

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Pass-Through Application of Questar Gas Company For an Adjustment in Rates and Charges for Natural Gas Service in Utah, Docket No. 14-057-22

In the Matter of the Application of Questar Gas Company to Amortize the Conservation Enabling Tariff Balancing Account, Docket No. 14-057-23

In The Matter of the Application of Questar Gas Company for a Tariff Change and Adjustment to the Low Income Assistance/Energy Assistance Rate. Docket No. 14-057-24

HEARING PROCEEDINGS

PRESIDING OFFICER JORDAN A. WHITE

PLACE: Heber M Wells Building 160 East 300 South Salt Lake City, UT

DATE: October 30, 2014

TIME: 2:00 p.m.

REPORTED BY: Kellie Peterson, RPR

50 West Broadway, Suite 900, Salt Lake City, UT 84101 801-983-2180

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

FOR QUESTAR:

Jenniffer Nelson Clark, Esq.
Barry McKay
Austin Summers
Jordan Stevenson
QUESTAR GAS COMPANY
333 South State Street
PO Box 45360
Salt Lake City, UT 84145-0360
Telephone: (801) 324-5865

FOR DIVISION OF PUBLIC SERVICES:

Patricia Schmid, Esq.
Douglas Wheelwright
DIVISION OF PUBLIC SERVICES
160 East 300 South
Fourth Floor
Salt Lake City, UT 84111

FOR OFFICE OF CONSUMER SERVICES

Rex W. Olsen, Esq.
Danny Martinez
OFFICE OF CONSUMER SERVICES
160 East 300 South
Second Floor
Salt Lake City, UT 84111

1 P R O C E E D I N G S

2 PRESIDING OFFICER WHITE: Good afternoon.
3 It's the time and place for Commission consideration of
4 three separate reapplications filed by Questar Gas. The
5 Company would propose specific rate changes to the
6 effect of November 1, 2014. The first application is in
7 Docket 14-057-22, in the matter of the pass-through
8 application of Questar Gas Company for an adjustment in
9 rates and charges for natural gas service in Utah; the
10 second application is in Docket 14-057-23, in the matter
11 of the application of Questar Gas Company to amortize
12 the conservation enabling tariff balancing account; and,
13 finally, the third application is Docket 14-057-24 in
14 the matter of the application of Questar Gas Company for
15 a tariff change and adjustment to the low income
16 assistance, energy -- sorry, assistance
17 energy/assistance rate.

18 My name is Jordan White. The Commissioners
19 have asked that I act as presiding officer for this
20 hearing. With that, why don't we go ahead and take
21 appearances. We can start over here with the Office.

22 MR. OLSEN: Rex Olsen from the Attorney
23 General's Office, on behalf of the Office of Consumer
24 Services.

25 MS. SCHMID: Patricia E. Schmid with the

1 Attorney General's Office, on behalf of the Division of
2 Public Utilities.

3 MS. CLARK: And I am Jennifer Clark. I am
4 here on behalf of Questar Gas Company.

5 PRESIDING OFFICER WHITE: And I assume
6 everyone is on the side of you --

7 MS. CLARK: I would be happy to introduce
8 them.

9 PRESIDING OFFICER WHITE: Yes, sure, that
10 would be fine.

11 MS. CLARK: That will be helpful.

12 PRESIDING OFFICER WHITE: I know Austin but
13 I don't --

14 MS. CLARK: Mr. Summers is here and he will
15 be testifying on the pass-through docket, Mr. Jordan
16 Stevenson is here and he will be speaking to the other
17 two, and Barry McKay is here to help answer questions
18 should his assistance be needed.

19 PRESIDING OFFICER WHITE: Perfect, thank
20 you. I appreciate that. Okay, before we proceed, is
21 there any matter of housekeeping, issues of
22 confidentiality, etc.?

23 MS. CLARK: Not that I'm aware of.

24 PRESIDING OFFICER WHITE: Okay, great.
25 Okay, well, why don't we go ahead and start with the 22

1 docket, addressing Questar's pass-through application.
2 Ms. Clark, since it is Questar's application, why don't
3 you go ahead and proceed.

4 MS. CLARK: Do we need to swear the
5 witnesses?

6 PRESIDING OFFICER WHITE: Well, if you
7 wanted to -- yes, let's do that, yeah. So do you want
8 to raise your right hand?

9 AUSTIN SUMMERS

10 Called as a witness and having been duly sworn,
11 was examined and testified as follows:

12 EXAMINATION

13 PRESIDING OFFICER WHITE: Thank you.

14 BY MS. CLARK:

15 Q. Mr. Summers, could you please state your name,
16 your full name, and your business address for the
17 record, please?

18 A. Yes. My name is Austin Summers, and my business
19 address is 333 South State Street, Salt Lake City, Utah.

20 Q. And what position do you hold with Questar Gas
21 Company?

22 A. I am the supervisor of regulatory affairs.

23 Q. And did you oversee and prepare -- prepare or
24 oversee the preparation of the application and attached
25 exhibits in Docket No. 14057-22?

1 A. Yes, I did.

2 Q. Do you have any corrections to this application?

3 A. I do have a correction. In the continued
4 discussions with the Division of Public Utilities, it
5 was determined that two numbers on the first page of the
6 written application were not calculated correctly.
7 Though these numbers are incorrect in the narrative of
8 the application, the rates have been calculated
9 correctly.

10 So if you're on the first page of the
11 application, the first paragraph, the second line, the
12 Company asks for a decrease of \$29,811,000. That amount
13 should be \$29,265,000. That amount is also incorrect on
14 the second paragraph on the fourth line. It's that same
15 \$29,811,000 and it should be \$29,265,000.

16 PRESIDING OFFICER WHITE: Just so we are
17 clear for the record, the first clarification you have
18 on page 2 of the application, on 14-057-22, what was the
19 second -- the page --

20 THE WITNESS: Sage page.

21 PRESIDING OFFICER WHITE: Same page.

22 THE WITNESS: It's also on page 2, in the
23 second paragraph, on the fourth line down.

24 PRESIDING OFFICER WHITE: Okay.

25 THE WITNESS: And it has that same

1 \$29,811,000 and it should be \$29,265,000. So it's
2 incorrect in just those two spots. The rest of the
3 rates have all been calculated correctly, so there's
4 22.48 in that paragraph, \$22.48, that is calculated
5 correctly. The 2.9 percent decrease is calculated
6 correctly. It is just the words are wrong.

7 PRESIDING OFFICER WHITE: Thank you.

8 THE WITNESS: And those are the -- that's
9 the only correction that I have.

10 BY MS. CLARK:

11 Q. Thank you, Mr. Summers. And would you please
12 summarize the Company's request in this docket?

13 A. Yes. In pass-through Docket No. 14-057-22,
14 Questar Gas Company respectfully asks the Utah Public
15 Service Commission for approval of \$598,234,115 in Utah
16 gas cost coverage. This represents an overall decrease
17 of \$29,265,000. The components of the decrease are a
18 decrease -- sorry, are first a decrease of \$23,743,000
19 in commodity costs; and, second, a decrease of
20 \$5,522,000 in SNG cost.

21 Included in this request is an amortization
22 of the commodity portion of the actual August, 2014
23 under-collected 191 account balance of \$45,111,165 by a
24 41.533 cents per decatherm debit surcharge. An
25 amortization of the supplier non-gas rate was

1 established in the Company's last pass-through case to
2 adjust the slightly over-collected SNG balance. This
3 amortization will remain unchanged in this docket. We
4 used the average of forecasted gas prices from two
5 agencies, namely, PIRA Energy Group and Cambridge Energy
6 Research Associates, to develop the cost of purchased
7 gas.

8 If this filing is allowed, a typical Utah GS
9 customer using 80 decatherms per year, would see is
10 decrease of \$22.48, or a total annual decrease of about
11 2.93 percent. Therefore, we request the decrease
12 proposed and commodity and SNG rates be allowed to go
13 into effect as filed on November 1, 2014, and that
14 concludes my summary.

15 Q. Do you adopt the contents of the application and
16 its attachments with those corrections you mentioned
17 earlier as you testimony today?

