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*Attorneys for Questar Gas Company*

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF THE APPLICATION  
OF QUESTAR GAS COMPANY TO MAKE  
TARIFF MODIFICATIONS TO CHARGE  
TRANSPORTATION CUSTOMERS FOR  
USE OF SUPPLIER-NON-GAS SERVICES

Docket No. 14-057-31  
Docket No. 15-057-T06

QUESTAR GAS COMPANY'S  
REPLY TO NUCOR STEEL COMMENTS  
AND SUMMIT ENERGY, LLC  
COMMENTS

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Questar Gas Company (Questar Gas or Company) hereby submits this Reply memorandum in response to Summit Energy, LLC (Summit) Comment to Proposed Tariff Modification (Summit's Comments) and Nucor Steel's (Nucor) Comments On Questar Gas Company's Compliance Filing Dated November 23, 2015, Alternatively Nucor's Request for Reconsideration, both filed on December 8, 2015 (Nucor's Comments).

**I. Introduction.**

On November 9, 2015, the Utah Public Service Commission (Commission) issued an Order in Docket No. 14-057-31 (Order) approving a supplier non-gas charge of \$0.08896 per dekatherm applied to daily imbalance volumes outside of a 5 percent tolerance for

transportation customers taking service under the MT, TS, and FT-1 rate schedules. On November 23, 2015, Questar Gas submitted a compliance filing advancing proposed Tariff language in compliance with the Order. On December 8, 2015, Nucor and Summit filed their respective Comments.

## **II. The Charge Should Commence On February 1, 2016.**

The Commission found that “the evidence before us on the nomination practices of Transportation Customers and their growing reliance on various balancing services convinces us it is no longer appropriate for Sales Customers to bear the total cost of these services.” Order at p. 29. Summit and Nucor have failed to offer any compelling reason why imposition of the charge should be further delayed.

Nucor and Summit argue that the transportation customers need additional time in which to adjust their practices, to install equipment and to ensure that their own measurement matches Questar Gas’ measurement. None of these issues warrant delay of the implementation of the charge.

Transportation customers are currently able to make nominations that match usage within a 5% tolerance, and do so when Questar Gas calls a restriction. Nucor and Summit implicitly seek the Commission’s permission for transportation customers to continue to deviate from this requirement and the Commission should not allow them to do so.

Additionally, Summit, Nucor and the transportation customers have had ample time in which to adjust nomination practices and evaluate and procure any equipment they may require. Questar Gas first proposed the charge on December 18, 2014, and the Commission issued its Order on November 9, 2015. Their failure to take steps earlier should not result in continued access to balancing services without any charge.

Moreover, the Commission found that “it is the Transportation Customers’ responsibility to monitor gas usage” (Order at p. 30) and that arguments related to the need for real-time data were “unpersuasive” (Order at p. 31). These customers can improve their nomination practices with or without such equipment and delay to allow procurement of such equipment is not warranted.

If any transportation customer believes that the Company’s measurement equipment is not functioning properly, it can seek remedy through existing regulations. *See e.g.* Utah Admin. Code R746-320-3. F. These customers have been billed for volumes based upon the Company’s measurement equipment for as long as they have been Questar Gas’ customers. Any concerns about discrepancies in volumes should have been addressed.

The evidence on the record suggests that winter is no more difficult for nomination purposes than summer. In fact, QGC Exhibit 1.3 shows that, there very little difference between transportation customers’ summer and winter usage. Indeed, much of the transportation customers’ usage is not temperature sensitive at all. Summer would be no better than winter for purposes of nominations. On the other hand, Questar Gas sales customers are very temperature sensitive and Questar Gas encounters significantly greater difficulty in offsetting over or under-deliveries from transportation customers. Therefore, the sooner the Company can implement the charge, the better.

Finally, the Commission also indicated that “we find value in having it reviewed and evaluated in each 191 account filing and also in the upcoming 2016 Questar general rate case to determine whether Questar’s stated objectives in this docket are being achieved and whether unintended consequences are occurring.” Order at p. 37. Questar Gas is required to file a rate case on or before July 1, 2016. Report and Order issued February 21, 2014,

Docket No. 13-057-05, Appendix A, page 12, paragraph 26. If the charge does not commence until May 1, 2015, there will be little, if any, data available with which to evaluate the charge and its effectiveness.

**III. There Is No Need for Tariff Language Addressing Rounding.**

The Commission's Order is unequivocal in requiring Questar Gas to round to the nearest Dth for billing purposes. Order at p. 36. Questar is currently designing the billing system and customer reports so that the charge will be calculated by rounding the Dths outside of tolerance to the nearest tenth. There is no need to reiterate that requirement in Tariff language.

**IV. Conclusion**

The Commission should decline to reconsider the Order and should approve the proposed Tariff language submitted in Docket No. 15-057-T06.

RESPECTFULLY SUBMITTED this 15<sup>th</sup> day of December, 2015.

QUESTAR GAS COMPANY

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## CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of Questar Gas Company's Reply to Nucor Steel Comments and Summit Energy, LLC Comments was served upon the following persons by e-mail on December 15, 2015:

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