

APPLICATION OF QUESTAR GAS ) Docket No. 15-057-12  
COMPANY TO AMORTIZE THE )  
CONSERVATION ENABLING TARIFF ) APPLICATION  
BALANCING ACCOUNT )

All communications with respect to  
these documents should be served upon:

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APPLICATION  
AND  
EXHIBITS

September 2, 2015

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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APPLICATION OF QUESTAR GAS	)	Docket No. 15-057-12
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Questar Gas Company (Questar Gas or the Company) respectfully submits to the Utah Public Service Commission (Commission) this Application for the approval of an amortization of the Conservation Enabling Tariff (CET) balance, and an adjustment to the distribution non-gas cost portions of its Utah GS natural gas rates pursuant to §2.08 of the Company's Utah Natural Gas Tariff No. 400 (Tariff).

If the Commission grants this Application, a typical GS residential customer using 80 Dth per year will see an increase in their yearly bills of \$3.27 (or 0.46%). The Company proposes to implement this request by charging the new rates effective October 1, 2015.

In support of this application, Questar Gas states:

1. Questar Gas' Operations. Questar Gas, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's charges and general conditions for natural gas service in Utah are set forth in the Tariff. Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves customers in the Preston, Idaho area. Under the terms of agreement between the Commission and the Idaho Public Utilities Commission, the rates for these Idaho customers are determined by the Utah Commission. Volumes for these customers have been included in the Utah volumes.

2. Settlement Stipulation Order. On page 15 of the Order Approving Settlement Stipulation in Docket No. 05-057-T01, dated October 5, 2006, and page 12 of

the Report and Order approving the Settlement Stipulation in Docket No. 09-057-16, dated June 3, 2010, the Commission authorized Questar Gas to establish and utilize a CET balancing account, Account 191.9 of the Uniform System of Accounts. This filing is made under §2.08 of the Tariff, which sets forth procedures for recovering the allowed distribution non-gas (DNG) revenue per customer by means of periodic adjustments to rates to amortize this account.

3. Test Year. The test year for this application is the 12 months ending September 30, 2016.

4. Amortization of Account No. 191.9 Balance. Attached as Exhibit 1.1, is a summary of the CET accounting entries and monthly balances from March 2015 through July 2015. The \$2,667,851 shown on line 1, column F, of Exhibit 1.1 is the March 2015 balance that was used to calculate the CET amortization approved by the Commission in Docket No. 15-057-05. Column B of Exhibit 1.1 shows the monthly CET accrual amount, column C shows the amount amortized to customers each month, and column D shows the monthly interest calculation. The Company proposes to amortize the July 2015 ending balance (under collection) of \$6,521,745 (Exhibit 1.1, column F, line 5) by applying a percentage change to the GS DNG rates as set forth in Exhibit 1.2. Lines 15-19 show the price and volume variances between this case and the rates approved in Docket 15-057-05.

The \$3,853,894 increase in the CET account shown on line 7, column F, of Exhibit 1.1 is caused by two main factors. First, the accruals from April through July 2015 amounted to \$2,243,541. These entries are shown in column B, lines 2 through 6 of Exhibit 1.1. The largest accrual occurred in April. April was 14% warmer than normal and as a result customers turned their furnaces off earlier this year. The actual weather normalized usage compared to the forecasted weather normalized usage from April 2015 – July 2015 is shown in the table below:

<b>DATE</b>	<b>ACTUAL USAGE PER CUSTOMER</b>	<b>FORECASTED USAGE PER CUSTOMER</b>	<b>DIFFERENCE</b>
Apr 15	7.67559522	8.656156335	-0.980560
May 15	4.62859884	4.010493067	0.618106
Jun 15	2.76004224	2.698126538	0.061916
Jul 15	2.35398490	2.350550849	0.003434

The second factor that increased the CET amortization balance was the fact that the Company continued to collect money from April through June before the new amortization rate that returned money to customers went into effect in July. The result of this collection increased the balance in the CET account by \$1,571,886 as shown in column C, line 6 of Exhibit 1.1.

5. New Weather Normalization methodology

In the last CET amortization hearing in Docket 15-057-05, the Company agreed that in future dockets it would explain the algorithm change to weather normalization and the impact it has on revenues. The Company changed the methodology on March 1, 2015. In an effort to mitigate the impact that abnormally warm weather had on the WNA calculation in March 2014, the Company put a limit on the adjustment so that the actual degree days would be capped when weather was over 15% warmer or colder than normal. The result of this cap reduced collected revenues by about \$770,000 from April through July as shown in the table below:

<b>DATE</b>	<b>ACTUAL WNA REVENUE</b>	<b>ACTUAL LIMITED WNA REVENUE</b>	<b>FORECASTED REVENUE</b>	<b>FORECAST DIFFERENCE</b>	<b>LIMITER EFFECT</b>
Apr 15	18,112,717	18,112,717	19,332,984	-1,220,267	0
May 15	13,764,919	13,798,309	12,762,679	1,002,240	33,390
Jun 15	11,098,918	10,294,491	10,892,997	205,921	-804,427
Jul 15	10,523,625	10,523,625	10,372,921	150,704	0
				138,598	-771,037

The cap was removed on July 1<sup>st</sup> because the 15% warmer or colder threshold was too restrictive. The Company is analyzing other ways to create a limiter on the heating degree-days that is less restrictive.

6. Proposed Tariff Sheet. Exhibit 1.3 shows the proposed GS rate schedule that reflects the amortization of the balance in Account 191.9 as explained in paragraph 4.

7. Change in Typical Customer's Bill. The annualized change in rates calculated in this application results in a \$3.27 or 0.46% increase for a typical GS residential customer using 80 Dth per year. The projected month-by-month bills for a typical GS residential customer are shown in Exhibit 1.4.

8. Final Tariff Sheet. In addition to this Conservation Enabling Tariff application, the Company is also concurrently filing a Pass-Through application (Docket No. 15-057-11), an Infrastructure Replacement application (Docket No. 15-057-13), and an Energy Assistance application (Docket No. 15-057-14). The Company is asking that these applications be made effective October 1, 2015. Exhibit 1.5 shows the proposed GS rate schedule that reflects the final tariff sheet that would be effective if the Commission approves all these applications.

9. Exhibits. Questar Gas submits the following Exhibits in support of its request to amortize the CET balance:

Exhibit 1.1	CET Accounting Entries, March 2015 through July 2015
Exhibit 1.2	Calculation of Proposed CET Rates and Price volume variance
Exhibit 1.3	Proposed Rate Schedule for CET Amortization Changes Only
Exhibit 1.4	Effect on GS Typical Customer
Exhibit 1.5	Proposed Rate Schedule for CET Amortization, Pass Through, Infrastructure Replacement, and Energy Assistance Changes

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with the Orders identified above and the Company's Tariff:

1. Enter an order authorizing Questar Gas to implement rates and charges applicable to its Utah natural gas service that reflect an amortization of the CET balance by adjusting GS DNG rates on a uniform percentage basis as more fully set out in this application.

2. Authorize Questar Gas to implement the revised rates effective October 1, 2015.

DATED this 2<sup>nd</sup> day of September, 2015.

Respectfully submitted,

QUESTAR GAS COMPANY

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LEGISLATIVE/PROPOSED RATE SCHEDULE

P.S.C. Utah No. 400  
Affecting All Firm Sales Rate Schedules  
and Classes of Service in  
Questar Gas Company's  
Utah Service Area

Date Issued: September 2, 2015  
To Become Effective: October 1, 2015  
CET Amortization Changes Only

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CET, Pass Through, Infrastructure Replacement, and Energy Assistance Changes