented.

The DPU's audit review also includes the independent Wexpro performance review reports from the Wexpro Accounting Monitor, and the Wexpro Hydrocarbon Monitor for 2009

¹ See *In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah*, Docket No. 13-057-07, DPU Comments filed on June 29, 2016.

and 2010. The DPU states both the Monitors' conclusions are consistent with the DPU's findings that the 191-Account for the period under evaluation is stated fairly, and the costs are prudent and in conformance with prior PSC orders. Based on the DPU's audit report, including its evaluation of the Accounting/Hydrocarbon Monitor reports, the Overland Consulting review of the system-wide gathering agreement, and the Williams Consulting, Inc.'s independent audit of the Wexpro Operating Service Fee, the DPU concludes that the interim rates are just, reasonable, and in the public interest. Accordingly, the DPU recommends the interim rates be made final in the instant dockets.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Based on the reasons provided above in the DPU's comments, and in the absence of any opposition or other comments filed in the instant dockets, we accept and adopt the DPU's recommendation. We find the expenses for the periods under review to have been prudently incurred. Similarly, and based on reasons set forth above, we find the previously ordered interim rates in the instant dockets are just, reasonable, and in the public interest. Accordingly, we approve the interim rates in Docket Nos. 08-057-23, 09-057-03, 09-057-12, and 10-057-09 as final.

ORDER

The interim rate changes previously ordered by the PSC in Docket Nos. 08-057-23, 09-057-03, 09-057-12, and 10-057-09 are final.

DATED at Salt Lake City, Utah, May 14, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#302063

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on May 14, 2018, a true and correct copy of the foregoing was served upon the following as indicated below:

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