

## **Proposed Main and Service Line Policy**

2013 General Rate Case

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## **Current Policy**

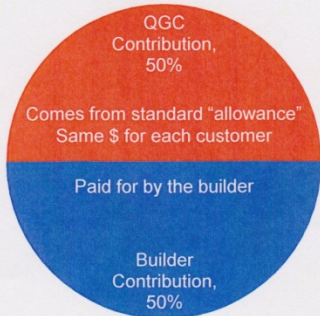
### **Total Project Cost**

Pipe  
Shade  
Labor  
Permits  
Pre-Construction  
Design  
Engineering  
Mandated Inspection  
Mandated Testing  
Mandated Mapping

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### Current Policy

#### Total Project Cost (Average)



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### Proposed Policy

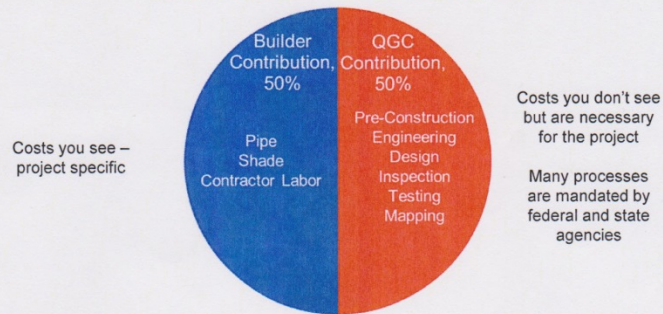
#### Total Project Cost



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## Proposed Policy

### Total Project Cost (Project Specific)



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## Summary of Proposed Policy

- “Allowance” is the QGC internal costs
  - Engineering, inspection, mapping, etc.
- Both the costs and the allowance to the builder/developer will be directly correlated with the length of the line being installed.
- Costs shared 50/50 on each project, not “on average.”

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### What is the impact on developers and builders?

- Some will pay more, some will pay less
- Five year refund policy on mains goes away
  - Questar takes on more risk
- Reduces up front costs for developers on mains.
- Look at some examples of both mains and service lines

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### Service Lines – Current and Proposed Policy

15 foot service line	Current Policy	Proposed Policy	60 foot service line	Current Policy	Proposed Policy
15' of ¾"	\$277	\$142	60' of ¾"	\$1,108	\$568
Meter	281	190	Meter	281	190
Riser Assembly	125	125	Riser Assembly	125	125
Subtotal	683	457	Subtotal	1,514	883
Allowance	(781)	QGC Costs	Allowance	(781)	QGC Costs
Cost of Project	\$0	\$457	Cost of Project	\$733	\$883
<b>Cost/ft</b>	<b>Cost Type</b>	<b>Cost</b>	<b>Cost/ft</b>	<b>Cost Type</b>	<b>Cost</b>
	Variable	\$9.46		Variable	\$9.46
	Fixed	\$315		Fixed	\$315

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100

1846	946
281	190
125	125
2252	
781	
1471	1261
	1.16%

200'

3693	1892
281	190
125	125
4099	
3318 (781)	2207

### Mains – Current and Proposed Policy

500 ft of main	Current Policy	Proposed Policy
500 ft of 2" Main	\$6,915	\$3,415
Allowance (now)	0	0
Cost of Project	\$6,915	\$3,415

500 ft of main with 1 allowance	Current Policy	Proposed Policy
500 ft of 2" Main	\$6,915	\$3,415
Allowance (5 yrs)	(1,035)	0
Cost of Project	\$5,880	\$3,415

500 ft of main with 5 allowances	Current Policy	Proposed Policy
500 ft of 2" Main	\$6,915	\$3,415
Allowance (5 yrs)	(5,175)	0
Cost of Project	\$1,740	\$3,415

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### Getting Involved

- Offer public comment
  - Written comments
  - Attend public witness day January 14, 2014
- Formal Intervention
  - Testimony due October 30, 2013
  - Intervention deadline is November 8, 2013

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## Questions?

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## Service Lines – Energy Efficiency Proposal

15 foot service line	Proposed
15' of ¾"	\$142
Meter	190
Riser Assembly	125
Subtotal	457
Allowance	QGC Internal Costs
Cost of Project	457
Energy Efficiency	(350)
TOTAL	\$147

60 foot service line	Proposed
60' of ¾"	\$568
Meter	190
Riser Assembly	125
Subtotal	883
Allowance	QGC Internal Costs
Cost of Project	883
Energy Efficiency	(350)
Total	\$610

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