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Division of Public Utilities

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ACTION REQUEST RESPONSE

To: **Public Service Commission**

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Marlin H. Barrow, Technical Consultant
Artie Powell, Manager

Date: December 19, 2011

Subject: Docket No. 11-057-T06, Compliance filing regarding Docket No. 11-057-08.

ISSUE:

On December 2, 2011, Questar Gas Company (QGC) filed an update of their Utah Natural Gas Tariff PSCU 400, §2.02, GS Rate Schedule and §2.03, FS Rate Schedule in compliance with a Utah Public Commission (Commission) order issued on September 30, 2011 in Docket No. 11-057-08, Docket No. 11-057-09, Docket No. 11-057-10 and Docket No. 11-057-11. On December 6, 2011, the Commission issued an Action Request to the Division of Public Utilities (Division) to review the tariff filing for compliance to the order. This is the Division response to that request.

RECOMMENDATION:

The Division recommends the Commission accept the tariff sheets filed with the Commission on December 2, 2011 under Docket No. 11-057-T06.

DISCUSSION:

The Division has reviewed the updated tariff sheets and finds that §2.02 and §2.03, are in agreement with the updated tariffs contained in Dockets No. 11-057-08, approved on an interim

basis by the Commission in their order issued on September 30, 2011. This tariff filing sets the SNG winter rate with an effective date of January 1, 2012 for the GS and FS rate classes as discussed in the Division' September 19th memo to the Commission in Docket No. 11-057-08.

“However, in this filing, in order to reduce the range of (over)/under collections that occur in the SNG balancing account, QGC is proposing to delay by two months the implementation of the SNG winter rate differential for the GS and FS rate classes. By doing this QGC forecasts that the swings in the (over)/under collection balances can be reduced from \$40,000,000 dollar ranges to \$20,000,000 million dollar ranges and in the spring filings, implement an annual amortization rate to begin collection on a smaller (over)/under collected balance. The Division supports this one time delay in implementation of the winter SNG rate until January 2012 at which time the Company will file, through a tariff filing, the winter SNG rates reflected as part of the Company's Exhibit 1.8 in this Docket. The effect of doing this has already been factored into the estimates these changes will have on GS residential customers' gas bills.”¹

With this tariff filing, effective January 1, 2012, the GS Rate Schedule's Supplier Non-Gas Rate (SNG) increases from \$0.54987/Dth to \$1.17116/Dth and the FS Rate Schedule's SNG rate increases from \$0.54985/Dth to \$1.14067/Dth. As mentioned above, the effect of this tariff change on a typical GS customer was factored in the Company's pass-through filing in Docket No. 11-057-08, which at that time would have reduced a typical GS customer's annual gas bill by \$18.51.

The Division therefore recommends the Commission accept the tariff sheets and request that QGC issue an advice letter to its Utah Tariff Holders of record informing them of the changes in §2.02 and §2.03 of their Utah Natural Gas Tariff PSCU 400.

Cc: Barrie McKay, Questar Gas Company
 Kelly Mendenhall, Questar Gas Company
 Judd Cook, Questar Gas Company
 Michele Beck, Office of Consumer Services
 Eric Orton, Office of Consumer Services
 Maria Martinez, DPU Customer Service

¹Division's Memo, Docket Nos. 11-057-08, 09, 10, 11, September 19, 2011, page 7.