



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Chris Parker, Director
Artie Powell, Energy Section Manager
Marlin Barrow, Technical Consultant

Date: December 13, 2011

Re: Docket No. 11-057-14, Questar Gas Replacement Infrastructure 2012 Annual Plan

RECOMMENDATION

The Division recommends the Public Service Commission (Commission) acknowledge the letter as meeting the necessary reporting requirement as set forth in Questar Gas Company's (Company) Utah Natural Gas Tariff PSCU 400, §2.07.

ISSUE

On November 15th, 2011, the Company submitted a letter along with exhibits to the Commission outlining the planned infrastructure replacement projects for the 2012 calendar year. On November 17, 2011, the Commission issued an Action Request to the Division regarding the Company's letter to the Commission. This is the Division's response to the Action Request.

DISCUSSION

The Company's 2012 Infrastructure Replacement program proposes five (5) feeder line (FL) replacement projects that are detailed in Exhibit 1, page 1 of 6 attached with the letter. These 5 projects are FL 14 in Tooele, FL 23 in Logan, FL 25 in Lehi, FL 35 in Riverton and Herriman and FL 65 in Henefer. The exact locations and route maps of these projects were provided in

Exhibit 1, pages 2-6 that were attached to the letter. The total budget of the infrastructure replacement program for 2012 is projected to be \$57,000,000, which is within the allowed limits for annual expenditures, as described in the Settlement Stipulation in Docket No. 09-057-16, using the inflation factor for steel mains provided in Exhibit 3. Exhibit 4 provides an updated estimated feeder line replacement schedule. The original of this schedule was provided by Mr. Barrie McKay as Exhibit 1.7 in his filed testimony in Docket No. 09-057-16.

Exhibit 4 currently estimates that the feeder line replacement program will go through the year 2016 instead of 2018 as shown in Exhibit 1.7 of Mr. McKay's testimony. The Company has indicated the reason for this acceleration in the feeder line replacement program is due to the lack of new customer growth, thereby allowing capital dollars, normally used to accommodate the new growth, to be diverted to the feeder line replacement program. The Company estimates, subject to audit, that if all of the 2012 feeder line replacement projects are completed and in service as proposed, a typical GS residential customer can expect an incremental increase of \$6.88¹ in their annual bill.

CONCLUSION

The letter the Company filed with the Commission on November 15, 2011, outlining the 2012 Infrastructure Annual Plan and Budget, is in compliance with paragraph 15 of the Settlement Stipulation, that was attached as Exhibit A to the Commission's Report and Order, issued June 3, 2010 in Docket No. 09-057-16. The Division recommends the Commission acknowledge the letter as being compliant with the proper reporting requirements.

CC Barrie McKay, Questar Gas Company
 Kelly Mendenhall, Questar Gas Company
 Michele Beck, Office of Consumer Services
 Eric Orton, Office of Consumer Services

¹ Replacement costs are approved through feeder line tracker filings, with the Commission, on an interim basis until the Division can complete an audit of those filings. The most recent filing was in Docket No. 11-057-11 approved by the Commission on 9/30/2011.