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State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

TO: Public Service Commission

FROM: Division of Public Utilities:
Chris Parker, Director,
Artie Powell, Energy Manager
Justin Christensen Utility Analyst

DATE: February 14, 2017

DOCKET: Docket No. 17-057-T01, In the Matter of a Request for Agency Action to Review the Carrying Charges Applied to Various Questar Gas Company Account Balances

RECOMMENDATIONS (Approve)

The Division of Public Utilities (Division) recommends that the Commission approve Questar's proposed changes to Tariff Schedule 400 Section 8.07:

- 1) Revising the carrying charge from 4.45% to 4.19% with a March 1, 2017 effective date.
- 2) After 2017, modify the effective date from March 1st to April 1st with a filing deadline of March 1st.
- 3) Remove the line "as published by the Federal Reserve Board of Governors."

DISCUSSION and CONCLUSION

On January 26, 2017 Questar filed with the Commission a memorandum to submit changes to Section 8.07 of the Company's Utah Natural Gas Tariff No. 400. Following the implementation of the current Tariff language, the Federal Reserve Board of Governors as of October 2016

stopped publishing the Aaa and Baa Corporate interest rates. To find the new carrying charge, the Company took the mean on the rates provided by Moody's Investors Service. In future annual updates, the Company plans to use Moody's or Mergent Bond Record publication to inquire the rates. However these publications may not be available in time for the Company to file by February 1st. Therefore the Company requests that beginning with the filings in 2018, the annual filing date be moved back to March 1st while pushing back the effective date to April 1st. The Division agrees with the Company's request to move the future filing date to March 1st with an effective date of April 1st.

The Division has reviewed the Company's application and verified the proposed 4.19 percent carrying charge as being the annual average of the Aaa and Baa Corporate interest rates. Therefore the Division recommends that the Commission approve the propose changes to the Company's Schedule 400.

cc: Michele Beck, Committee of Consumer Services
Barrie L. McKay, Questar Gas Company
Kelly Mendenhall, Questar Gas Company