18 A. Yes.

19 MS. CLARK: Then the Company would move for
20 the admission of those.

21 PRESIDING OFFICER WHITE: Any objection to
22 admission? They are received.

23 MS. CLARK: Mr. Summers is available for
24 questioning.

25 PRESIDING OFFICER WHITE: Ms. Schmid?

1 MS. SCHMID: Thank you. The Division's
2 witness today will be Mr. --

3 PRESIDING OFFICER WHITE: Oh, sorry, I
4 apologize.

5 MS. SCHMID: Oh, sorry.

6 PRESIDING OFFICER WHITE: No, it's okay, no
7 problem. Did you have any questions for Mr. Summers?

8 MS. SCHMID: No.

9 PRESIDING OFFICER WHITE: Okay. And I
10 assume, Mr. Olsen --

11 MR. OLSEN: No, we don't have any.

12 PRESIDING OFFICER WHITE: Okay, it's no
13 problem. With that, why don't we go ahead and turn to
14 your witness, Ms. Schmid.

15 MS. SCHMID: Thank you. The Division's
16 witness today is Mr. Douglas Wheelwright. Could he
17 please be sworn?

18 PRESIDING OFFICER WHITE: Yes, please raise
19 your right hand.

20 DOUGLAS WHEELWRIGHT

21 Called as a witness and having been duly sworn,
22 was examined and testified as follows:

23 EXAMINATION

24 BY MS. SCHMID:

25 Q. Could you please state your full name, business

1 address, and work title for the record?

2 A. My name is Douglas D. Wheelwright. I am a
3 technical consultant with the Division of Public
4 Utilities. My business address is 160 East 300 South,
5 Salt Lake City.

6 Q. Have you participated on behalf of the Division
7 in this docket?

8 A. Yes, I have.

9 Q. Could you please briefly describe your
10 activities?

11 A. We did a review of the Company's model and also
12 loaded the information into our own model to verify the
13 calculations.

14 Q. Did you also participate in a preparation and
15 filing of the Division's memo, dated October 27, 2014?

16 A. Yes, I did.

17 Q. Do you have any corrections to that memo?

18 A. Yes, I do. As mentioned the -- by the Company,
19 there are two errors in the numbers identified in the
20 application. We replicated those numbers in my memo.
21 On page 2 of my memo, right at the very top, we
22 represent the same \$29,811,000 number. It should be
23 \$29,265,000. On page 3, the first paragraph, third
24 line, references that same number. It should be --
25 instead of 29.811, it should be 29.265, and that is the

1 only correction.

2 Q. Do you have a summary today?

3 A. Yes, I do.

4 Q. Please proceed.

5 A. Thank you. Docket No. 14-057-22, the 1-A-1
6 pass-through docket asked for Commissioner approval for
7 a \$23.7 million decrease in the commodity component and
8 a \$5.7 million decrease in the supplier non-gas
9 component of natural gas rates, for a net decrease of
10 \$29.3 million. The request for a reduction in commodity
11 costs is due to reproduction in the forward price curve
12 of the 12-month test period ending October 31, 2015.

13 In the current filing, it is anticipated
14 that approximately 59 percent of the total gas
15 requirement will be satisfied from the Wexpro cost of
16 service gas production. As part the audit and review of
17 the 191 account, the Division is reviewing the
18 calculations and costs associated with the Wexpro
19 production in the current and in previous 191 filings.
20 The audit process is ongoing and any findings will be
21 presented to the Commission.

22 If this docket is approved individually, a
23 typical GS customer will realize a decrease in their
24 annual bill of \$22.48. The Division recommends that the
25 proposed rate be approved on an interim basis until a

1 full audit of the 191 account can be completed, and that
2 concludes my summary.

3 Q. You corrected one number in two places in the
4 Division's memo. Is it your testimony, however, that
5 that correction did not affect the rates, and that the
6 rest of the calculations and rates are correct?

7 A. That is correct, just a correction of the
8 narrative portion.

9 Q. Do you adopt as your testimony the Division's
10 memorandum and your summary as stated today?

11 A. Yes, I do.

12 Q. Thank you.

13 MS. SCHMID: Mr. Wheelwright is now
14 available for questioning.

15 PRESIDING OFFICER WHITE: Okay. I assume --
16 do we want to go ahead and deal with the receipt of the
17 those filings?

18 MS. SCHMID: Thank you.

19 PRESIDING OFFICER WHITE: No problem. Any
20 objection to the receipt of those two dockets -- or I
21 guess it's just one. Right? The --

22 MS. SCHMID: Yes.

23 PRESIDING OFFICER WHITE: Okay, perfect.
24 They are received.

25 MS. CLARK: No objection.

1 PRESIDING OFFICER WHITE: Okay. Great,
2 thanks. Okay, any cross for Mr. Wheelwright from
3 Questar?

4 MS. CLARK: No.

5 PRESIDING OFFICER WHITE: Okay. Mr. Olsen?

6 MR. OLSEN: No.

7 PRESIDING OFFICER WHITE: Okay. Why don't
8 we go ahead and turn to Mr. Olsen for his witness.

9 MR. OLSEN: Thank you, Your Honor. The
10 Office's witness will be Danny Martinez and ask that he
11 be sworn for purposes of this.

12 PRESIDING OFFICER WHITE: Okay, perfect.
13 Why don't you go ahead and raise your right hand.

14 DANNY MARTINEZ

15 Called as a witness and having been duly sworn,
16 was examined and testified as follows:

17 EXAMINATION

18 BY MR. OLSEN:

19 Q. Mr. Martinez, can you state your business
20 address, please?

21 A. Yes, my name is Danny Martinez. My business
22 address is 160 East 300 South, in Salt Lake City Utah,
23 84111.

24 Q. And as part of your duty, did you have an
25 opportunity to review the analysis on Docket No.

1 14-057-22?

2 A. Yes, I did.

3 Q. On behalf of the Office, did you file any kind of
4 testimony?

5 A. No, I did not.

6 Q. You heard the corrections made to the two figures
7 in the narrative. Do those agree with your -- did that
8 change, in any way, affect your analysis of this docket?

9 A. No, it did not. I quickly reviewed the -- both
10 the application and the Division's memo, in just most
11 recent few minutes as I got the correction, and verified
12 it against numbers that supported that within each
13 document, and they seem to tie out.

14 Q. And so what is the -- what would be your
15 testimony regarding whether this application should be
16 accepted?

17 A. My testimony is at this time that the Company's
18 application and -- should be accepted at this time.

19 MR. OLSEN: We have nothing further.

20 PRESIDING OFFICER WHITE: Okay. Ms. Clark,
21 did you have any cross for --

22 MS. CLARK: I do not.

23 PRESIDING OFFICER WHITE: Ms. Schmid?

24 MS. SCHMID: No.

25 PRESIDING OFFICER WHITE: And so

1 understanding there was no filing made by the Office, I
2 guess we don't need any documents. Right?

3 MR. OLSEN: That is correct. We did not
4 file anything at this time.

5 PRESIDING OFFICER WHITE: Okay, great. So
6 if it is all right with the attorneys, I my plan is to
7 -- I have a few questions of my own. If it's all right,
8 rather than you have you come up, we will just kind of
9 keep you next to your attorneys and we will just do it
10 in panel form, if that is all right, and I will just
11 keep you sworn in if that's okay.

12 All right. Why don't we go ahead and start
13 with Mr. Wheelwright, and I am referencing now your memo
14 of October 17, 2014. In that, the Division identifies
15 two factors driving the higher Wexpro to production
16 costs. The first factor being the gathering costs that
17 were, according to Division, mistakenly left out of the
18 calculation in the previous filing; and the second
19 being, according to the Division, the fact that the
20 original Wexpro II productions assumed that compression
21 would be installed in the trail field from the data
22 acquisition. Is that correct?

23 MR. WHEELWRIGHT: Yes.

24 PRESIDING OFFICER WHITE: Okay. So with
25 respect to the gathering costs, can you help me clear up

1 a little bit of confusion? My understanding from the
2 prior case is that the gathering costs were included in
3 projections. Am I missing something or --

4 MR. WHEELWRIGHT: No, and this may be a
5 question to address to the Company, as well. These were
6 responses to our data requests, and as has been
7 explained to us in the filings, previous filing, they
8 didn't include those gathering costs. It was just an
9 error on -- from someone within the Company, and they
10 were not included in the previous filing. They are
11 included in this filing, and that is the reason for the
12 increase.

