



State of Utah

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January 26, 2015

Barrie L. McKay
Questar Gas Company
333 South State Street
P.O. Box 45360
Salt Lake City, UT 84145-0360

Re: Docket No. 14-057-27 In the Matter of the Application of Questar Gas Company to
Change the Infrastructure Rate Adjustment

Dear Mr. McKay,

On January 5, 2015, Questar Gas Company (“Questar”) filed a motion to modify and replace tariff sheets for the GS, FS, IS, TS, FT-1, MT and NGV classes (“Motion”) with the Public Service Commission of Utah (“Commission”). According to the Motion, the proposed replacement tariff sheets reflect changes to the Infrastructure Rate Adjustment component of the distribution non-gas rate of the previously mentioned rate schedules to reflect the impact of bonus depreciation recently signed into law on December 19, 2014, as part of the Tax Increase Prevention Act of 2014 (HR 5771). The Motion indicates that if the proposed updated tariff sheets are approved, the typical customer will see a decrease in their bill of \$0.16 per year, or about 0.02 percent. The Motion requests the Commission accept and approve the updated tariff sheets, effective February 1, 2015.

Pursuant to the Commission’s January 7, 2015, notice of filing and comment period, the Division of Public Utilities (“Division”) submitted its action request response on January 15, 2015. The Division explains that as part of the rates approved by the Commission on December 10, 2014,¹ the Commission also approved the infrastructure replacement depreciation rates used by Questar. The resulting change effected by HR 5771, however, allowed for larger depreciation rates to be applied to Questar’s infrastructure rate base than those being used. The Division further explains that Questar proposes to implement the new depreciation rates and change the revenue requirement in this docket. If the new depreciation rates are approved, the Division

¹ See Docket No. 14-057-27, *In the Matter of the Application of Questar Gas Company to Change the Infrastructure Rate Adjustment* (Tariff Approval Letter; December 10, 2014).

indicates the proposed change would result in a reduction in the overall rate base, which, in turn, would provide an accompanying revenue requirement reduction of \$218,444, resulting in the rate decreases described in the Motion.

The Division indicates the Motion included three exhibits. Exhibit A provides the model with calculations supporting the proposed rates. The Division states it discussed the model with Questar representatives, reviewed the calculations in the model and in the other exhibits, and found them to be accurate. Based upon its review of the Motion, the Division recommends the Commission approve the proposed new rates filed by Questar in its Motion, and the accompanying tariff sheets, on an interim basis until the Division can complete an audit, at which time the Division will make a final recommendation.

Based on the foregoing and for good cause shown, the Commission approves the updated tariff sheets accompanying the Motion, effective February 1, 2015, on an interim basis, until the Division completes its audit and provides a final recommendation.

Sincerely,

/s/ Gary L. Widerburg
Commission Secretary
DW#263347