

Gary A. Dodge (0897)
HATCH, JAMES & DODGE
10 West Broadway, Suite 400
Salt Lake City, Utah 84101
Telephone: (801) 363-6363
Facsimile: (801) 363-6666
Email: gdodge@hjdllaw.com
Attorneys for UAE

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Joint Application of Questar Gas Company,
the Division of Public Utilities, and Utah
Clean Energy, for the Approval of the
Conservation Enabling Tariff Adjustment
Option and Accounting Orders

Docket No. 05-057-T01

**UTAH ASSOCIATION OF ENERGY USERS' POSITION STATEMENT
ON REVENUE DECOUPLING**

In accordance with the unofficial timeline agreed to by parties to this docket, the Utah Association of Energy Users (“UAE”) submits this position statement on the use of revenue decoupling as a means of encouraging energy efficiency and conservation.

UAE is an organization consisting primarily of large energy consumers in the State of Utah. Most UAE members are gas transportation and/or sales customers of Questar Gas Company. While most UAE members have GS-1 accounts with Questar Gas Company, the vast majority of UAE member’s Utah natural gas requirements is transported under transportation tariffs. Because UAE members are not directly impacted in a significant way by the revenue decoupling mechanism adopted for Questar Gas Company’s GS-1 customer group in this docket, UAE did not oppose the stipulation entered into by other parties to this docket to implement the short-term pilot program.

However, UAE has consistently opposed and continues to oppose the use of revenue decoupling as a means of encouraging energy conservation.

UAE strongly supports the *goal* of energy efficiency and conservation. Indeed, UAE and its members have demonstrated -- through both their words and their actions -- a serious and sustained commitment to cost-effective conservation, energy efficiency and demand side management programs. Many UAE members have exhibited outstanding leadership on such issues within their own facilities and UAE has consistently supported cost effective utility DSM programs for all customer classes.

While strongly supporting the *goal* of energy conservation, UAE strongly opposes the use of revenue decoupling as a proper *means* of achieving that goal. Revenue decoupling is, at best, a blunt instrument which is not particularly effective at encouraging conservation, imposes a fundamental and unnecessary change in ratemaking philosophy, shifts undue risks to utility customers without offsetting compensation or consideration, and creates a serious potential for unintended consequences, including misalignment of proper utility incentives, risks and returns.

UAE's general position on revenue decoupling is explained in testimony filed by Kevin C. Higgins in this docket on or about May 15, 2006. In addition, some of UAE's concerns and objections to revenue decoupling are well summarized in a white paper on revenue decoupling recently published by the Electricity Consumers Resource Council (ELCON), a copy of which is attached hereto and incorporated herein.

UAE reiterates its opposition to the use of revenue decoupling as a means of encouraging conservation and reserves the right to analyze testimony, position statements and proposals offered by other parties in this docket and to submit further position statements, proposals or testimony as appropriate and in accordance with any schedule established herein by the Commission.

DATED this 1st day of June, 2007.

HATCH, JAMES & DODGE

/s/

Gary A. Dodge
Attorneys for UAE