

Docket No. 14-057-31

UAE Exhibit 1.2

QGC Responses to Data Requests

Referenced in

The Direct Testimony of Kevin C. Higgins

UAE 2.04 Please identify the daily aggregate imbalance volumes that QGC incurred on the QPC system in serving its non-transportation retail customers (i.e., excluding the TS, MT and FT1 rate schedules) during the period beginning December 1, 2013 through November 30, 2014. For clarity, the request is seeking one volume per day. If QGC does not experience imbalances, please explain in detail what occurs to eliminate the potential imbalance when the volume of gas used by QGC's non-transportation customers during a gas day deviates from the volume that QGC nominated for delivery on that day on the QPC system.

Answer: The daily aggregate imbalance volumes that QGC incurred on the QPC system in serving its non-transportation retail customers for the time Period December 1, 2013 through November 30, 2014 are shown in UAE 2.04 Attachment.xls.

Prepared by: Will Schwarzenbach, Director Gas Supply, Questar Gas Company

UAE 2.04U UAE Data Request 2.04 asked for the “daily aggregate imbalance volumes that QGC incurred on the QPC system in service its non-transportation retail customers” from Dec. 1, 2013 through Nov. 30, 2014, and specifically noted that it was requesting just one aggregated volume per day. In response to this request, QGC supplied data which for, three of the months (February, March and April of 2014) includes two values for each day, one of which is relatively small and consistent throughout a month (e.g. for Feb. it is (230) or (229) Dths). Could you please explain the reason for or significance of the two daily numbers? Should the two daily values be added together to get the total aggregate daily imbalance? Was the smaller, consistent value inadvertently included such that it should be ignored?

Answer: An adjustment was made to MAP 163 UTAH SOUTH from February through April 2014. QGC changed equipment at this gate without advising QPC, resulting in incorrect volumes being reported to QPC. The monthly adjustments made to the MAP are as follows:

Date	Energy (Dth)	
	Original	Revised
February 2014	319,014	325,451
March 2014	248,586	254,058
April 2014	156,642	160,082

An updated UAE Attachment is attached as UAE Attachement 2.04U.

Prepared by: Will Schwarzenbach, Director Gas Supply, Questar Gas Company

UAE 2.05 Please refer to QGC Exhibit 1.1, page 1.

- a. Is it QGC's contention that whenever transportation customers collectively consume less gas than they nominate on QPC (causing a positive daily imbalance) that QGC then schedules delivery of the imbalance gas from the City Gate to Clay Basin?
- b. If the answer to the part (a) of this question is yes, in whole or part, please provide the volumes of gas nominated by QGC from the City Gate to Clay Basin for each day during the period beginning December 1, 2013 through November 30, 2014.
- c. If the answer to part (a) of this question is yes, is it QGC's contention that QGC is incurring incremental transportation costs on the delivery of imbalance gas from the City Gate to Clay Basin?
- d. If the answer to part (a) of this question is no, please explain in detail the mechanics of the steps that QGC undertakes when transportation customers collectively consume less gas than they nominate on QPC.
- e. What ability does QGC have to monitor on a real time or hourly basis the relationship between the volume of gas being delivered at the City Gate and the volume of gas being consumed by retail customers on the QGC system?
- f. On a given day, when the volume of gas being delivered at the City Gate exceeds the volume of gas being consumed by retail customers on the QGC system why doesn't QGC simply reduce the volume of gas it is having delivered to the City Gate? Wouldn't this be less expensive for QGC than incurring an incremental transportation cost for delivering gas from the City Gate to Clay Basin?

Answer:

- a. No.
- b. Not Applicable.
- c. Not Applicable.
- d. When transportation customers collectively consume less gas than they nominate, the differences results in a no-notice adjustment to QGC's injection or withdrawal nomination at Clay Basin. QGC does not schedule delivery of the imbalance gas as suggested in part a. This happens because the volume of gas that flows through the city gate is dictated by the total actual demand on the Questar Gas system. However, all of the gas nominated for those customers shows up at the city gate regardless of their demand. This therefore reduces the amount of gas received at the city gate for QGC sales customer. Reduced volume through the city gate

for QGC sales customers will either reduce the amount of withdrawal from Clay Basin or increase the amount of injection at Clay Basin through the use of no-notice transportation.

