

Docket Number 19-057-03

Exhibit OCS 1.1D  
to the Direct Testimony of Donna Ramas

May 21, 2019

- OCS 2.01: Please refer to the Depreciation Study, Exhibit 1.2, at page iv, states that “Over 1 million transponders manufactured by Elster will be replaced with Itron transponders during the period 2015-2019” and that the transponder replacement program is “...scheduled to be complete in 2019.” Please provide for each year, 2015 through 2018, and for each month of 2019 to date, the following information in excel format:
- a. Number of Elster transponders replaced;
  - b. Dollar amount of Elster transponders retired. If not available separately for Elster transponders, then please provide the total dollar amount of transponder retirements. If the amounts for the years 2015 through 2017 differ from the amounts appearing in the “Regular Retirements” column on page VIII-15 of the depreciation study, explain why.
  - c. Dollar amount of Elster transponders remaining in plant in service in Account 381.21 Meters – Transponders.
  - d. Number of Itron transponders placed in service; and
  - e. Dollar amount of Itron transponders placed in service. If not available separately for Itron transponders, then please provide the total dollar amount of transponders placed into service. If the amounts for 2015 through 2017 differ from the amounts appearing the “Original Cost” column on page IX-16 of the depreciation study, explain why.

Answer: a. 655,030 Elster transponders have been replaced through Feb. 2019. Please see below for a breakdown of yearly replacement.

b. Please see the table below for the total retirements recorded to Account 381.21 Meters-Transponders for 2015 through February of 2019. Amounts by vendor type are not available. The retirements shown for 2015-2017 are the same as those shown on page VIII-15 of the depreciation study.

Year	Account 381.21 Retirements
2015	(5,969,829)
2016	(9,844,810)
2017	(7,531,954)
2018	-
2019	(473,687)

- c. Transponders are not tracked by vendor type in the Accounting system; therefore this information is not available.
- d. 747,618 Itron transponders have been installed. Please see below for a breakdown of yearly replacement. The difference is new customers and meters that previously had no transponder now have Itron.

Transponder replacement program is scheduled to end 3<sup>rd</sup> Quarter of 2020.

	<u>Number of Elster Replaced</u>	<u>Number of Itron Installed</u>
2015	19,908	27,491
2016	100,523	129,345
2017	239,601	264,819
2018	261,643	288,736
Jan-19	16,547	18,611
Feb-19	16,808	18,616
<b>TOTAL</b>	<b>655,030</b>	<b>747,618</b>

- e. Please see the table below for the total plant additions recorded to Account 381.21 Meters-Transponders for 2015 through February of 2019. Amounts by vendor type are not available. The amounts shown are the same as those shown in vintages 2015-2017 of the original cost included on page IX-16 of the depreciation study.

Year	Account 381.21 Additions
2015	6,968,357
2016	13,188,514
2017	20,481,476
2018	10,194,642
2019	5,314,541

Prepared by: Jason Holmes, Manager Gas Operations, Dominion Energy Utah  
 John Wiedmayer, Jr., CDP, Gannett Fleming  
 Joanna Lappin, Gannett Fleming

P.S.C.U. Docket No. 19-057-03  
OCS Data Request No. 2.02  
Requested by Office of Consumer Services  
Date of DEU Response April 1, 2019

OCS 2.02: Please provide a schedule showing the number of Elster transponders still in service as of the presented date and the projected amount of Elster transponders to be removed from service and retired for each month until completion of the transponder replacement program.

Answer: There were 318,952 Elster still in service as of March 2019. The Company plans to replace 18,000 to 26,000 per month until complete. There could be variation in replacement quantity due to weather, workforce turnover, and proximity of installation region and access to meter. The estimated completion date is 3<sup>rd</sup> quarter 2020.