13 PRESIDING OFFICER WHITE: And we will put a
14 pen in your testimony for a second, but maybe it is just
15 most convenient right now to turn to maybe, I guess, the
16 Company.

17 I guess what I am referring to is -- and I
18 don't know if you have the last, the last application
19 from the last filing or not, but I -- in one of the
20 exhibits there, maybe there is definitely a chance I
21 could be reading this wrong, but I thought there was a
22 reference to the gathering costs or inclusions. And I
23 don't know if you have it, Mr. Summers. I am looking at
24 -- I think there's a couple places; one being Tab 1.3 on
25 page 102.

1 MR. SUMMERS: Yeah, and so let me explain
2 kind of how this happened. When we are preparing the
3 pass-through, we get -- from the Wexpro Company, we get
4 their forecast of the operator service fee. And there
5 are a lot of -- there is a lot that goes into that one
6 number for the operator service fee. And it was the
7 first time that we included Wexpro II costs in the
8 pass-through, and so there was a lot of back and forth
9 between us and Wexpro to make sure that everything was
10 included in there that we needed.

11 One thing that we wanted to be able to show
12 in the pass-through, though, in that last case was we
13 wanted to be able to show a gathering -- how much the
14 gathering would be for those Wexpro II volumes. So they
15 had said that the gathering amount was included in their
16 operator service fee, and so what we did is we backed it
17 out of the operator service fee total and included it
18 here on Exhibit 1.3.

19 So we thought we were doing that right, then
20 this time and when the Division's data request came
21 through, Wexpro started comparing line by line to figure
22 out why there was an increase, and the gathering had not
23 been included in that last case. So we do show an
24 amount for gathering, but we mistakenly backed that out
25 of the operator service fee in order to show it on this

1 line. So it's -- there is just no gathering in there.

2 PRESIDING OFFICER WHITE: Okay. So neither
3 in the last case, nor this case?

4 MR. SUMMERS: In this case, they did include
5 it.

6 PRESIDING OFFICER WHITE: And you mean in
7 this case, meaning the 14-57-09, you mean the last
8 pass-through; is that what you mean?

9 MR. SUMMERS: Okay, so I will clarify, in
10 14-057009 --

11 PRESIDING OFFICER WHITE: Which was the
12 last --

13 MR. SUMMERS: Which was the last
14 pass-through case, there were no gathering costs --

15 PRESIDING OFFICER WHITE: Okay.

16 MR. SUMMERS: -- included in that. In this
17 case, those gathering charges in Docket 14-057-22, those
18 gathering charges are included in this docket.

19 PRESIDING OFFICER WHITE: Okay, okay, so --

20 MR. SUMMERS: So we showed an amount for
21 that, but we had also removed it from a place where it
22 -- those costs hadn't been included.

23 PRESIDING OFFICER WHITE: So okay, so they
24 are in this one, then?

25 MR. SUMMERS: They are included in this

1 docket.

2 PRESIDING OFFICER WHITE: Okay, okay, all
3 right. That is a helpful clarification.

4 Okay, so now going back to Mr. Wheelwright,
5 so I think we cleared up the gathering, on the
6 compression issue, my understanding on the original
7 analysis that was performed by the Division and the
8 hydrocarbon monitor in the trail acquisition case, and
9 that was 14-57-13, I think that was right, that assumed
10 no inclusion of compression cost or values.

11 So I guess my question is, if that was the
12 assumption then, can you help me understand how, if they
13 were in and they remained in, I guess my question is,
14 why is that a factor contributing to the
15 significantly -- I am using the word significantly
16 higher, that is the Office -- or I am sorry, the
17 Division's characterization, why that factor is
18 contributing to that -- those higher costs. Does that
19 make sense? Are you following what I am saying?

20 MR. WHEELWRIGHT: Let me see if I can
21 explain -- if this answers your question. We were
22 looking at the -- in filing it, it identifies the cost
23 for production from Wexpro II significantly higher than
24 we had anticipated. And so we went back to look at the
25 application when it was originally approved for Wexpro

1 It and tried -- looked at some comparisons between those
2 two and noticed that they were significantly higher than
3 we anticipated that they would be, and we wanted an
4 explanation as to why they were so much higher. And so
5 we issued a data request to the Company, and they
6 explained that in the initial approval, they assumed
7 that compression would be there, which would generate
8 higher volumes and reduce the cost.

9 PRESIDING OFFICER WHITE: Maybe, again, I'll
10 turn to Mr. Summers. So and I could be missing
11 something here, but the testimony I saw was that there
12 was -- compression was not -- that it was -- I guess to
13 kind of summarize it, it was that it could potentially
14 be included at some point, but in terms of the initial
15 analysis, compression was not a factor, or was not
16 factored in; is that -- help me clear it up, I guess.

17 MR. SUMMERS: So in the original filing for
18 the trail acquisition, it was assumed that compression
19 would be installed.

20 PRESIDING OFFICER WHITE: At some point?

21 MR. SUMMERS: Included in the -- I believe
22 it was from the very beginning. It was from the initial
23 application, assumed compression on those volumes. As
24 -- and it might be helpful to look at this kind of on a
25 timeline because that was in the initial application for

1 that trail acquisition.

2 As that, as that docket went on and the
3 proceedings went on, it was decided that there would be
4 a 65 percent cap placed on the Wexpro II production.
5 And so what you have got is Wexpro, in order to not get
6 over that 65 percent amount, they have decided not to
7 put compression in right now because if they do install
8 compression right now, it will lower the cost per
9 decatherm, but it will also produce too much gas, so
10 they would be over that 65 percent.

11 So it was included in the original
12 application, but now that they are trying to manage to
13 that 65 percent level, it does increase the cost until,
14 until that compression goes in. They are anticipating
15 that that compression will go in, in mid 2015, and at
16 this point, they're forecasting that the price will come
17 right back down to where they had initially forecasted
18 it to be.

19 PRESIDING OFFICER WHITE: So let me see if I
20 can rephrase it, make sure I get it. So in the original
21 trail unit acquisition docket, the testimony again that
22 I saw, was it was not included in the analysis but there
23 was the potential that it could be. In other words, it
24 is almost like this is what it is, but it could be even
25 higher volumes if compression was used; is that your

1 understanding or --

2 MR. SUMMERS: No. My understanding, and
3 maybe Mr. McKay might be want to jump in here.

4 PRESIDING OFFICER WHITE: Yes, why don't we
5 take a second, and yeah, why don't we -- is that okay
6 with you, Ms. Clark?

7 MS. CLARK: Yes.

8 PRESIDING OFFICER WHITE: Do you want to go
9 ahead and introduce your witness?

10 MS. CLARK: Mr. McKay is well qualified to
11 answer these questions since he was more deeply involved
12 in that docket.

13 PRESIDING OFFICER WHITE: Okay.

14 BARRY MCKAY

15 Called as a witness and having been duly sworn,
16 was examined and testified as follows:

17 EXAMINATION

18 PRESIDING OFFICER WHITE: And do you want to
19 go ahead and introduce him for the record and his
20 position, and etc.? I know we all know him here but
21 just for the --

22 BY MS. CLARK:

23 Q. Mr. McKay, could you just state your name and
24 position you hold at Questar Gas for the record?

25 A. I am Barry L. McKay, and I am vice president of

1 regulatory affairs and energy efficiency.

2 Q. And were you involved in the previous docket we
3 were discussing today?

4 A. Yes, I was involved with the initial approval of
5 the Wexpro II properties, and I have also been involved
6 in the preparation of this pass-through docket.

7 Q. Thank you.

8 MS. CLARK: He is available for questions.

9 PRESIDING OFFICER WHITE: Okay. Again, I
10 apologize if I am fumbling on this, but, again, what I
11 am really -- just so you know we are not, you know,
12 hiding any balls here, what I am looking at is the
13 Division's testimony from that case, and I will just
14 read you the Q and A. I don't know -- you probably
15 don't have it in front of you, but it just says, "Are
16 there any other" -- and this is, again, this is a
17 confidential document, but I am not going to read any of
18 the confidential portions.

