



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission
From: The Office of Consumer Services
Michele Beck
Dan Gimble
Eric Orton
Date: September 21, 2010
Subject: Docket 10-057-12

In the Matter of the Consideration of the
Various Rate Design Issues, Cost of Service
Issues and Other Issues Pursuant to the
Settlement Stipulation in Docket No. 09-057-16

Background

On September 9, 2010, the Commission published its Scheduling Order in 10-057-12, a docket which was opened to address cost-of-service and rate design issues for Questar Gas Company (QGC). The Order calls for a preliminary list of issues to be filed by interested parties on September 21, 2010. Accordingly, the OCS submits the following issues list for consideration.

Distribution Plant Factor Study

OCS understands that a new Distribution Plant Factor (DPF) Study will be undertaken as part of this work group effort. Regarding the DPF Study, OCS proposes the following issues be analyzed:

- Potential bias in the number of service lines compared to meters in the DPF Study. Define appropriate procedures to eliminate this bias.
- Include proportionate random sampling to ensure integrity of the sample. OCS found that a disproportionate number of GS commercial samples were drawn from the Clearfield area and the GS residential sample appeared to reflect larger mains and services rather than a more normal size level.
- Identify and separate out large diameter mains and high pressure feeder lines that serve one or a few large customers.

- Accurately determine the cost of NGV service.

GS Rate Design

OCS proposes the following issues be analyzed:

- Develop and evaluate criteria for possible separation of the GS Class into more distinct classes that make sense from usage patterns or other ratemaking policy standpoints
- Identify and separate out industrial customers presently included in the GS class and propose alternative rate schedules for such customers.