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State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

TO: Public Service Commission

FROM: Division of Public Utilities:
Chris Parker, Director,
Artie Powell, Energy Manager
Eric Orton, Utility Analyst
Doug Wheelwright, Technical Consultant
Charles Peterson, Technical Consultant

DATE: June 24, 2015

DOCKET: Docket No. 15-057-T03 (14-057-32), In the Matter of Questar Gas Company's Filing to Comply with the Commission Order Issued on April 29, 2015, in Docket No. 14-057-32.

RECOMMENDATIONS (Approve)

The Division of Public Utilities (Division) recommends that the Commission approve the revised changes in language affecting the following Questar Gas Company (Questar or Company) tariff schedules:

- 2.06 Gas Balancing Account Adjustment Provision
- 2.08 Conservation Enabling Tariff (CET)
- 2.09 Thermwise® Energy Efficiency
- 8.03 Fees and Charges
- 9.02 New or Additional Service

The Division recommends that the Commission approve new tariff schedules as revised:

8.06 Integrity Management Deferred Account

8.07 Calculation of Carrying Charge

The revised tariff schedules including a red-line version of the tariff schedules are included with this memorandum as attachments.

ISSUE

On April 29, 2015, the Public Service Commission of Utah (Commission) issued an order in Docket No. 14-057-32 approving the change in the carrying charges applied to Questar accounts 182.3, 182.4, 191.1, 191.8, 191.9 and 235.1, including the change in method for calculating the carrying charges. These changes had been advocated by the Division and supported by the Company and by the Office of Consumer Services (Office). On May 27, 2015, Questar filed revised tariff schedules incorporating the Commission's April 29, 2015 order.

On May 29, 2015 the Commission issued an Action Request to the Division with a due date of June 12, 2015. The Division requested two due date extensions in order to complete and investigation of the issues that had arisen during its examination of the proposed tariffs filed by the Company. This memorandum serves as the Division's comments and recommendations in this matter.

DISCUSSION

In its Action Request, the Commission asked the Division to provide "an assessment of whether the language proposed in the new Section 8.06 is consistent with the Commission's June 24, 2004, Report and Order in Docket No. 04-057-03 and the June 3, 2010, Report and Order in Docket No. 09-057-16." The Division has reviewed these two orders and has identified no inconsistency with the language in Section 8.06.

The proposed changes to the existing tariff schedules and the proposed new tariff schedules appear generally to be consistent with the Commission's order in Docket No. 14-057-32. In that order the

Commission requested that Questar create a new tariff schedule encompassing the Integrity Management Deferred Account. This deferred account has operated on the basis of Commission orders since 2004 without a specific section in the Company's tariff. The proposed Section 8.06 is provided to comply with the Commission order to create a new tariff schedule dealing with this deferred account.

During its review of the proposed tariff changes, the Division raised a question with the Company regarding the meaning and applicability of an income tax adjustment to the simple interest applied within the Company's 191 accounts. The Company is proposing to extend this tax adjustment to the other affected tariff schedules in this docket. The Division has held discussions with the Company regarding this issue and the Division's investigation is ongoing. The Division intends to make further comments and possibly make recommendations to the Commission regarding this matter as soon as is practical. However, in the meantime the Division and the Company have reached agreement on the tariff language that the Division recommends go into effect as of July 1, 2015. Attached with this memorandum are the revised Questar tariff schedules, including a red-line version of those schedules that the Division is recommending to be approved by the Commission.

The Division understands that the Company will shortly file a letter supporting the Division's recommendation that the Commission approve the attached tariff schedules.

CONCLUSION

Based upon the forgoing analysis, the Division recommends that the Commission approve the attached tariff schedules as complying with Commission orders and as just and reasonable and in the public interest.

Attachments

cc: Michele Beck, Committee of Consumer Services
Barrie L. McKay, Questar Gas Company
Kelly Mendenhall, Questar Gas Company