19 But it says, "Are there any other items to
20 be considered as part of the evaluation?"

21 And the answer is, "Yes. The projections of
22 the Company and my analysis use a conservative estimate
23 of the production of future years. Additional
24 production could be realized in future years if Wexpro
25 adds compression or if well production is greater than

1 forecast. These events would reduce the costs of
2 service production and would be a greater benefit to
3 ratepayers in the future. This would be similar to rate
4 benefits that occurred from the original Wexpro
5 production."

6 So I guess from that, I understood that
7 their -- the analysis does not include compression but
8 that was a potential?

9 MR. MCKAY: From that testimony, I think
10 that is what we would assume.

11 PRESIDING OFFICER WHITE: Okay.

12 MR. MCKAY: I think what we learned in the
13 Division's work and in the responses that were provided
14 to them in this docket, and their questions were
15 directly passed through to Wexpro and Wexpro was the
16 responder on the -- so we are providing information that
17 they provided, that it sounds like that that
18 understanding is in conflict to what is now being
19 presented; and that is, that there was actually volumes
20 assumed from the beginning that related to compression
21 in that field at the time that the Company made the
22 filing.

23 I can see why their analysis could have
24 included that testimony because as discussions went
25 along, I think it became apparent to Wexpro and others

1 that they wouldn't necessarily be able to do the
2 compression immediately, but our original numbers had
3 assumed that in the filing. And so there's not great
4 clarity as to the timing of it. The Division's work and
5 the Wexpro's response in this case have clearly pointed
6 out that now that compression is not included, hence, we
7 don't have the volumes that helped bring down the cost
8 per decatherm, and it is clarified that what was
9 originally filed in our trail to -- application did have
10 those in there, so that is the difference in it.

11 That this understanding came from, it is,
12 essentially, the understanding that I think got a little
13 blurry in all of our minds because we didn't necessarily
14 remember that that was what it was originally filed at,
15 but instead, based on the cap that was put in that case,
16 they were no longer going to be able to produce at those
17 volumes to try to make that cap. So that is a little
18 bit of timing, and which picture in time that we're
19 focusing at, that created, I think, some different
20 understanding on this same issue.

21 PRESIDING OFFICER WHITE: Okay, I appreciate
22 it. And, I mean, from the Commission's prospective, I
23 mean, I am not trying to -- again, you know, we are just
24 trying to, you know, we are -- our analysis is, or our
25 information is basically based on the Division's memo,

1 so we're just trying to get a better understanding of
2 kind of the factors riding, you know, the significant
3 increase in cost as projected.

4 Were there any other evaluations, I mean,
5 ultimately that went into the determination that
6 approval was warranted for these, for the approval of
7 the application, beside those two, two issues, the
8 compression and, I guess, and the gathering costs?

9 MR. WHEELWRIGHT: No.

10 MS. SCHMID: Could we have a brief recess?

11 PRESIDING OFFICER WHITE: Yes, absolutely.

12 MS. SCHMID: Thank you.

13 (Whereupon, a break was taken.)

14 PRESIDING OFFICER WHITE: We are back on the
15 record.

16 MR. WHEELWRIGHT: As part of the audit
17 process that we were going through, I mentioned in my
18 summary, the Division has the responsibility to audit
19 these through the specific items and individual interest
20 in the 191 filing. We are in the process of going
21 through those and when we have some additional time, we
22 will look at these issues and look at the magnitude of
23 the difference between the original projections and what
24 was just filed today.

25 PRESIDING OFFICER WHITE: That is helpful

1 and also the perfect entree to my next question, which
2 is, from the Division's perspective, you know, what is
3 your understanding or position with respect to -- you
4 know, if the Commission approves this application, they
5 audit on their basis and, ultimately, they are made
6 final subject to an audit, what is the Division's
7 position of when the Commission would have the
8 opportunity to review the Company's decision to manage
9 the two factors we talked about today, and anything else
10 you've identified to, I guess, essentially drive the
11 least cost result for the benefit of ratepayers? I
12 mean, will that occur -- are we doing that today, or is
13 that going to occur as part of the audit process, I
14 guess?

15 MR. WHEELWRIGHT: Well, I would -- the final
16 recommendation will come after the audit is completed.

17 PRESIDING OFFICER WHITE: Okay. So that is
18 the ultimate -- you know, once you do, I guess, a
19 prudence recommendation, in terms of management, etc.,
20 at that --

21 MR. WHEELWRIGHT: Yes, yes.

22 PRESIDING OFFICER WHITE: Okay. So this is
23 just, again, for -- okay, that makes sense. And I guess
24 as a followup to that question, is it the Division's
25 understanding that that previous evaluation would also

1 include a potential decision on the Company's part and
2 whether to sell or to shut in this cost of service
3 production?

4 MR. WHEELWRIGHT: Yes, as part of the Wexpro
5 II agreement, there are specific calculations on when
6 it's appropriate to sell cost of service gas production.
7 It would follow those guidelines.

8 PRESIDING OFFICER WHITE: Okay, perfect,
9 thank you. I think that is all the questions I have for
10 you now. If it is okay, we will leave you sworn in, in
11 case you are the witness for other -- if there are other
12 additional questions.

13 Let me turn now to Mr. Martinez of the
14 Office. Regarding to my questions to the Division
15 addressing the prudence review of the factors, you know,
16 we talked about, also, just the general, I guess,
17 management decisions, do you disagree, or have a
18 different opinion with respect to the Division's
19 characterization, that a prudence review occurred?

20 MR. MARTINEZ: I was in discussions with the
21 Division, as well as the Company, a couple of weeks ago,
22 I guess, in this docket, and we discussed these very
23 items. I think one of the things that came out of it
24 was, as Mr. Summers explained and Mr. Wheelwright
25 testified, that there -- we were concerned about those

1 same things, but it was resolved in such a way that with
2 the audit, it would come out whether or not, due to the
3 cap that is placed on the production, that that would
4 come out through the audit process. So at the time, we
5 did not feel that it was necessary for us to file
6 anything or to continue discussion on that because we
7 felt like that would come through that audit process.

8 PRESIDING OFFICER WHITE: Okay. So the
9 Office agrees, it sounds like, that, ultimately, the
10 audit process will be the time and, ultimately, the
11 recommendations that come out of that, that will be the
12 time for the Commission to review prudence and make an
13 ultimate determination?

14 MR. MARTINEZ: Yes, as well as how that
15 meets the cap requirement under the agreement, yes.

16 PRESIDING OFFICER WHITE: Okay. And I think
17 I -- maybe I may need to jump back to Mr. Wheelwright,
18 but I think I heard your say that the Office's position
19 was that approval of this application would be just and
20 reasonable in the public's interest; did you say that?
21 I don't want to put words in your mouth, but is that
22 your position the --

23 MR. WHEELWRIGHT: Yes, until we complete the
24 audit.

25 PRESIDING OFFICER WHITE: Okay, but for the

1 purpose of approval on an interim basis?

2 MR. WHEELWRIGHT: Yes, that's correct.

3 MS. SCHMID: And for clarification, at least
4 what I thought I heard you ask him is the Office's
5 position and he was speaking to the Division's position.

6 PRESIDING OFFICER WHITE: Yeah, let me go
7 back. I apologize, I know it is hard sometimes when we
8 are mixing a lot of different witnesses, but is it the
9 Division's position that approval of the rates in this
10 application today, on an interim basis, would be just
11 and reasonable and in the public interest?

12 MR. WHEELWRIGHT: Yes, it does.

13 PRESIDING OFFICER WHITE: Okay, so now let's
14 turn to Mr. Martinez; is it the Office's position, also,
15 that approval of this application with the rates would
16 be -- on an interim basis, would be just and reasonable
17 and in the public interest?

18 MR. MARTINEZ: Yes.

19 PRESIDING OFFICER WHITE: Okay. That's it.
20 Okay, sorry for that confusion. Okay, so why don't we
21 go ahead and turn to Questar. If it is all right, I
22 will just leave Mr. McKay sworn in, in case he needs
23 some further clarification, I think it will be directed
24 to Mr. Summers.

25 MS. CLARK: Mr. Summers is available to be

1 sworn.