Prepared by: Jason Holmes, Manager Gas Operations, Dominion Energy

P.S.C.U. Docket No. 19-057-03  
OCS Data Request No. 2.04  
Requested by Office of Consumer Services  
Date of DEU Response April 4, 2019

OCS 2.04: Please provide the Company's current best estimate of the balance in plant in service and separately in accumulated depreciation for Account 381.21 Meters – Transponders as of December 31, 2019 and March 30, 2020. Please include workpapers showing how the amounts were determined.

Answer: Please see the chart below for the requested balances. The supporting calculations are provided in OCS 2.04 Attachment 1.

	Account 381.21	
	Projected Balances	
	Plant	Accumulated
<u>Date</u>	<u>In-Service</u>	<u>Depreciation</u>
12/31/2019	74,550,422	8,784,593
3/31/2020	71,977,945	5,622,115

Prepared by: John F. Wiedmayer, CDP, Gannett Fleming

**ACCOUNT 381.21 METERS - TRANSPONDERS**

**ACCUMULATED DEPRECIATION**

BALANCE AT 12/31/2018	ESTIMATED 2019 ACTIVITY		ESTIMATED BALANCE AT 12/31/2019	ESTIMATED 1ST QUARTER 2020 ACTIVITY		ESTIMATED BALANCE AT 3/31/2020
	ANNUAL ACCRUAL	RETIREMENTS		ANNUAL ACCRUAL	RETIREMENTS	
31,804,236	4,958,686	(27,978,329)	8,784,593	1,076,667	(4,239,144)	5,622,115

**Supporting Calculations:**

Average Original Cost Balance for 2019	Existing Depr. Rate	Estimated WL Accruals	Existing Reserve Variance Amortization	Total Accruals
83,039,587	6.67	5,538,740	(580,054)	4,958,686

Average Original Cost Balance for 1st Qtr 2020	Existing Depr. Rate	Estimated WL Accruals for 1st Qtr	Existing Reserve Variance Amortization for 1st Qtr	Total Accruals for 1st Qtr
73,264,184	6.67	1,221,680	(145,014)	1,076,667

P.S.C.U. Docket No. 19-057-03  
OCS Data Request No. 2.05  
Requested by Office of Consumer Services  
Date of DEU Response April 4, 2019

OCS 2.05: Refer to the Depreciation Study, Exhibit 1.2, at page IX-16 which presents the calculated remaining life depreciation accrual related to original cost at December 31, 2017 for Account 381.21 Meters – Transponders. Please provide what the depreciation rate would be for Account 381.21 Meters – Transponders if recalculated based on the original cost at December 31, 2019 utilizing: a) actual amounts for 2018; b) the Company’s current best estimates of the amounts for 2019; and c) an assumed transponder life of 17 years. In other words, please provide an updated version of page IX-16 updated to be based on actual and projected balances as of December 31, 2019 and based on a 17 year estimated life instead of the 13 year life included in the current calculation. Include all workpapers, assumptions and calculations used to determine the revised depreciation rate.

Answer: The calculated remaining life depreciation rate using a 17-S3 survivor curve, 0% net salvage, and the projected 12/31/2019 plant and reserve balances, is 6.48%. Support of the projected plant and reserve balances is included in OCS Data Request No. 2.04 Attachment 1. The detailed depreciation calculation is provided in OCS Data Request No. 2.05 Attachment 1.

