

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of Questar Gas Company's Filing to Comply with the Commission Order Issued on April 29, 2015, in Docket No. 14-057-32, In the Matter of a Request for Agency Action to Review the Carrying Charges Applied to Various Questar Gas Company Account Balances

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DOCKET NO. 15-057-T03  
ORDER APPROVING TARIFF SHEETS WITH REVISIONS

ISSUED: June 29, 2015

This matter is before the Public Service Commission of Utah (“Commission”) regarding Questar Gas Company’s (“Questar”) new and revised sheets for its Utah Natural Gas Tariff PSCU 400 (“Tariff”) filed on May 28, 2015 (“May Application”). Questar filed its May Application in compliance with the Commission’s April 29, 2015 Order on Carrying Charges (“April Order”) issued in Docket No. 14-057-32, “In the Matter of a Request for Agency Action to Review the Carrying Charges Applied to Various Questar Gas Company Account Balances.” The new and revised sheets pertain to Tariff Sections 2.06 Gas Balancing Account Adjustment Provision, 2.08 Conservation Enabling Tariff (CET), 2.09 ThermWise<sup>®</sup> Energy Efficiency, 8.03 Fees and Charges, 8.06 Integrity Management Deferred Account, 8.07 Calculation of Carrying Charge, and 9.02 New or Additional Service.

In response to the Commission’s June 2, 2015, Notice of Filing and Comment Period, on June 24, 2015, the Division of Public Utilities (“Division”) filed a memorandum with attached revised Tariff sheets (“Division Memo”). On June 25, 2015, Questar filed comments responding to the Division Memo (“Reply Comments”).

The Division addresses several issues. First, the Division recommends approval of Questar’s revised Tariff Sections 2.06, 2.08, 2.09, 8.03, and 9.02 as filed with the Division

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Memo. The revisions to Sections 2.06, 2.08, 2.09, and 8.03 replace current Tariff language pertaining to the specific carrying charge interest rate amount with language indicating that the specific carrying charge interest rate is described in Section 8.07 Calculation of Carrying Charges. Revisions to Section 9.02 reflect that Questar's return used for calculating the extension area charge interest rate would be considered on a case by case basis. The revised Tariff sheets addressing these sections included with the Division's memo are consistent with the Application with the exception that the Division deleted a reference to an after tax adjustment in Section 8.03 applicable to Questar's Energy Assistance Balancing Account, as discussed later. The Division states Questar's proposed changes generally appear to be consistent with the Commission's April Order.

Second, in response to the Commission's May 29, 2015 Action Request, the Division evaluated whether the language proposed in the new Section 8.06 pertaining to Questar's Integrity Management Deferred Account is consistent with the Commission's June 24, 2004 Report and Order in Docket No. 04-057-03 ("June Order"),<sup>1</sup> and June 3, 2010 Report and Order in Docket No. 09-057-16.<sup>2</sup> The Division explains the integrity management deferred account has been operational since 2004 without a specific section in the Tariff and that the proposed new Section 8.06 was provided to comply with the Commission order to develop and file tariff language addressing this account. The Division states it identified no inconsistency with the language in Section 8.06 and the above-referenced orders, and that the proposed new Tariff

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<sup>1</sup> Docket No. 04-057-03, "In the Matter of the Application of Questar Gas Company for an Accounting Order Regarding Treatment of Transmission Line Safety Compliance Costs."

<sup>2</sup> Docket No. 09-057-16, "In the Matter of the Application of Questar Gas Company to Increase Distribution Non-Gas Rate and Charges and Make Tariff Modifications."

section is generally consistent with the Commission's April Order. The Division's proposed revision of this Tariff section, however, deletes language contained in the Application's Section 8.06 pertaining to an adjustment for the corresponding tax deferral balance in Account 283 as discussed below. The Division recommends approval of the new Section 8.06 as revised by the Division.

Third, the Division proposes two additions, indicated in quotation marks below, to the new Section 8.07 included in Questar's Application. This proposed new section presents the procedure for annually updating the carrying charge interest rate and identifies the accounts to which it applies. The Division's additions clarify that the annual interest rate shall be applied "on a monthly basis as simple interest" to the specified accounts and that the current effective "annual" interest rate is 4.51 percent.

Finally, during its review the Division identified a concern regarding the meaning and applicability of an income tax adjustment to the simple interest applied to Questar's 191 account as applicable to the other accounts identified in this docket. The Division states its investigation of this issue is ongoing and it intends to provide further comment and possibly make recommendations to the Commission as soon as practical. The Division asserts it has reached an agreement with Questar on Tariff language addressing this issue as referenced in the Division's comments above. The Division recommends its proposed Tariff revisions become effective July 1, 2015.

The Division concludes that the new and revised Tariff sheets, as modified and included with the Division Memo, are just and reasonable and in the public interest. Therefore the Division recommends the Commission approve them with an effective date of July 1, 2015.

In its Reply Comments Questar states it agrees with the Division's proposed changes to Sections 8.03, 8.06, and 8.07 of its May Application.

**DISCUSSION, FINDINGS AND CONCLUSIONS**

Based on our review of the May Application and the Division Memo, we concur with the Division's recommendation and approve revised Tariff Sections 2.06, 2.08, 2.09, 8.03, and 9.02 as filed with the Division Memo. We also note Questar's agreement with the Division's proposed modifications to Section 8.03.

Pertaining to the Division's recommended approval of the new Tariff Section 8.06 addressing Questar's Integrity Management Deferred Account, the Division asserts this section is generally consistent with the Commission's April Order. Additionally the Division states it identified no inconsistencies between this new section and previous Commission orders approving the integrity management program. We also note Questar's agreement with the Division's proposed modifications to Section 8.06. We concur with the Division's recommendation and approve new Tariff Section 8.06 with the understanding that "all actual integrity management costs" as mentioned in proposed Tariff Section 8.06 are consistent with our June 2004 Order.

We have reviewed Questar's proposed new Tariff Section 8.07 and the Division's recommended modifications. We also note Questar's agreement with the Division's proposed modifications to Section 8.07. We find the Division's modifications to the proposed new Section 8.07 provide important clarifications to this section. We therefore approve Section 8.07 as filed with the Division Memo.

We are interested in the Division's investigation pertaining to an income tax adjustment to the simple interest applied to various balancing accounts in this docket, particularly since this issue was discussed during the April 8, 2015 hearing in Docket No. 14-057-32.<sup>3</sup> We look forward to receiving the Division's results of this investigation.

**ORDER**

1. We approve the Tariff sheets reflecting new or revised Sections 2.06, 2.08, 2.09, 8.03, 8.06, 8.07 and 9.02 for Questar's Utah Natural Gas Tariff PSCU 400 as filed with the Division Memo and as agreed to by Questar, effective July 1, 2015.
2. Questar shall file final tariff sheets reflecting the decisions in this order within 14 days of the date of this order.

DATED at Salt Lake City, Utah, this 29<sup>th</sup> day of June, 2015.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary  
DW#267191

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<sup>3</sup> See Docket No. 14-057-32, April 8, 2015, Hearing Transcript, p. 20.

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this written Order by filing a written request with the Commission within 30 days after the issuance of this 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 does not grant a request for review or rehearing within 20 days after the filing of the request, 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 §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 29<sup>th</sup> day of June, 2015, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

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Administrative Assistant