

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of: This filing is to comply with)
the order issued on February 21, 2014 in) DOCKET NO. 14-057-T02
Docket No. 13-057-05, Application of)
Questar Gas Company to Increase) ORDER ON TARIFF MODIFICATIONS
Distribution Rates and Charges and Make)
Tariff Modifications.)

ISSUED: April 7, 2014

On March 7, 2014, Questar Gas Company (“Questar”), filed a cover letter and proposed tariff sheets with the Public Service Commission of Utah (“Commission”) pursuant to Ordering Paragraph 8 of the Commission’s February 21, 2014, Report and Order in Docket No. 13-057-05 (“February 21 Order”).¹ Paragraph 8 requires Questar to file appropriate tariff revisions reflecting the Step 1 revenue increase and all other approved tariff changes within 14 days after issuance of the February 21 Order.

On March 10, 2014, the Commission issued an action request to the Utah Division of Public Utilities (“Division”) requesting a review of the proposed tariff sheets. In response to this action request, on March 20, 2014, the Division filed a memorandum recommending approval of the tariff sheets as filed. The Division concluded the rates and other changes, as ordered by the Commission in the February 21 Order, with an effective date of March 1, 2014, were properly reflected in the tariff sheets.

On March 25, 2014, at the request of the Commission and pursuant to Utah Administrative Code R746-405.2.D.6, Questar filed red-lined versions of the tariff sheets. The Commission also issued a supplemental action request to the Division requesting further review

¹ See *In the Matter of the Application of Questar Gas Company to Increase Distribution Rates and Charges and Make Tariff Modifications*, Docket No. 13-057-05 (Report and Order, February 21, 2014, Ordering Paragraph 8).

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and analysis of the proposed tariff sheets. On April 1, 2014, the Division filed a supplemental action request response (“Supplemental Response”). No other party filed comments in this docket.

DIVISION COMMENTS

Following receipt of the supplemental action request the Division asked Questar to address a list of specified tariff sheet changes. Questar responded by providing a table explaining that some items included in tariff sheets were housekeeping changes, i.e., “items in its tariff that seemed inconsistent or had not been updated to be consistent with other changes required by the Commission’s February 21, 2014 order or the stipulations associated with Docket No. 13-057-05.”² Additionally, the table identifies corrections that need to be made to the proposed tariff sheets as a result of the supplemental review. The Division’s Supplemental Response states the sheets in the Appendix (Sections 10.01 and 10.02) of Questar’s tariff also were updated to reflect tax rates as of January 1, 2014, and “the appendix is provided for informational purposes only.”³ The Division confirms it reviewed all other changes to the tariff, concludes the rates and other changes ordered by the Commission in the February 21 Order are properly reflected in the tariff sheets filed by the Division with the Supplemental Action Request, and recommends the Commission approve these tariff sheets with an effective date of March 1, 2014.

² See Division’s April 1, 2014, Supplemental Action Request Response, Attachment A.

³ See Division’s April 1, 2014, Supplemental Action Request Response.

DISCUSSION

The information provided by the Division and Questar in the Supplemental Response is valuable for our review of Questar's proposed tariff changes. While Questar's proposed changes may be minor, we conclude due process requires review in a separate docket, not conditioned on compliance with our February 21st Order, of some changes as indicated below.

Based on our review of the Division's Supplemental Response, we approve all of Questar's proposed tariff changes with the following exceptions:

- 1) Changes to Section 2.01 Firm Sales Service and 4.01 Interruptible Sales Service associated with changes implemented in Docket 12-057-19. These proposed modifications change the date for requesting a change of service from March 1 to February 15 and were not addressed in Questar's application in Docket No. 13-057-05. Questar maintains these changes are necessary to ensure consistency with Section 5.01 of its tariff. While minor in nature and perhaps necessary to ensure consistency, we direct Questar to file these tariff changes in a separate tariff docket.
- 2) Changes to Section 4.02 of Questar's tariff identifying the minimum yearly charge calculation. Questar proposes to replace the minimum yearly charge calculation language of "Greater of \$1,700.00 or Peak Winter Day x 55 days x Distribution non-gas Cost" with "Greater of \$3,000.00 or [(Peak Winter Day x 55 days) - (Annual Historical Use)] x Distribution Non-Gas Rates."

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Questar explains the change from \$1,700.00 to \$3,000.00 represents the distribution non-gas revenue related to the 7,000 decatherms minimum usage resulting from the change in distribution non-gas rates and therefore is consistent with the February 21 Order. We agree and we approve this change.

Questar states the additional term in the formula, which now subtracts annual historical use, was made to be consistent with the definition in Section 4.01 of the tariff. We observe, however, the two definitions for the minimum yearly charge in Sections 4.01 and 4.02 remain inconsistent without explanation. As this language discrepancy was not addressed in Questar's application in Docket 13-057-05 and has existed for over 10 years,⁴ we direct Questar to file such tariff changes with additional explanation in a separate tariff docket.

- 3) Changes to Section 5.05 FT-1 and 5.06 MT Classification Provisions wherein Questar added the following bolded language to current tariff language: "If the customer's gas is not delivered to the Company's system, the Company is not obligated to deliver gas to the customer **and will be subject to § 3.02 interruption provisions.**" Questar explains "the wording was added to be consistent with IS and TS sheets in the reference to Section 3.02 for guidance in dealing with interruption events similar to December 5, 2013."⁵ We have some concerns with approving these proposed changes in the current docket.

First, as written, the proposed language states Questar will be subject to Section 3.02 interruption provision, not the customer. We do not believe this is the intent of the

⁴ See Docket No.03-057-T01, "In the Matter of the Approval of Rates Submitted With Advice Letter No. 2002-06 Incorporating Commission Orders Issued in Docket Nos. 02-057-02 and 02-057-13.

⁵ See Division's April 1, 2014, Supplemental Action Request Response, Attachment A.

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proposed language. Second, while it is important to address FT-1 and MT customer interruptions in a timely manner, we note that the proposed wording was not provided in Questar's application or included in the parties' stipulation in Docket No. 13-057-05. Third, some parties in Docket 13-057-05 may expect this issue will be the subject of discussion in the working group established in the February 21 Order. Finally, we request additional clarification about which specific provisions of Section 3.02 Questar intends to be applicable to FT-1 and MT customers. In order to ensure a full understanding of these proposed changes, we direct Questar to refile these proposed tariff revisions and any necessary clarifications in a separate docket.

ORDER

1. Questar's tariff sheets filed on March 7, 2014, are approved effective March 1, 2014, except for the changes discussed above to Sections 2.01, 4.01, 4.02, 5.05 and 5.06 which are not approved.
2. Questar shall file revised tariff sheets consistent with the decisions in this order.
3. Questar shall file proposed tariff revisions as directed above in a separate docket within 14 days of the date of this order. The filing shall include the requested explanations, modifications, and/or clarifications.

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DATED at Salt Lake City, Utah, this 7th day of April, 2014.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#251287

CERTIFICATE OF SERVICE

I CERTIFY that on the 7th day of April, 2014, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic Mail:

Colleen Larkin Bell (colleen.bell@questar.com)
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