Prepared by: John F. Wiedmayer, CDP, Gannett Fleming

Dominion Energy Utah  
Docket No. 19-057-03  
OCS 2.05 Attachment 1

QUESTAR GAS COMPANY dba DOMINION ENERGY UTAH

ACCOUNT 381.21 METERS - TRANSPONDERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL  
RELATED TO ORIGINAL COST AT DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 17-S3						
NET SALVAGE PERCENT.. 0						
2011	2,252,948.29	1,102,615	686,780	1,566,168	8.68	180,434
2012	6,822,563.03	2,973,819	1,852,286	4,970,277	9.59	518,277
2013	982,210.21	373,240	232,478	749,732	10.54	71,132
2014	2,659,711.12	858,927	534,995	2,124,716	11.51	184,597
2015	6,968,357.04	1,844,594	1,148,932	5,819,425	12.50	465,554
2016	13,188,514.34	2,715,251	1,691,234	11,497,280	13.50	851,650
2017	20,481,476.26	3,012,006	1,876,072	18,605,404	14.50	1,283,131
2018	10,194,642.15	899,575	560,313	9,634,329	15.50	621,570
2019	11,000,000.00	323,510	201,503	10,798,497	16.50	654,454
	74,550,422.44	14,103,537	8,784,593	65,765,829		4,830,799
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.6 6.48



P.S.C.U. Docket No. 19-057-03  
OCS Data Request No. 2.06  
Requested by Office of Consumer Services  
Date of DEU Response April 4, 2019

OCS 2.06: Refer to the Direct Testimony of Jordan K. Stephenson (Exhibit 1.0), line 102, which states: “This rate effective date is currently expected to be on or near March 1, 2020.” Please provide the Company’s current best estimate of the number of Elster transponders that will still be in service on March 1, 2020. If greater than zero, please explain in detail why the number is greater than zero.

Answer: Based on the estimated monthly transponder replacement numbers provided in OCS Data Request No. 2.02 for Docket No. 19-057-03, the Company anticipates between 10,000 and 100,000 Elster transponders remaining as of March 2020. The Company conservatively plans to have all the Elster transponders replaced by the end of the 3<sup>rd</sup> quarter in 2020.

Prepared by: Damir Sabanovic, Regulatory Analyst II, Dominion Energy Utah

DPU 1.10: Page III-2 of Exhibit 1.2 discusses various dates of field trips. Please provide copies of notes, photos taken, or documents received from the company as a result of these field trips.

Answer: Please refer to the following attachments for notes, photos, and documents received during the most recent field trip.

- DPU 1.10 Attachment 1 – Field Trip Pictures
- DPU 1.10 Attachment 2 – Field Trip Notes
- DPU 1.10 Attachment 3 – Management Meeting Notes
- DPU 1.10 Attachment 4 – Fact Sheet & DOT Reports

Prepared by: John F. Wiedmayer, Jr., CDP, Gannett Fleming

# QGC Mgmt Mtng

5/15/18

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GF: JFW, Joana

## Transportation Equip.

Dale Sevy

## Structures

Todd Kemp

## Services, cont'd

5/16/18

customers make contributions for service

example: <sup>services</sup>

\$400K - cost to QGC

\$721.5K - contributed by customers

now: for a new service { QGC pays their internal costs. (engineering, inspection, etc.) (per last rate case)  
and customer pays for material + contractor's costs (3<sup>rd</sup> party)

previously, customer paid for portion that was on their property

2016: avg. length service (50 ft.)

\$1,500 to install new service (all costs including customer contribution → "all-in" cost)

## Meters

policy: meters that are brought into the meter shop that are over 30 yrs. old are scrapped

pull 10% of meters in a lot to sample test  
ex: manufacturer lot

\$175 for residential meter

QGC provides a credit to customer for that cost

residential meters last longer than industrial/commercial

AC250 - typical residential meter

QGC

5/16/18

close to 100% of customers have AMR

AMR began around 2005

batteries on transponders dying after 8-10 yrs,  
were supposed to last 20 per manufactures (Elster  
Corp.)

↳ are replacing w/ ~~units~~ from different  
manufactures (ITRON)

currently abandoning almost all services retired  
in place

~~SPER~~

Act. 376

Belt main projects began around 2012/2013,  
could be reason for increase in ret's + COR

~~UDOT~~ newer regulation → to slurry ~~fill~~ <sup>retired</sup> pipe  
~~UDOT~~ larger sizes → like 6" + larger  
per UDOT

Cor/ret's look reasonable

Transponders

new ITRON transponders  
are expected to last 20 yrs.