

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company to Amortize the Conservation) DOCKET NO. 13-057-16
Enabling Tariff Balancing Account)
)
In the Matter of the Application of Questar) DOCKET NO. 13-057-17
Gas Company to Change the Infrastructure)
Rate Adjustment)
) ORDER CONFIRMING BENCH RULINGS
)

ISSUED: February 14, 2014

SYNOPSIS

The Commission approves two uncontested rate applications of Questar Gas Company, on an interim basis, pending the completion of audits by the Division of Public Utilities. The Commission also approves the tariff sheets accompanying the applications, as filed. The combined effect of these applications is to increase the annual bill of a typical GS residential customer using approximately 80 decatherms by approximately \$3.53, or 0.5 percent.

PROCEDURAL HISTORY AND BACKGROUND

The two rate applications captioned above were filed by Questar Gas Company (“QGC”) November 1, 2013. Each application proposes discreet rate changes to be effective December 1, 2013. Pursuant to the scheduling order issued in this docket on November 7, 2013, the Division of Public Utilities (“Division”) filed comments with respect to both dockets on November 18, 2013. The Office of Consumer Services (“Office”) filed comments with respect to Docket No. 13-057-16 on November 22, 2013.

On November 27, 2013, the Commission’s designated Presiding Officer conducted a hearing, at which each application was examined. At the hearing, Questar provided a summary of the applications. In addition, the Division summarized pertinent portions of its

comments and provided testimony recommending Commission approval of both applications. The Office also summarized its comments in Docket No. 13-057-16 and provided testimony indicating it did not oppose Questar's application in that docket. No party provided testimony in opposition to approval of the applications.

At the conclusion of the hearing, the Presiding Officer issued a bench order approving, on an interim basis, the rate changes requested in the two applications. This order memorializes those bench rulings. The evidence supporting each application is uncontested and is briefly summarized below.

DOCKET NO. 13-057-16

Questar's application in Docket No. 13-057-16 ("CET Application") requests to amortize the September 2013 Conservation Enabling Tariff ("CET") debit balance of \$1.444 million (under-collection) in Account 191.9 and adjust the CET component in Block 1 and 2 of the GS class distribution non-gas rate ("DNG"). This represents a \$1.329 million increase in the amounts currently collected in rates. The resulting increase for the GS DNG Block 1 rate is \$0.01367 per decatherm for the summer rate and \$0.01623 per decatherm for the winter rate.¹ As a result of these changes, a typical GS rate class customer using 80 decatherms per year will see an increase in their annual bill of approximately \$1.20 or 0.17 percent.

According to Questar, the current under-collection was caused by a decrease in the usage per customer over the last two years as shown in the table below. The drop in GS

¹ See CET Application, QGC Exhibit 1.2

Commercial usage indicated in the table below is due to the number of large commercial customers transferring from the GS class to the TS class.²

	GS Residential	GS Commercial
12 Months ended June 2012	83.0	464.2
12 Months ended June 2013	81.6	459.6
Year over Year Decrease	-1.4	-4.6

A. Parties' Positions

1. Applicant

At hearing Questar summarized the CET Application and identified the accompanying tariff sheets. Questar further testified that it met with the Division and the Office to address the concerns outlined in the Office's comments described below.

2. The Office

The Office's comments express concern that the design of the CET is having unintended consequences. Specifically, the Office questions why the CET is picking up declining usage due to customers switching classes. The Office further notes that to the extent Questar continues to receive revenues from the same customers in another customer class, the Office questions whether the CET is recovering the correct amount.³ At hearing the Office testified that its concerns were addressed in a meeting with Questar and the Division. Therefore the Office does not oppose the CET Application.

3. The Division

At hearing the Division summarized its comments and provided testimony recommending approval of the CET Application. The Division further testified that it met with

² See CET Application at pp. 3-4.

³ See Comments of Office, Docket No. 13-057-16 at p.2.

DOCKET NOS. 13-057-16 AND 13-057-17

- 4 -

the Office and Questar regarding the concerns outlined in the Office's comments. Based on that meeting, the Division testified that Questar, the Office and the Division are all in agreement that the CET is operating as intended. The Division further indicated that it had reviewed the tariff sheets filed with the CET Application and recommended their approval.

DOCKET NO. 13-057-17

The Commission authorized Questar to establish the Infrastructure Tracker Pilot Program ("Tracker") in Docket No. 09-057-16.⁴ Questar's application in Docket No. 13-057-17 ("Tracker Application") requests to increase the current infrastructure rate adjustment component of the DNG rates of all rate schedules in its Utah Natural Gas Tariff. As of October 2013, the Tracker program had a cumulative plant balance of \$191.888 million and a calculated revenue requirement of \$22.258 million representing a \$2.760 million increase in revenue requirement from the previous filing (Docket No. 13-057-11). The effect of this increase on rates will raise the annual gas bill of a typical GS residential customer using 80 decatherms per year by about \$2.33 or 0.33 percent.

A. Parties' Positions

1. Applicant

At hearing Questar summarized the Tracker Application and provided testimony supporting its approval.

⁴ See the June 3, 2010, Report and Order in Docket No. 09-057-16, *In the Matter of the Application of Questar Gas Company to Increase Distribution Non-Gas Rates and Charges and Make Tariff Modifications*.

2. The Division

At hearing the Division summarized its comments and provided testimony recommending approval of the Tracker Application. The Division further indicated that it had reviewed the tariff sheets filed with the Tracker Application and recommended their approval.

ORDER

Based on the CET Application and Tracker Application, the recommendations of the Division, and the testimony presented at the hearing, the Commission approves the CET and Tracker Applications, effective December 1, 2013, on an interim basis, pending the final results of the Division's audits. The Commission also approves the tariff sheets accompanying the CET and Tracker Applications, as filed in this docket on November 1, 2013.

DATED at Salt Lake City, Utah, this 14th day of February, 2014.

/s/ Jordan A. White
Presiding Officer

DOCKET NOS. 13-057-16 AND 13-057-17

- 6 -

Approved and confirmed this 14th day of February, 2014, as the Order of the
Public Service Commission of Utah.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#250983

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the written order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 14th day of February, 2014, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Colleen Larkin Bell (colleen.bell@questar.com)
Jenniffer Nelson Clark (jenniffer.clark@questar.com)
Attorneys for Questar Gas Company

Brent Coleman (brentcoleman@utah.gov)
Patricia Schmid (pschmid@utah.gov)
Justin Jetter (jjetter@utah.gov)
Assistant Utah Attorneys General

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant