

APPLICATION OF QUESTAR GAS ) Docket No. 16-057-10  
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 29, 2016

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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APPLICATION OF QUESTAR GAS	)	Docket No. 16-057-10
COMPANY TO AMORTIZE THE	)	
CONSERVATION ENABLING TARIFF	)	APPLICATION
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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 a decrease in their yearly bills of \$5.60 (or 0.82%). The Company proposes to implement this request by charging the new rates effective November 1, 2016.

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 October 31, 2017.

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 August 2015 through August 2016. The \$6,521,745 shown on line 1, column F, of Exhibit 1.1 is the July 2015 balance that was used to calculate the CET amortization approved by the Commission in Docket No. 15-057-12. 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. Typically, the Company amortizes the current balance in the CET amortization account. In this docket the Company proposes instead to set the amortization rate to \$0.00, and leave the over collected balance of \$1,148,679 in the balancing account in an effort to offset future under collections in the CET account due to lower usage per customer. As the table below shows, the usage per customer in 2017 and 2018 is expected to be significantly lower than the usage per customer that was used to set the allowed revenue amounts in the 2013 general rate case.

	Usage per customer
2014 test period	106.63
2017	102.93
2018	102.07

In Docket 16-057-01, the Company agreed to withdraw its 2016 rate case application. This rate case would have reset the CET-allowed revenue amounts to reflect current usage per customer levels. In an effort to address potential large under-collected balances in the CET account, Paragraph 34 of the Settlement Stipulation in Docket 16-057-01 states that “The parties agree that the Utah Conservation Enabling Tariff (“CET”) accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.” While the Stipulation has given the Company the ability to exceed the accrual caps, the Company will continue to manage the balances to be within the caps to prevent large balances in the CET account in the future. The \$1.1 million over-collection in the balancing account will provide the Company with extra flexibility to help offset decreases in usage per customer and resulting under collected balances during the test period. Customers will not be adversely affected by this over collected balance because the Company will pay interest on any over collected balances.

The Company proposes to the GS DNG rates as set forth in Exhibit 1.2. Lines 15-27 show the price and volume variances between this case and the rates approved in Docket 15-057-12. The overall decrease in CET revenue is \$6,520,668 as shown on line 9, column C, of Exhibit 1.2.

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 \$5.60 or 0.82% decrease 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 Sheets. In addition to this Conservation Enabling Tariff Application, the Company is also concurrently filing a Pass-Through Application (Docket No. 16-057-09), a Demand Side Management Application (Docket No. 16-057-11), an Energy Assistance Application (Docket No. 16-057-12), an Infrastructure Replacement Application (Docket No. 16-057-13), and a Transportation Imbalance Charge Application (Docket No. 16-057-14). The Company is asking that these applications be made effective November 1, 2016. Exhibit 1.5 shows the proposed rate schedules that reflects the final tariff sheets 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:

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|-------------|--|
| Exhibit 1.1 | CET Accounting Entries, July 2015 through August 2016  |
| Exhibit 1.2 | Calculation of Proposed CET Rates and Price volume variance  |
| Exhibit 1.3 | Proposed GS 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, Energy Assistance, Demand Side Management and Transportation Imbalance Charge 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; and

2. Authorize Questar Gas to implement the revised rates effective November 1, 2016.

DATED this 29<sup>th</sup> day of September, 2016.

Respectfully submitted,

QUESTAR GAS COMPANY

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LEGISLATIVE/PROPOSED RATE SCHEDULE

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

Date Issued: September 29, 2016  
To Become Effective: November 1, 2016  
CET Amortization Changes Only

QUESTAR GAS COMPANY  
333 South State Street  
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COMBINED LEGISLATIVE/PROPOSED RATE SCHEDULE

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

Date Issued: September 29, 2016  
To Become Effective: November 1, 2016  
CET, Pass Through, Energy Efficiency, Infrastructure Replacement, and Energy Assistance Changes