2 PRESIDING OFFICER WHITE: Okay, perfect,
3 thank you. Oh, well, he is actually still sworn.

4 MS. CLARK: I'm sorry.

5 PRESIDING OFFICER WHITE: No, it's okay. We
6 are all sworn, I think, except for Mr. Jordan --

7 MS. CLARK: Jordan Stevenson will be
8 speaking to the next two items.

9 PRESIDING OFFICER WHITE: Okay, great.
10 Remind me to swear in Mr. Stevenson.

11 MS. CLARK: Oh, okay.

12 PRESIDING OFFICER WHITE: Okay. So since we
13 are on the same line of questions, Mr. Summers, you
14 know, with respect to, you know, the Commission's
15 evaluations of, you know, A, the factors we've talked
16 about here today, and, also, just again the management's
17 decision of whether to sell or shut in, is that -- what
18 is the Company's take on that, I guess, with respect to
19 when that would occur?

20 MR. SUMMERS: There is -- Mr. Wheelwright
21 talked about it, that there is a date certain that the
22 those volumes will be analyzed. We are constantly
23 looking at whether or not we should sell or shut in, or
24 at least during the summer we are, and that report is
25 due -- I believe, I believe that is on the IRP here, is

1 how we are measuring that. So the IRP year runs from
2 June until May, and then after that is when it would be
3 reported on how much is sold or shut in.

4 PRESIDING OFFICER WHITE: Okay. So,
5 ultimately, if the Commission -- and I am just kind of
6 mimicking, again, what I think I heard the Division say,
7 which is, ultimately, when the Division audits and makes
8 recommendations, that they will make recommendations not
9 only with respect to the gathering, the other factor,
10 but also those, you know, shut in versus sell decisions
11 at that time, and that -- and at that point when the
12 Commission reviews that and those recommendations, that
13 is when that prudence review of the management will
14 occur; is that --

15 MR. SUMMERS: That is correct.

16 PRESIDING OFFICER WHITE: Okay. Did you --
17 Mr. McKay, feel free. You are sworn in.

18 MR. MCKAY: If I could add, just for some
19 clarity on that, we are talking about selling of cost of
20 service gas, and from the stipulation that came out of
21 the Wexpro II property, the trail unit property, there's
22 actually two different portions in that settlement that
23 talks or anticipates the sale of the cost of service
24 gas.

25 One of them is the period of time that

1 existed before the 65 percent cap kicks in, and that
2 will kick in for the IRP year beginning July of '15 and
3 running through May of '16. So that is when it will the
4 begin. So up until that point in time, so from right
5 now, today, or really even from the point that the
6 Commission approved that stipulation, all the way
7 through the remainder of 2014 and all the way up through
8 June of '15, Questar Gas is responsible for looking at
9 the current market price of gas and determining whether
10 or not the cost of the gas that we can get out there, in
11 other words, the purchase price, less the cost of shut
12 in, is it economical for us to choose to shut in or to
13 sell. And that is absolutely what I think I have been
14 hearing us talk about, that the Division would weigh in
15 on and the Office would, and we would champion the cause
16 of why we have done that.

17 In fact, we agreed in the stipulation that
18 we would provide a report of that, by month, of what we
19 had done as far as -- and when I say done, we have the
20 opportunity to choose each day or each month to be
21 selling or not during the time that we, quote, could not
22 be putting it into storage or be using the gas or sell.

23 Also by Commission order as it remains to
24 that specific aspect of determining the percentages in
25 the IRP docket, this Commission says, hey, we want all

1 the parties to get together and make sure that we are on
2 the same page as to how we will be calculating that 65
3 percent, and we show what that calculation is. And we
4 have all just received that order here in the last
5 little while and we will need to be doing that.

6 But then following the kicking in of the 65
7 percent, which starts in July 1 of 2015, there will
8 still be the opportunity for gas to be sold. Okay, and
9 we, Questar Gas, have the opportunity to encourage
10 Wexpro in the management of that. And so I still think
11 that it will be reviewed and analyzed of how it is sold,
12 but it will be incumbent upon Wexpro to choose to sell
13 or have their agent sell the gas at that time -- well,
14 right now, that rests with Questar Gas.

15 I don't know if that helps with the
16 clarification, but I knew we were talking about two
17 different opportunities to be selling, and we are
18 realizing, as Questar Gas, that we are responsible for
19 that right now. We know the Division ought to be
20 reviewing it, we will be reviewing it, as well as the
21 Office. And we think that that is within this test
22 period of what is before the Commission, and, actually,
23 some of it hasn't happened yet, so it is hard for them
24 to know what actually has, but that is what they will be
25 doing as a review of this docket.

1 PRESIDING OFFICER WHITE: That is very
2 helpful. I appreciate that explanation. So it just
3 sounds like, ultimately, this is still -- you know,
4 there are two different, I guess, time tranches for this
5 period of right now. Until that time, it is under
6 Questar's control, but that will still that -- those
7 management decisions will be subject to review, etc.,
8 okay.

9 MR. MCKAY: Yes.

10 PRESIDING OFFICER WHITE: That is extremely
11 helpful, thank you. Okay, beyond -- and I am back to
12 Mr. Summers now. Beyond the explanations provided by
13 the Division in their memo, etc., about the increased
14 forecast production cost for Wexpro II gas, is there any
15 further explanation that the Company wants to add or
16 clarify, etc.?

17 MR. SUMMERS: No, I don't think so.

18 PRESIDING OFFICER WHITE: Okay, okay. I
19 just had a few clarifying questions. This is on Exhibit
20 1.5 of the application, and, essentially, what I am
21 referring to there is the peak day demands' allocation
22 factor, and the footnote one, it is the Commission's
23 understanding that -- and that the decatherms, the
24 1,302,881 used in this application should correspond to
25 peak day demand presented in the IRP; is that --

1 MR. SUMMERS: That's correct.

2 PRESIDING OFFICER WHITE: Okay, it looks
3 like they are not the same. Is that -- can you help me
4 explain, I guess, maybe the discrepancy? One is the
5 1,302,881 and I think the IRP is 1,286,000; is there
6 a --

7 MR. SUMMERS: I don't have the back up with
8 me. I know that we do --

9 PRESIDING OFFICER WHITE: If you want to
10 take a --

11 MR. SUMMERS: I believe it is going to be a
12 -- just going to be a different year. The 1,286,000 is
13 probably the peak for the -- between 2013, 2014 heating
14 period. What we are using now represented by the one
15 million three is the heating season for 2014, 2015.

16 PRESIDING OFFICER WHITE: So it is a test
17 year difference?

18 MR. SUMMERS: It is a test year difference.

19 PRESIDING OFFICER WHITE: So the new test
20 year, that is not something that has been presented yet
21 in the IRP because it is a different --

22 MR. SUMMERS: Yes, what we will do when we
23 file these pass-throughs is we want to use the peak date
24 that is in effect for the January -- in the test period,
25 so we would be using the January 15 peak.

1 PRESIDING OFFICER WHITE: Okay.

2 MR. SUMMERS: And the 1,286,000 would be for
3 the prior, the prior January.

4 PRESIDING OFFICER WHITE: Okay, that's
5 helpful. Okay, in the -- I promise I've only got a
6 couple more here.

7 MR. SUMMERS: That is fine.

8 PRESIDING OFFICER WHITE: In the trail unit
9 acquisition application, it looks like 80 wells were
10 identified, but in this application, table 1.1, it looks
11 like only 75 are listed as producing. Is there an
12 explanation with respect to those other five wells and
13 whether or not they are producing, I guess?

14 MR. SUMMERS: That, I don't know off the top
15 of my head. I hadn't counted them, to be honest with
16 you. That is something I would be happy to check on
17 that and figure out those, where those last five
18 wells --

19 PRESIDING OFFICER WHITE: Just give me
20 something that -- you know, just kind of in terms of
21 notice for, you know, maybe something to look at in the
22 -- but that is fine.

23 MR. SUMMERS: I will say, you know, what we
24 use, we show the history, the historical production, in
25 Exhibit 1.1, and we really use that for purposes of the

1 pass-through. We use that historical production to
2 calculate an average royalty rate. So for purposes of
3 calculating the royalty rate in the pass-through, the
4 five wells probably wouldn't affect the royalty rate --

5 PRESIDING OFFICER WHITE: Okay.

6 MR. SUMMERS: -- very much, but, you know,
7 for accuracy's sake, we will check on that.

8 PRESIDING OFFICER WHITE: Okay. And just
9 for reference, you know, where I am getting that, the 80
10 wells, is from the -- and, again, this is on the yellow
11 paper, by the way, but I don't believe this is -- I
12 don't see anything redacted on here that is
13 confidential, but this is out of Exhibit C of the
14 application in Docket 13-057-13. So just for reference,
15 that might be helpful.

