

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar
Gas Company to Modify its Tariff to Include
Gas Quality Specifications and Provisions
Pertaining to Biomethane

DOCKET NO. 16-057-T06

ORDER

ISSUED: February 15, 2017

PROCEDURAL HISTORY

On December 28, 2016, Questar Gas Company ("Questar") filed with the Public Service Commission ("PSC") an Application to modify its Utah Natural Gas Tariff PSC 400 ("Tariff") to include a new Section 7.07, Gas Quality ("Application"). Questar's Proposed Section 7.07 contains gas quality specifications for natural gas supplies transported on or delivered to its system and provisions pertaining to biomethane.

On December 30, 2016, the PSC issued a Notice of Filing and Comment Period. On January 11 and January 12, 2017, the Office of Consumer Services ("OCS") and the Division of Public Utilities ("DPU") filed comments, respectively, and Questar filed reply comments on January 17, 2017. On January 20, 2017, the PSC suspended Questar's proposed tariff changes upon the stipulation of the parties.

On January 24, 2017, the PSC held a scheduling conference and issued a Scheduling Order and Notice of Technical Conference ("Scheduling Order"). Pursuant to the Scheduling Order, Questar filed additional comments on January 27, 2017, the PSC conducted a technical conference on January 31, 2017 ("Technical Conference"), and the OCS filed responsive comments on February 7, 2017. No reply comments were filed.

QUESTAR'S APPLICATION

Questar proposes to modify its Tariff to include gas quality specifications and provisions pertaining to biomethane. According to Questar, its Tariff currently has no gas quality specifications and, from time to time, industrial customers request gas specification details when evaluating appropriate equipment purchasing options.¹ Questar maintains the proposed Section 7.07 will also provide specifications to gas producers, including biomethane producers, looking to introduce natural gas into Questar's gas distribution system. In the case of biomethane, Questar represents the proposed Tariff language will mitigate concerns related to health, safety, customer appliance integrity, and Questar's distribution system integrity. Questar also states its proposed Tariff modifications will ensure other Questar customers will not bear the incremental costs associated with the receipt of biomethane gas supplies.²

In response to the OCS's and the DPU's recommendation that Questar provide a more complete record of evidence in this docket, Questar filed supplemental information and presented at the Technical Conference its research findings into biomethane projects across the country and information supporting gas quality monitoring and testing procedures.

¹ Application at 1.

² *Id.* at 2.

PARTIES' COMMENTS

I. The DPU

According to the DPU, Questar's proposed interchangeability range will help insulate Questar's end use customers from the possible negative results of any variances due to the introduction of a new gas supply source.³

The DPU filed initial comments, agreeing with the OCS that Questar should provide additional information "so a more complete record may be developed, allowing the [PSC] to approve the proposed Tariff sheets."⁴ The DPU expressed concern that the process remain "timely" and "not unnecessarily delay[] the recommended implementation date."⁵ Unlike the OCS, the DPU did not file additional comments subsequent to the Technical Conference and Questar's providing supplemental information. We infer from the generally supportive nature of the DPU's initial comments and its failure to file any additional comments that the DPU supports the PSC's approving the Application.

II. The OCS

The OCS recommends the PSC approve Questar's Tariff modifications. Initially, the OCS "generally support[ed] 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" but requested

³ DPU January 12, 2017 Comments at 2.

⁴ *Id.* at 3.

⁵ *Id.*

additional time to examine the issue and for the development of a more robust record in the docket.⁶

As a result of the additional time allowed for discovery, its review of Questar's supplemental filing, its informal meetings with Questar, and the information provided in the Technical Conference, the OCS represents "the Company has answered all of the Office's questions and has demonstrated that it has performed significant due diligence in preparation for the potential introduction of biomethane gas into its system [. . .] [T]he Office now believes that a proper record has been developed from which the Commission can make a public interest determination."⁷ The OCS concludes that the PSC should approve the Application.⁸

FINDINGS AND CONCLUSION

Based on the Application and the comments received from Questar, the DPU and the OCS, we find Questar's proposal to include gas quality specifications and provisions pertaining to biomethane to be just, reasonable, and in the public interest. Accordingly, we approve Questar's Application.

ORDER

1. We approve Questar's proposed Tariff Section 7.07, effective March 1, 2017.

⁶ OCS January 11, 2017 Comments at 2.

⁷ OCS February 7, 2017 Responsive Comments at 2.

⁸ *Id.* The OCS also requests that in future dockets the PSC should require the information necessary to create a robust public record when filings include significant tariff changes. The OCS does not suggest legal or technical parameters for the terms "robust" or "significant." In this docket, the process worked as it should have. The DPU and OCS reviewed the filing, requested that the record be supplemented, and received what they requested. To the extent the OCS is requesting that in future dockets, we should make sua sponte determinations as to the adequacy of the record in advance of parties taking positions on that issue, we decline to do so.

2. Questar shall file updated tariff sheets with the correct effective date by February 28, 2017.

DATED at Salt Lake City, Utah, February 15, 2017.

/s/ Michael J. Hammer
Presiding Officer

Approved and Confirmed February 15, 2017, as the Order of the Public Service
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#291754

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on February 15, 2017, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

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