



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 14, 2012

Re: Docket No. 12-057-18, Questar Gas Replacement Infrastructure 2013 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, 2012, the Company submitted a letter along with exhibits to the Commission outlining the planned infrastructure replacement projects for the 2013 calendar year. On November 21, 2012, 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 2013 Infrastructure Replacement program proposes seven (7) new feeder line (FL) replacement projects and the completion of FL 42 in Tooele County that began in 2012. The total 2013 budget for these projects is listed in Exhibit 1, page 1 of 8 at \$59,000,000. These 7 projects are FL 41 in Tooele County, FL 50 in Summit County, FL 20 in Weber County, FL 18

in Davis County and FL's 8, 11 and 36 in Salt Lake County. Exhibit 1, pages 2 through 8 are maps detailing the proposed routes of the feeder lines. The total budget of the infrastructure replacement program for 2013 of \$59,000,000 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 shows the feeder line replacement program through the year 2016. The Company estimates, subject to audit, that if all of the 2013 feeder line replacement projects are completed and in service as proposed, a typical GS residential customer can expect an incremental increase of \$7.81¹ in their annual bill.

CONCLUSION

The letter the Company filed with the Commission on November 15, 2012, outlining the 2013 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. 12-057-15 approved by the Commission on 11/21/2012.