16 MR. SUMMERS: Thank you.

17 PRESIDING OFFICER WHITE: Okay. The
18 question regarding -- also, again, back to the trail
19 acquisition application, and this is Exhibit G for note
20 three, it mentions that a significant decrease in water
21 disposal charges due to an installed evaporation pit.
22 Do you know if this occurred, the installation of the
23 evaporation -- and maybe this is a question for Mr. --
24 and let me ask, is this confidential?

25 MR. MCKAY: No.

1 PRESIDING OFFICER WHITE: Do you want me to
2 -- is this a question for Mr. McKay? Okay. So the
3 question is, did that occur?

4 MR. MCKAY: The evaporation ponds were
5 completed, and the impact of reduced costs and savings
6 from that has been reflected in those costs, and we are
7 happy that it happened.

8 PRESIDING OFFICER WHITE: Okay, perfect. So
9 they are included in this ap? Okay, that is helpful.
10 Okay, all right. I think we are -- we will keep the
11 witness sworn in, but why don't we go ahead and move on
12 to the next application, which is Docket No. 14-057023.
13 This is Questar's application amortizing the
14 conservation enabling tariff balancing account. I will
15 go ahead and turn to Ms. Clark again. This is their
16 application.

17 MS. CLARK: The Company would call Mr.
18 Stevenson and he's prepared to be sworn in now.

19 PRESIDING OFFICER WHITE: Okay, perfect. Do
20 you want to go ahead and raise your right hand.

21 JORDAN STEVENSON

22 Called as a witness and having been duly sworn,
23 was examined and testified as follows:

24 EXAMINATION

25 PRESIDING OFFICER WHITE: Thank you.

1 BY MS. CLARK:

2 Q. Mr. Stevenson, can you please state your name and
3 business address for the record?

4 A. Jordan Stevenson, 333 South State, Salt Lake
5 City.

6 Q. And what position do you hold with the Company?

7 A. I am a senior regulatory affairs analyst.

8 Q. Did you participate in the preparation of the
9 application in this docket?

10 A. Yes.

11 Q. Do you have any corrections for this application?

12 A. No.

13 Q. Could you please summarize the relief the Company
14 is seeking?

15 A. Yes. In Docket No. 14-057-23, the application of
16 Questar Gas Company to amortize the conservation and
17 enabling tariff balancing account, the Company proposes
18 to amortize the August, 2014 under-collected balance of
19 \$11,559,443. This under-collection amounts to a
20 \$1,387,230 increase in the amount that is currently
21 being collected through the conservation and enabling
22 tariff.

23 This change will result in \$1.42, or .19 percent
24 annual increase, to the typical general service
25 customer's bill. The Company is requesting that this

1 proposed change be made effective November 1, 2014.
2 This concludes my summary and I am available for
3 questioning.

4 Q. Before we make you available for questions, let
5 me ask you one more; do you adopt the contents of the
6 application and attached exhibit as your testimony
7 today?

8 A. Yes.

9 MS. CLARK: The Company would move to have
10 those admitted.

11 PRESIDING OFFICER WHITE: Any objection?

12 MR. OLSEN: No objection.

13 MS. SCHMID: No objection.

14 MS. CLARK: Thank you.

15 PRESIDING OFFICER WHITE: They are received.
16 You know, it is okay, sometimes we don't have attorneys
17 who have to do their own lawyering, so you are doing
18 fine.

19 MS. CLARK: He is now available for
20 questions.

21 PRESIDING OFFICER WHITE: Ms. Schmid?

22 MS. SCHMID: No questions.

23 PRESIDING OFFICER WHITE: Mr. Olsen?

24 MR. OLSEN: No questions.

25 PRESIDING OFFICER WHITE: I just have, I

1 guess, just a couple of quick followup questions. You
2 are going to get off easier unlike Mr. Summers today.

3 MR. STEVENSON: I appreciate that.

4 PRESIDING OFFICER WHITE: You can switch
5 next time.

6 MR. STEVENSON: Thank you.

7 PRESIDING OFFICER WHITE: So the 191
8 account, which we just talked about, it is based upon --
9 it is collected based upon actual volumes. Actually,
10 never mind. This is not your question. This is Mr.
11 Wheelwright's question. I apologize. And I apologize
12 also because we have not allowed you to give your
13 summary yet. I am jumping way ahead. Let's put a pen
14 on that. There's no questions for Mr. Stevenson. Is it
15 Stevens or Stevenson?

16 MR. STEVENSON: Stevenson, yes.

17 PRESIDING OFFICER WHITE: Okay, I apologize.
18 Let's turn to Ms. Schmid for her witness and then we
19 will take things in order here today.

20 MS. SCHMID: Thank you. The Division will
21 again call Mr. Douglas Wheelwright as its witness and
22 Mr. Wheelwright remains sworn in.

23 EXAMINATION

24 BY MS. SCHMID:

25 Q. Mr. Wheelwright, do you adopt your prior

1 testimony regarding your place of employment, address,
2 title, and full name?

3 A. Yes, I do.

4 Q. On behalf of the Division, have you participated
5 in the Docket 14-057-23?

6 A. Yes, I have.

7 Q. Could you please briefly describe what you have
8 done for the Division in this docket?

9 A. We reviewed the filing of information, reviewed
10 the calculations as presented by the Company.

11 Q. Do you have a summary to give?

12 A. Yes, I do.

13 Q. Please proceed.

14 A. The Docket No. 14-057-23, known as the CET, or
15 Conservation Enabling Tariff, asked for Commission
16 approval to amortize the August, 2014 over-collected
17 balance of \$11.6 million, and adjust the CET component
18 of the distribution of non-gas or DNG rate. The
19 Division has reviewed and supports the application and
20 the calculations submitted by the Company.

21 In the previous filing, under Docket No.
22 14-057-10, the Company was amortizing a larger
23 over-collected balance of 12.9 million. Amortizing the
24 lower amount reduces the calculated credit for each
25 customer and represents an increase in the CET rate. If

1 this docket is approved, the typical GS customer will
2 realize an increase in their annual bill of \$1.42, and
3 that concludes my summary.

4 Q. Is it the Division's testimony that the resulting
5 rate is just and reasonable and in the public interest?

6 A. Yes.

7 Q. And is it the Division's testimony that this
8 would be adopted on an interim basis, that the Division
9 requests the Commission to adopt this on interim basis?

10 A. Yes, that's correct.

11 Q. Mr. Wheelwright, do you adopt the Division's
12 memorandum, which you helped prepare, as your testimony
13 in this docket?

14 A. Yes, I do.

15 Q. Any changes or corrections to that?

16 A. No changes.

17 MS. SCHMID: With that, the Division
18 requests the admission of its memorandum, dated October
19 17th, I believe, yes, October 17th, and that memorandum
20 is a memorandum which combines the Division's
21 recommendations regarding the pass-through docket, the
22 conservation enabling tariff docket, and the low income
23 energy assistance rate.

24 PRESIDING OFFICER WHITE: Thank you. Is
25 there any objection to receipt?

1 MS. CLARK: No objection.

2 MR. OLSEN: No objection.

3 PRESIDING OFFICER WHITE: That is received,
4 thank you.

5 MS. CLARK: Mr. Wheelwright is now available
6 for questions.

7 PRESIDING OFFICER WHITE: Thank you. Ms.
8 Clark?

9 MS. CLARK: I don't have any questions.

10 PRESIDING OFFICER WHITE: Mr. Olsen?

11 MR. OLSEN: No.

12 PRESIDING OFFICER WHITE: Okay, great. Mr.
13 Olsen?

14 MR. OLSEN: Your Honor, the Office would
15 again present Mr. Martinez as its witness.

16 EXAMINATION

17 BY MR. OLSEN:

18 Q. Mr. Martinez, has there been a change in your
19 employment status since you last testified ten minutes
20 ago?

21 A. I sure hope not, no.

22 Q. Did you participate in the Office's review of
23 14-057-23?

24 A. I did.

25 Q. And did you prepare any kind of memorandum?

1 A. No, sir.

2 Q. What is the Office's position regarding the
3 appropriateness of the request from the Company?

4 A. As I reviewed the document, the application that
5 was forwarded by the Company, reviewing the mechanism
6 and how it is designed to work, in essence, it looks
7 like it is working the way it should. So I didn't have
8 anything to add in this docket to this proceeding.

