



State of Utah  
Department of Commerce  
Division of Public Utilities

FRANCINE GIANI  
*Executive Director*

THOMAS BRADY  
*Deputy Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

GARY HERBERT.  
*Governor*  
SPENCER J. COX  
*Lieutenant Governor*

## REPORT AND RECOMMENDATION

### To: **Public Service Commission**

From: Division of Public Utilities  
Chris Parker, Director  
Energy Section  
Artie Powell, Manager  
Doug Wheelwright, Technical Consultant  
Eric Orton, Utility Analyst

Date: October 31, 2014

Subject: Report due November 1, 2014, as ordered in the 13-057-05 general rate case.

In the Matter of the Application of Questar Gas Company to Increase Distribution Rates and Charges and Make Tariff Modifications

---

### **RECOMMENDATION**

No action is required at this juncture.

### **BACKGROUND**

In the general rate case order dated February 21, 2014, the Public Service Commission of Utah (Commission) ordered the Utah Division of Public Utilities (Division) to convene a workgroup with two major focuses. The first to examine Questar Gas Company (Company)'s proposed line extension policy change and the second, to "evaluate the issue of self-installation of pipelines."

The Commission ordered that "The Division shall provide a report and any recommendations on those issues to the Commission by November 1, 2014." (See the Order in 14-057-05 part VI, numbers 6 and 7)

This is the Division's report and recommendation.

### **DISCUSSION AND REPORT**

### **First issue – Line Extension**

The workgroup has been established and met a number of times mainly concentrating on discussing the line extension policy (the first issue). The workgroup's next scheduled meeting is on January 22, 2015. At that meeting the Company will bring back the data it has been collecting. The Company will provide this data in 'dummy reports'. This will allow the Division (and other parties) to evaluate which of the different formats provided in these dummy reports, will provide the required information in the most usable format. Also, for the same purpose the Company is tracking its internal costs in several different ways, such as: dollars per foot; dollars per job; variable costs; fixed costs; and determining which parts of the jobs are necessary for Company employees to participate in and which are not.

### **Second issue – Self-Install**

It is the Division's opinion that the second topic of the workgroup (self-installation) has been superseded by the passage of H.B. 171, the Natural Gas Facilities Amendments which requires the Company to approve individuals to become Qualifying Installers of natural gas facilities, and establish tariff language that specifies standards and specifications for the construction of natural gas facilities. This bill resulted in Utah Code Ann. §58-55-308. The Commission opened a new docket (14-057-13) to investigate the compliance of the Company's proposed tariff sheets to the new law. Members of the workgroup are still working through the tariff language, and a Status and Scheduling Conference is calendared for November 5, 2014.

## **CONCLUSION**

The Division and workgroup are still in the process of examining the line extension issue and will have its report to the Commission by April 1, 2015 as ordered.

The new law superseded the second issue of the workgroup so deciding on tariff language is the only outstanding issue. Therefore, at this point, there is nothing for the Division to report on or recommend prior to the November 5<sup>th</sup> meeting.

This is the Division's preliminary report with a more detailed report coming in April 2015. Therefore, the Division recommends that the Commission take no action at this point.

CC:           Barrie McKay, Questar Gas Company  
              Kelly Mendenhall, Questar Gas Company  
              Michele Beck, Office of Consumer Services  
              Maria Martinez, Division of Public Utilities