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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Béla Vastag, Utility Analyst

Date: January 11, 2017

Re: In the Matter of Questar Gas Company's Application to Modify Its Tariff to Include Gas Quality Specifications and Provisions Pertaining to Biomethane Docket No. 16-057-T06

Background

On December 28, 2016, Questar Gas Company (the Company) filed an application before the Public Service Commission of Utah (Commission) to modify its Utah Natural Gas Tariff No. 400 to include a section outlining gas quality specifications that all natural gas supplies must meet before being delivered to and transported on its system. In addition, this new section of the Tariff includes specific requirements for the delivery of biomethane gas into the Company's system. The Company states that its Tariff currently does not contain gas quality specifications even though some suppliers and customers occasionally request this information. The Company also states that it has been recently approached by a biomethane supplier seeking to deliver biomethane gas into the Company's system. In addition, the Company explains that these specifications and requirements will provide protections to Questar Gas' general service (GS) customers and their natural gas consuming appliances.

The Commission issued a Notice of Filing and Comment Period on December 30, 2016 and set a deadline for parties to submit initial comments on the Company's Application on or before January 12, 2017. The Company has requested that the Commission issue an Order authorizing the implementation of the proposed new Tariff section to be effective February 1, 2017. The Offices also notes that Utah Code 54-7-12 (5)(a) requires that a tariff filing by a utility that does not result in a rate increase shall take effect 30 days after the date of filing if the Commission has not taken any action that alters this requirement.

Discussion

The Office of Consumer Services (Office) generally supports the use of gas quality specifications, including imposing requirements on biomethane gas to ensure it is safe for all Questar customers and that biomethane gas suppliers bear the incremental costs of delivering their gas to the Company's system. The Office, however, does not believe that an effective date of 30 days after the date of filing or the Company's requested effective date of February 1, 2017 for the proposed Tariff changes provides sufficient time for parties to thoroughly understand and investigate the issues surrounding the transportation of biomethane gas on the Company's system. Specifically, the current schedule for comments does not allow time for parties to effectively engage in discovery.

The Office is not familiar with the issues surrounding the introduction of biomethane gas into customer's natural gas supply. Therefore, the Office desires to have the opportunity to investigate these issues to ensure that the Company's proposed Tariff provides adequate protections for the Company's customers in the event that biomethane gas is accepted into the gas distribution system at some point. Further, the Company did not provide supporting testimony or evidence in its initial filing. The Office believes that it is necessary to create a more robust record so that the Commission can ensure that the public interest is upheld.

Request

The Office requests that the Commission suspend the Company's proposed Tariff and hold a scheduling conference to set a new timeline for discovery requests and the filing of testimony and/or comments. If the Company desires that the approval of the proposed Tariff be fast tracked, the Office recommends that the Company host a technical conference in order to speed up the discovery process and supplement the record with supporting testimony at its earliest convenience. With the addition of these elements, the Office would be amenable to a quick timeline for review of the proposed new Tariff section.

CC: Chris Parker, Division of Public Utilities

Barrie McKay, Questar Gas Company