

APPLICATION OF QUESTAR GAS)
COMPANY FOR AN) DOCKET No. 17-057-08
ADJUSTMENT TO THE)
DAILY TRANSPORTATION) APPLICATION
IMBALANCE CHARGE)

All communications with respect to
these documents should be served upon:

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APPLICATION
AND
EXHIBITS

May 1, 2017

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF QUESTAR GAS COMPANY FOR AN ADJUSTMENT TO THE DAILY TRANSPORTATION IMBALANCE CHARGE	Docket No. 17-057-08 APPLICATION FOR AN ADJUSTMENT TO THE DAILY TRANSPORTATION IMBALANCE CHARGE
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Questar Gas Company (Questar Gas or Company) respectfully submits this Application for an adjustment to the Daily Transportation Imbalance Charge pursuant to paragraph IV.J. of the Utah Public Service Commission (Commission) Order dated November 9, 2015 in Docket No. 14-057-31 (Order) and §5.01 of the Company's Utah Natural Gas Tariff No. 400 (Tariff).

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 rates, 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 Franklin County, Idaho.

Under the terms of an 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. Background: On December 18, 2014, Questar Gas filed an application with the Commission seeking approval of a new supplier non-gas (SNG) reimbursement charge. The new charge had two objectives: First, to charge transportation customers for the SNG services they used that were currently being paid for by sales customers, and second, to improve the accuracy of transportation customer nomination practices. In the Order dated November 9, 2015 in Docket No. 14-057-31, the Commission agreed that both of these objectives should be addressed and approved a supplier non-gas charge of \$0.08896 per decatherm (Dth) 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. In the order the Commission stated that “This rate will be reviewed and evaluated in Questar’s upcoming 2016 general rate case as well as in future 191 account pass-through filings to determine if the Daily Transportation Imbalance Charge is achieving the intended objectives and whether changes should be implemented.” (Docket No. 14-057-31, paragraph IV.J, page 37). A 191 account pass-through filing is being filed concurrently with this Application in Docket No. 17-057-07.

3. Updated rates: Exhibit 1.1 shows the calculation of the rate using the methodology approved in Docket No. 14-057-31, updated with volumes for the twelve months ended March 2017. The rate is calculated as shown below:

$$\frac{(1) \$0.24293 \text{ (Volumetric rates)} \times (2) 2,571,814 \text{ Dths (total net imbalance volumes)}}{(3) 7,387,722 \text{ Dths (Daily volumes outside of 5\% tolerance)}}$$

Each component of the rate is discussed in further detail below.

Volumetric rates for service used

The Commission approved a charge to transportation customers for using the upstream services in Docket No. 14-057-31. Other than the Clay Basin Fuel Gas Reimbursement and the ACA charge, the volumetric charges related to these services have not changed since the Commission's initial approval. The Clay Basin Fuel Gas Reimbursement is being updated concurrent with the weighted average cost of gas rate of \$4.06830 in Docket 17-057-07. The ACA charge reflects the FERC ACA rate that will be effective June 1, 2017. A table comparing the rates approved by the Commission and the current rates is shown in Exhibit 1.1.

Total net imbalance volumes

As Exhibit 1.1 shows, the net imbalance volumes are 2,571,814 (column E, line 8). This number includes actual imbalance volumes for the twelve months ended March 2017. This is a 23% decrease from the imbalance volumes of 3,333,731 Dth (column B, line 8) approved by the Commission in Docket No. 14-057-31 and a 1.5% increase from the 2,534,127 Dth (column D, line 8) in Docket No. 16-057-14. The Transportation Service (TS) customers have been able to significantly reduce their imbalance volumes through better daily nominations, notwithstanding the fact that the number of total TS customers has increased from 358 in December 2014 to 562 in March 2017. The number of customers outside of the 5% tolerance has increased from about 285 in December 2014 when Docket No. 14-057-31 was filed to 355 in March 2017. In other words, the percent of customers outside of the 5% balance has decreased from 80% to 63%. The Daily Transportation Imbalance Charge provided an economic incentive for TS Customers to improve their daily nominations and, as a result, these customers are using the services less.

Daily volumes outside of 5% tolerance

As Exhibit 1.1 shows, the daily volumes outside of a 5% tolerance are 7,387,722 Dth (column E, line 10) for the twelve months ended March 31, 2017, which are again lower than the previous three filings (9,128,985 Dth in column B line 10, 8,508,613 Dth in column C line 10, and 7,658,359 Dth in Column D, line 10).

The proposed rate of \$0.08457 per Dth (column E, line 11) is slightly higher than the previous rate of \$0.08125 per Dth ordered by the Commission in Docket No. 16-057-14, and lower than the \$0.08896 per Dth rate in Docket No. 14-057-31.

4. Proposed Tariff Sheets. Exhibit 1.2 shows the proposed Tariff sheets associated with the Daily Transportation Imbalance Charge in Tariff Sections 5.05, 5.06, and 5.07. Exhibit 1.3 shows the proposed tariff sheets in Exhibit 1.2, with the updated transportation imbalance charge, supplier non-gas, and commodity rates.

5. Exhibits. Questar Gas submits the following exhibits in support of its request to update the Daily Transportation Imbalance Charge:

Exhibit 1.1 Calculation of updated Daily Transportation Imbalance Charge

Exhibit 1.2 Legislative/Proposed Rate Schedules

Exhibit 1.3 Combined Legislative/Proposed Tariff Sheet

WHEREFORE, Questar Gas respectfully requests the Commission, in accordance with the Order approving the updated Daily Transportation Imbalance Charge 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 adjustment for each rate class, as more fully described in this Application; and

2. Authorize Questar Gas to implement its rates effective June 1, 2017.

DATED this 1st day of May, 2017.

Respectfully submitted,

QUESTAR GAS COMPANY

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LEGISLATIVE/PROPOSED RATE SCHEDULES

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

Date Issued: May 1, 2017
To Become Effective: June 1, 2017
Daily Transportation Imbalance Charge

QUESTAR GAS COMPANY
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COMBINED LEGISLATIVE/PROPOSED RATE SCHEDULES

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