9 Q. Thank you.

10 MR. OLSEN: That concludes Mr. Martinez's
11 testimony. He is available for questions.

12 PRESIDING OFFICER WHITE: Any questions?

13 MS. CLARK: No questions.

14 MS. SCHMID: No questions.

15 PRESIDING OFFICER WHITE: I guess one
16 question from me. So is it the Office's recommendation
17 for approval of this application?

18 MR. MARTINEZ: Yes, it is.

19 PRESIDING OFFICER WHITE: Okay, all right.

20 So now that we have gone in the right order, I
21 appreciate you guys keeping me in line, I got a little
22 jet lagged, so I appreciate it. Let me turn back to Mr.
23 Wheelwright that I was starting to give to Mr.
24 Stevenson, it is actually intended for Mr. Wheelwright,
25 which is, so the 191 account, it is collected based on

1 actual volumes?

2 MR. WHEELWRIGHT: Correct.

3 PRESIDING OFFICER WHITE: Does the -- I
4 guess let me ask you this: Why does the Division
5 support using weather-normalized values in collecting
6 CET amortization rate, or does it, I guess?

7 MR. WHEELWRIGHT: I believe that was the way
8 it was approved by the Commission.

9 PRESIDING OFFICER WHITE: Okay. Do you have
10 any concerns, or has the Division conducted any
11 evaluation, of whether the use of weather-normalized
12 values affects bills for customers who are not
13 weather-normalized?

14 MR. WHEELWRIGHT: I haven't done an
15 evaluation on that.

16 PRESIDING OFFICER WHITE: Okay. That is all
17 the questions I have. On that, so unless there is
18 anything else with respect to -- oh, Mr. McKay.

19 MR. MCKAY: If I can just add in support of
20 what Mr. Wheelwright put forward, this 191 account
21 related to CET is to collect distributions non-gas
22 revenue that is different than what we were allowed. In
23 some instances, we collect more. In some instances, we
24 have collected less. But it is identified to amortize
25 the difference between what we are allowed or not. The

1 majority of all of Questar Gas customers on the general
2 service are billed using a weather-normalized.

3 And so it was our original intent in the
4 application to reflect what the majority were, but you
5 do have less than two or three thousand customers that
6 have chosen. So the Commission's question is correct in
7 saying, hey, is this different than maybe what those two
8 or three thousand might have identified, and it as it
9 relates to the weather-normalization of what may or may
10 not have happened in that CET, they could have concern.
11 But the CET collects the difference, or summarizes the
12 difference on more than weather-normalized data, if that
13 makes sense.

14 In other words, there are usages in per
15 customer that have nothing to do with weather that is
16 also captured in that CET. Hence, the reason why the
17 Company didn't want to go out and actively encourage
18 people to use less of their product that could have
19 nothing to do with weather, but we could be doing it --
20 and that's much of what the balance is that is included
21 in the conservation enabling tariff.

22 PRESIDING OFFICER WHITE: That is helpful.
23 I appreciate the further explanation, thank you.

24 Okay, anything further on this CET
25 application? Okay, we will go ahead and move on to our

1 last docket today, which is the Docket 14-057-24, and
2 this is with respect to Questar's low income tariff.

3 Ms. Clark?

4 MS. CLARK: The Company would again call Mr.
5 Stevenson, who remains under oath, and so far as we all
6 know, remains employed by the same capacity by the
7 Company.

8 PRESIDING OFFICER WHITE: It's good to know
9 we all have a job.

10 MS. CLARK: For now.

11 MR. STEVENSON: Until we leave.

12 EXAMINATION

13 BY MS. CLARK:

14 Q. Mr. Stevenson, was the application in Docket No.
15 14-057-24 prepared -- did you participate in the
16 preparation of that docket?

17 A. Yes.

18 Q. And do you have any corrections to that
19 application?

20 A. No.

21 Q. Would you please summarize the Company's request
22 for relief there?

23 A. Yes. In Docket No. 14-057-24, the application of
24 Questar Gas Company for the tariff chang and adjustment
25 to the low income assistance, slash, energy assistance

1 rate, Questar is proposing to make small changes to the
2 energy assistance, energy assistance rate so that the
3 Company is collecting the Commission approved \$1.5
4 million annually, and the Company is also proposing to
5 maintain the annual energy assistance credit at \$61.50
6 per qualifying customer per year. The proposed change
7 in rate will result in a penny decrease in the typical
8 customer's annual bill.

9 The Company is requesting that this proposed
10 change be made effective November 1, 2014, and this
11 concludes my summary, and I will allow my attorney to
12 make me available for questioning.

13 Q. Mr. Stevenson, do you adopt the contents of the
14 application and attached exhibit as your testimony
15 today?

16 A. Yes.

17 MS. CLARK: He is now available for
18 questions.

19 PRESIDING OFFICER WHITE: Okay, thank you.
20 Ms. Schmid?

21 MS. SCHMID: No questions.

22 PRESIDING OFFICER WHITE: Mr. Olsen?

23 MR. OLSEN: No questions.

24 PRESIDING OFFICER WHITE: Okay. At this
25 time, I'm going to do it right. Ms. Schmid, your --

1 MS. CLARK: May I also seek to have that
2 application made as an exhibit?

3 PRESIDING OFFICER WHITE: Yes. I thought I
4 did it right. Is there any objection to receipt of that
5 application into evidence?

6 MS. SCHMID: No objections.

7 MR. OLSEN: I am sorry, I was speaking.

8 PRESIDING OFFICER WHITE: Ms. Clark
9 requested receipt into evidence of the application of
10 this docket, so I was asking --

11 MR. OLSEN: No objection.

12 MS. CLARK: Thank you.

13 PRESIDING OFFICER WHITE: Okay. With that,
14 it is received.

15 MS. CLARK: I apologize.

16 PRESIDING OFFICER WHITE: That is fine.

17 Ms. Schmid?

18 MS. SCHMID: Thank you. The Division's
19 witness in this docket is, again, Mr. Douglas
20 Wheelwright, who remains sworn.

21 EXAMINATION

22 BY MS. SCHMID:

23 Q. Mr. Wheelwright, could you briefly describe your
24 participation in the low income energy assistance rate
25 docket?

1 A. Yes. We have reviewed the information as
2 presented by the Company and participated in meetings
3 with the Company on this docket.

4 Q. Did you prepare and assist in the preparation of
5 the Division's memorandum, dated November 17, 2014, that
6 was filed in this docket?

7 A. Yes, I did.

8 Q. Do you have any changes or corrections?

9 A. No.

10 Q. Do you have a summary?

11 A. Yes, I do.

12 Q. Please proceed.

13 A. Thank you. In Docket No. 14-057-24 is a request
14 to adjust the low income assistance component of the DNG
15 rate while maintaining the current annual amount of
16 assistance available to qualified customers at \$61.50.
17 The Division has reviewed and supports the application
18 and the calculations as submitted by the Company. The
19 affect of the proposed rate on a typical GS customer
20 will be an increase of one cent -- or a decrease of one
21 cent in their annual bill.

22 In summary, the Division supports and
23 recommends the rate changes requested in Docket
24 14-57-22, 23 and 24, with the exception of the low
25 income docket. The proposed rate should be approved on

1 an interim basis in order to allow additional time for
2 the Division to complete the audit of the individual
3 entries in respective accounts. While each of the
4 dockets have been presented independently, the Division
5 has completed a summary of the combined impact of
6 proposed changes on customers rates. If all three
7 dockets were approved, a typical GS customer will see a
8 net decrease of approximately \$21.07, or a 2.75 percent
9 reduction for the rates currently in effect.

10 The Division believes the requested changes
11 are in the public interest and represent just and
12 reasonable rates.

13 MS. SCHMID: The Division requests that its
14 memorandum in this docket, dated October 17, 2014, be
15 admitted into evidence.

