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Division of Public Utilities

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ACTION REQUEST RESPONSE

To: **Public Service Commission**

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Doug Wheelwright, Technical Consultant
Eric Orton, Technical Consultant

Date: May 31, 2017

Subject: Action Request Response regarding Docket No 16-057-17. QGC Infrastructure Replacement Tracker Compliance Filing.

In the Matter of Questar Gas Company's Infrastructure Replacement Infrastructure 2017 Annual Plan and Budget

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge the Questar Gas Company (Company) compliance filing, as ordered in paragraph 22b of the Commission's order in Docket no. 13-057-05, as it has provided the information required regarding its Infrastructure Replacement Pilot Program (Tracker).

BACKGROUND

The Commission's final order from paragraph 22b in the Partial Settlement Stipulation approved in Docket No. 13-057-05 (Settlement), which allowed the Tracker to continue, required the

Company to submit to the Commission, on an annual basis, certain information to assist it in monitoring and controlling the Tracker.

On May 1, 2017, the Company submitted its annual compliance letter and five attachments to the Commission. On that same day, an Action Request was issued to the Division directing the Division to review this filing for compliance and make recommendations. This is the Division's response to the Action Request.

ISSUE

In this filing the Company provided five attachments to its compliance letter.

- 1) the current High Pressure Feeder Line Master List (HP Master List),
- 2) the current HP Feeder Line Schedule (HP Schedule),
- 3) the IHP Belt Line Master List (IHP Master List),
- 4) the current IHP replacement schedule (IHP Schedule), and
- 5) the new HP Replacement Program Evaluation Criteria (HP Criteria).

The Company requests that the Commission acknowledge its filing as compliant with past Commission orders.

DISCUSSION

The Tracker, as designed, provides the Company a method to recover necessary and prudent costs it incurs to replace its aging high pressure infrastructure without filing a request for a general rate change. Likewise, it contains corresponding ratepayer safeguards and boundaries, namely: an annual dollar cap (with escalation), the requirement that the Company file a rate case every three years, and an annual filing with the Commission of an updated Master List of all HP pipelines, an updated list of HP and IHP project schedules along with the directive to "explain any material changes to the schedules set forth."

Unique with this filing was the presentation of a new HP Replacement Program Evaluation Criteria (Criteria). Although the revised Criteria was not required to be filed based on paragraph 22b, the Company chose to include it for informational purposes. The Division has reviewed the

new Criteria and believes that there are no material distinctions between what has been proposed in this filing and the previous Criteria, which could alter the Tracker as it is currently established.

SUMMARY

The Order required the Company to submit to the Commission, an updated Master List of all HP pipelines and updated HP and IHP project schedules with a directive to “explain any material changes to the schedules set forth.” Seeing no apparent material changes, the Division believes that this requirement was completed by the Company.

CONCLUSION

The letter the Company filed with the Commission on May 1, 2017, outlined the Company’s compliance with paragraph 22 of the Partial Settlement Stipulation, in Docket No. 13-057-05. The Division recommends that the Commission acknowledge that the Company has complied with that requirement.

CC: Barrie McKay, Questar Gas Company
 Kelly Mendenhall, Questar Gas Company
 Michele Beck, Office of Consumer Services