



State of Utah

DEPARTMENT OF COMMERCE
Committee of Consumer Services

To: Public Service Commission

From: The Committee of Consumer Services
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Questar Gas Company

Date: 20 December, 2002

Subject: Docket No. 02-057-02: Comments on the Division of Public Utility's
Recommendations on Questar Gas Company Settlement
Agreement

1 Background

In compliance with the stipulation filed before the Utah Public Service Commission (Commission) in October 2002, Questar Gas Company (Questar) provided updated information to the Division of Public Utilities (Division) on the following issues related to Docket No. 02-057-02:

- 1 Usage per customer;
- 2 Section 29 Tax Credits; and
- 3 Property insurance costs.

The Division subsequently filed a report on its findings with the Commission on 16 December, 2002. In its report, the Division recommends use of the actual November 2002 usage-per-customer, 115.51 Dths. It also acknowledges the exclusion of tax credits, and adjusts the property insurance costs. The Committee of Consumer Services (Committee) asked the consulting firm of Larkin & Associates, who testified on behalf of the Committee in this Docket, to examine the Division's report.

2 Analysis

Based on the Division's review of the Company's actual temperature-adjusted usage per GS-1 customer for the 12 months ended November 30, 2002, the Committee believes adjusting the data in the original filing to reflect actual temperature-adjusted usage figure of 115.51 Dths per GS-1 customer is in compliance with the settlement provisions.

Regarding the Section 29 tax credit issue, the United States Congress adjourned on 22 November, 2002, without taking any action on legislation that would extend or replace gas-production tax credit provisions. Without such action, the credits will expire on 31 December, 2002, and therefore, should be excluded.

The Division recommends adjusting the insurance costs for property coverage to more accurately reflect cost causation. While the Committee did not have an opportunity to audit the updated insurance information, the Division's recommendation based on its audit appears reasonable.

3 Recommendation

The Committee recommends that the Commission adopt the Division's adjustments.