16 PRESIDING OFFICER WHITE: Okay. Any
17 objection?

18 MS. CLARK: No.

19 MR. OLSEN: No objection.

20 MS. SCHMID: Mr. Wheelwright is now
21 available for cross and questions from the Commission.

22 PRESIDING OFFICER WHITE: Thank you, and the
23 document is received.

24 MS. SCHMID: Thank you.

25 PRESIDING OFFICER WHITE: Any questions from

1 Ms. Clark?

2 MS. CLARK: I have no questions.

3 MR. OLSEN: No questions.

4 PRESIDING OFFICER WHITE: Okay. Mr.
5 Martinez -- sorry, Mr. Olsen, sorry about that.

6 MR. OLSEN: The Office would, again, have
7 Mr. Martinez as their witness for Docket No. 14-057-24.

8 EXAMINATION

9 BY MR. OLSEN:

10 Q. Mr. Martinez, did you assist in the Office's
11 analysis of the submission from Questar Gas on Docket
12 14-057-24?

13 A. Yes.

14 Q. And did you prepare any kind of written
15 memorandum?

16 A. No.

17 Q. Do you have any additional testimony you would
18 like to provide, or analysis you would like to provide
19 at this time?

20 A. At this time, I would just like to indicate that
21 I reviewed the documents that were provided by the
22 Office, I met with the Division and other parties, and
23 as well as the Company, to discuss this low income rate
24 change. And as I read through the documents and from
25 the discussion we had with the Company, they are

1 consistent with -- the document is consistent with what
2 we had agreed to. So in reviewing this, the Office
3 recommends that the Commission accepts the Company's
4 proposal at this time in this docket.

5 Q. Thank you. Does the Office believe these are
6 just and reasonable charges on this portion?

7 A. Yes.

8 MR. OLSEN: We would submit.

9 PRESIDING OFFICER WHITE: Thank you. Any
10 cross for Mr. Martinez?

11 MS. CLARK: No, sir.

12 MS. SCHMID: No questions.

13 PRESIDING OFFICER WHITE: This is a question
14 I, frankly, don't know if I had an answer to, but
15 getting back to the weather normalization of
16 collections, and I don't know if this is a question for
17 the Division or the Company maybe, but is the low income
18 also weather-normalized, like the CEG?

19 MR. STEVENSON: There -- I will say there is
20 no adjustment to the revenue that we received based on
21 the rate we have for that low income, after the fact,
22 based on actual weather. It is based on normal weather
23 that has been projected by decatherm.

24 PRESIDING OFFICER WHITE: I see. I guess my
25 question --

1 MR. MCKAY: I think he's got -- for question
2 clarification, you are wanting to know how they are
3 applying the rate --

4 PRESIDING OFFICER WHITE: I guess I just
5 wanted to know -- I just had a question on whether there
6 was any weather-normalization factored at all in that,
7 in that rate at all.

8 MR. MCKAY: I think what Mr. Stevenson
9 pointed out is we always summarize what we actually send
10 out. Now the question is, I think, is that you are
11 wanting to know how do we apply this --

12 PRESIDING OFFICER WHITE: Yes.

13 MR. MCKAY: -- rate that you are approving.
14 Do we apply it to weather-normalized volumes that are
15 done on a monthly basis for those that are billed on a
16 weatherized-normalized basis, and that answer is yes.

17 PRESIDING OFFICER WHITE: Okay.

18 MR. MCKAY: For those who have chosen not to
19 be weather-normalized will receive that rate, based on
20 their actual usage. Those that are weather-normalized
21 will be billed that rate, based on their temperature
22 adjusted volume.

23 PRESIDING OFFICER WHITE: That is helpful.
24 I assume the same explanation is the same for the -- we
25 discussed in the CET. Right?

1 MR. MCKAY: That is correct, with the CET,
2 also.

3 PRESIDING OFFICER WHITE: Okay, all right.
4 I am assuming since this is -- we have a requested date
5 number first, that there is a request for a bench
6 ruling, is that --

7 MS. CLARK: We would appreciate that, yes.

8 PRESIDING OFFICER WHITE: Why don't we go
9 ahead, then, and take a bit of a recess, and we will be
10 back shortly. Thanks.

11 (Whereupon, a break was taken.)

12 PRESIDING OFFICER WHITE: A couple of
13 questions for clarification before we proceed. The one,
14 I guess, is, you know, am I incorrect that we would be
15 approving, if we make a decision today on the low
16 income, the 23 Docket or 24 --

17 MR. MARTINEZ: Twenty-four.

18 PRESIDING OFFICER WHITE: Would that not
19 been on an interim or a final -- okay, I think that
20 makes sense. I think I might have done that incorrectly
21 last time. So why is that? I mean, why is this not
22 interim?

23 MR. WHEELWRIGHT: We don't need to do a
24 substantial audit of those numbers.

25 PRESIDING OFFICER WHITE: Okay, all right.

1 The second question, and this is for Mr. Summers, this
2 is just turning back to the peak day demand allocation
3 factor, and this is Docket 14-57-22, can you point me --
4 or I guess I am just trying to find where that number
5 is, the correct number. Is that in the IRP? Or if so,
6 I have a copy of the IRP. I just don't know if you want
7 to file something later, or if you can point to it
8 today, or where we would find the right number for
9 the --

10 MR. SUMMERS: I don't have it with me. It
11 would be part the IRP and it -- yeah, we would have to
12 file something.

13 PRESIDING OFFICER WHITE: Okay. I mean, I
14 have an IRP, but if you want, if you prefer, we can go
15 ahead and have you file something. Basically, I am
16 looking for where the reference is in the IRP for that
17 number.

18 MR. SUMMERS: Yes.

19 PRESIDING OFFICER WHITE: Does that sound
20 like a --

21 MR. SUMMERS: I can put that together.

22 MS. CLARK: For clarification, the peak day
23 number in exhibit -- the one that you referred to
24 earlier in Exhibit 1 --

25 PRESIDING OFFICER WHITE: Yes, 1.5, footnote

1 1 on Exhibit 1.5 of the application. And, again, there
2 was a discrepancy, and just for clarification, we want
3 to point sure that we're pointing to the one and where
4 that comes from, I guess.

5 MR. SUMMERS: Sure.

6 PRESIDING OFFICER WHITE: All right. So we
7 cleared up those two questions. I appreciate everyone's
8 patience and participation today.

9 Having considered Questar's applications in
10 these dockets, the comments filed, the testimony
11 presented today, and the fact that the applications are
12 unopposed, the Commission finds that approval of the
13 applications on an interim basis, with exception of the
14 24 docket, is just and reasonable and in the public
15 interest and concludes that such approval is consistent
16 with relative statutes, rules, and Commission orders;
17 and, therefore, the Commission approves the applications
18 in Dockets 14-057--22, 14-057-23 and 14-057-24, on an
19 interim basis, with the exception of the application for
20 Docket 14-057-24, until such time as the Division
21 completes an audit of the entries and the respective
22 accounts.

23 This bench order has been approved and
24 confirmed by the Commission and a written
25 memorialization of this decision will be on file with

1 the Commission. After a completion of the audit, the
2 Commission directs the Division to issue memos to the
3 Commission with its recommendation on making the
4 requested change on these documents permanent.

5 Before we adjourn today, are there any
6 additional matters that need to come before the
7 Commission on these dockets?

8 MS. CLARK: No.

9 PRESIDING OFFICER WHITE: Okay. With that,
10 we are adjourned. The witnesses are excused, and have a
11 happy Halloween. Thank you.

12 (The hearing was concluded at 3:30 p.m.)

13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

State of Utah)
)
County of Salt Lake)

I hereby certify that the witness in the foregoing deposition was duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause;

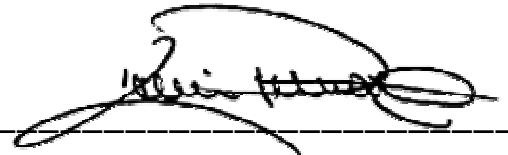
That said deposition was taken at the time and place herein named;

That the testimony of said witness was reported by me in stenotype and thereafter transcribed into typewritten form.

I further certify that I am not of kin or otherwise associated with any of the parties of said cause of action and that I am not interested in the even thereof.

IN WITNESS WHEREOF, I set my hand this 4th day of November, 2014.





Kellie Peterson, RPR