- e. QGC only has the ability to monitor total volume being delivered at the city gate. The amount of gas used by sales customers is calculated once measurement data is received for the transportation customers. This data is not available on a real time basis.
- f. QGC cannot adjust their nominations based on the actual volume of gas flowing for QGC sales customers because the only volume available is total sendout. QGC does not have the ability to monitor and aggregate real time usage data for over 900,000 customers. Also, since the daily usage imbalance for the transportation customers is not available on a real time basis, and because Questar Gas must manage this transportation customer imbalance, it would be impossible to know how much to adjust the nomination to match the sales customer usage.

Prepared by: Will Schwarzenbach, Director Gas Supply, Questar Gas Company

UAE 2.06 Please refer to QGC Exhibit 1.1, page 2.

- a. Is it QGC's contention that whenever transportation customers collectively consume more gas than they nominate on QPC (causing a negative daily imbalance) that QGC then schedules delivery of an equivalent amount of gas from Clay Basin to the City Gate to make up for the negative imbalance?
- b. If the answer to the part (a) of this question is yes, in whole or part, please provide the volumes of gas nominated by QGC from Clay Basin to the City Gate for each day during the period beginning December 1, 2013 through November 30, 2014 that was used to supply imbalance gas to transportation customers.
- c. If the answer to part (a) of this question is yes, is it QGC's contention that QGC is incurring incremental transportation costs on the delivery of imbalance gas from Clay Basin to the City Gate on behalf of transportation customers?
- d. If the answer to part (c) of this question is yes, and if transportation customers later make up for a negative daily imbalance by producing a positive daily imbalance later in the gas month, why isn't the incremental transportation costs that had been incurred then offset by a reduction in transportation costs when transportation customers deliver more gas than they collectively consume?
- e. If the answer to part (a) of this question is no, please explain in detail the mechanics of the steps that QGC undertakes when transportation customers collectively consume more gas than they nominate on QPC.

Answer:

- a. No.
- b. Not Applicable.
- c. Not Applicable.
- d. Not Applicable.
- e. When transportation customers collectively consume more gas than they nominate, the difference results in a no-notice adjustment to QGC's injection or withdrawal nomination at Clay Basin. QGC does not schedule delivery from Clay Basin to the City Gate as suggested in part a. This happens because the volume of gas that flows through the City Gate is dictated by the total demand on the Questar Gas system. Since gas nominated for those customers does not meet the total demand, the total amount of gas flowing through the city gas is increased. Increased volume through the City Gate will either increase the amount of withdrawal from

Clay Basin or decrease the amount of injection at Clay Basin through the use of no-notice transportation.

Prepared by: Will Schwarzenbach, Director Gas Supply, Questar Gas Company

UAE 2.07 Please identify any other natural gas local distribution company of which QGC is aware that requires daily balancing or that imposes daily imbalance charges for retail transportation customers, and for any such company please provide a copy of the relevant tariff language.

Answer: Questar Gas has not performed a comprehensive review of every natural gas tariff in the nation. However, the Company is aware of three other utilities that require customers to pay the upstream transportation costs incurred due to daily imbalances.

Vectren Energy has daily balancing provisions and require the shipper to pay between 0.75 and 1.2 times the cost of commodity and upstream transportation costs to the utility depending on the direction of the imbalance and the size of the imbalance (Sheet 51). Vectren's tariff can be found at http://www.vectren.com/cms/assets/pdfs/VEDO_gas_tariff.pdf.

Southwest Gas requires transportation customers to pay the incremental upstream pipeline charges or penalties incurred by the Company as a result of a transportation customer's hourly or daily burn differing from its upstream interstate rights (Sheet 53, section 3.1 d). The Southwest Gas tariff can be found at <http://www.swgas.com/tariffs/aztariff/schedules/t1.pdf>.

Baltimore Gas and Electric requires the supplier to pay a Daily Balancing fee of 0.05 cents per therm times the monthly usage expressed in therms. (Section 3.8 of the tariff). The Baltimore Gas and Electric tariff sheets are available at http://www.bge.com/myaccount/billsrates/ratestariffs/gasservice/Gas%20Rates%20and%20Tariffs%20Documents/Gas_Supplier_Tariff.pdf.

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