



QUESTAR GAS COMPANY
UTAH NATURAL GAS TARIFF
PSCU 400

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Questar Gas Company
Docket No. 09-057-16
Settlement Stipulation Exhibit 2

2.08 INFRASTRUCTURE RATE ADJUSTMENT TRACKER

The Infrastructure Rate Adjustment Tracker (Tracker) allows the Company to track costs that are directly associated with Replacement Infrastructure, defined below, through an incremental surcharge to the GS, FS, IS, TS, MT, FT-1 and NGV rate schedules (Surcharge). The Surcharge is designed to track and collect costs of Replacement Infrastructure between general rate cases. The Company will file its next year’s annual plan and budget describing the estimated costs and schedule for the Replacement Infrastructure with the Commission no later than November 15 of each year. The Company will file quarterly progress reports describing the Replacement Infrastructure program.

REPLACEMENT INFRASTRUCTURE

Replacement Infrastructure is identified as new high-pressure feeder lines that are replacing aging high-pressure feeder lines as required to ensure public safety and provide reliable service. Factors considered in replacing infrastructure include, but are not limited to:

- (1) Age and performance of existing pipeline (e.g. vintage steels, seams, welds and coatings).
- (2) Reconditioned pipe (i.e. refurbished and reinstalled pipe).
- (3) Operating and maintenance history.
- (4) Pipeline safety compliance .

CALCULATION OF TOTAL SURCHARGE

The following components are included in the calculation of the Surcharge:

<u>Replacement Infrastructure</u>	<u>\$X,XXX,XXX</u>
<u>Less: Accumulated Depreciation</u>	<u>XXX,XXX</u>
<u>Accumulated Deferred Income Tax</u>	<u>XXX,XXX</u>
<u>Net Replacement Infrastructure</u>	<u>\$X,XXX,XXX</u>
<u>Current Commission-Allowed Pre-Tax Rate of Return</u>	<u>11.79%</u>
<u>Allowed Pre-Tax Return</u>	<u>\$X,XXX,XXX</u>
<u>Plus: Net Depreciation Expense</u>	<u>XXX,XXX</u>
<u>Net Taxes Other Than Income</u>	<u>XXX,XXX</u>
<u>Total Surcharge</u>	<u>\$X,XXX,XXX</u>

ASSIGNMENT TO CLASSES

The Surcharge will be assigned to each rate class based on the Commission-approved total pro rata share of the DNG tariff revenue ordered in the most recent general rate case. The Surcharge assigned to each class will be collected based on a percentage change to the demand charge, if applicable, and each block of volumetric rates of the respective rate schedules.



ADJUSTMENT OF SURCHARGE

The Company may file semi-annually, but will file at least annually, an application to adjust the Surcharge. The Replacement Infrastructure must be in service when the application is filed. All items included in the Tracker are subject to regulatory audit consistent with the audit procedures in the “Gas Balancing Account,” Tariff Section 2.07. At the time of the Company’s next general rate case all prudently incurred investment and costs associated with the Surcharge will be included in base rates.

Issued by R. W. Jibson, President	Advice No.	Section Revision No.	Effective Date