

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

)
In the Matter of the Pass-Through) DOCKET NO. 07-057-09
Application of Questar Gas Company For)
An Adjustment in Rates and Charges for)
Natural Gas Service in Utah)
)
Application of Questar Gas To Amortize) DOCKET NO. 07-057-10
the Conservation Enabling Tariff)
Balancing Account)
)
Application of Questar Gas to Amortize) DOCKET NO. 07-057-11
the Demand Side Management Deferred)
Account Balance)
)
) NOTICE OF HEARING TO
) APPROVE RATES ON AN
) INTERIM BASIS
)

ISSUED: October 22, 2007

By The Commission:

Notice is hereby given that a concurrent hearing in the above-entitled matters will be conducted by the Public Service Commission of Utah on **Wednesday, October 31, 2007 at 9:30 a.m.**, Fourth Floor Hearing Room 403, Heber M. Wells State Office Building, 160 East 300 South, Salt Lake City, Utah.

In Docket No. 07-057-09, Questar Gas Company (Questar Gas) seeks a rate change pursuant to its Utah Natural Gas Tariff PSCU 400 (Tariff), Section 2.10. Questar Gas proposes a rate decrease based on a forecasted decrease in purchased gas prices. This pass-through application reflects Utah gas costs of \$621,104,648. This represents a decrease of \$89,563,000, which includes a decrease of \$34,986,000 in the supplier non-gas (SNG) rates and a decrease of \$54,577,000 in the commodity rates. If

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the Commission grants this application, typical residential customers using 80 decatherms per year will see a decrease in their yearly bill of \$69.03 (or 9.56%).

In Docket No. 07-057-10, Questar Gas seeks to amortize a Conservation Enabling Tariff (CET) balance. In the order approving the Settlement Stipulation in Docket No. 05-057-T01, the Commission authorized Questar Gas to establish and utilize a CET balancing account, Account 191.9 of the Uniform System of Accounts. Questar Gas' filing is made under §2.11 of the Tariff, which sets forth procedures for recovering the allowed distribution non-gas (DNG) revenue per customer by means of periodic adjustments to rates and amortizations of this account. The CET Account No. 191.9 Balance amount Questar Gas seeks to amortize is shown in Exhibit 1.1 of the application. The exhibit shows a summary of the CET accounting entries and monthly balances for April through August 2007, beginning from the March 2007 balance. The Company proposes to amortize the August 2007 ending debit balance (representing an under collection) of \$3,498,253 by applying a percentage increase to the GS-1 and GSS DNG rates as set forth in Exhibit 1.2. The annualized change in rates calculated in the application is a 0.36% increase, or an increase of \$2.60 per year for a typical GS-1 residential customer using 80 decatherms per year.

In Docket No. 07-057-11, Questar Gas seeks authorization to amortize Demand Side Management (DSM) expenses. In an order dated October 5, 2006 approving the Settlement Stipulation in Docket No. 05-057-T01, the Commission authorized Questar Gas to establish a deferred expense account, Account 182.4 of the

Uniform System of Accounts, in which to record the costs associated with the approved DSM programs and market transformation initiative. This filing is made under §2.12 of the Tariff, which sets forth procedures for recovering the deferred DSM related expenses by means of periodic adjustments to rates and amortizations of this account. Attached to this application is Exhibit 1.1, which is a summary of the DSM deferred expenses accounting entries for the period from September 2006 through August 2007. In an order dated January 16, 2007 in Docket 05-057-T01 approving the DSM programs, the Commission required that “Questar shall keep detailed records of all DSM expenditures and shall track them by each separate DSM program or marketing initiative, and by expenditure type. Summary statements prepared from these records shall be presented to the Commission as part of the Account 182.4 approval process.” Exhibit 1.2 to the application is a summary of the deferred DSM related expenditures by DSM program (page 1) and by DSM program and expenditure type (page 2). Questar Gas proposes to amortize an August 2007 ending balance of \$2,328,735 by applying an amortization of \$0.02526 per Dth increase to the GS-1 rates. The annualized change in rates calculated in this application is a 0.28% increase, or an increase of \$.01 per year for a typical GS-1 residential customer using 80 decatherms per year.

On October 19, 2007, the Division of Public Utilities (Division) submitted its Memoranda and Recommendations in these three dockets. In each, the Division recommends that the Commission approve the rate changes on an interim basis, pending completion of review and analysis for each of the applications. Based upon the

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Division's recommendations and Questar Gas' Applications, the Commission has scheduled the hearing to receive comment and evidence on whether or not it should approve the proposed rate changes on an interim basis.

Individuals wishing to participate at the hearing by telephone should contact the Public Service Commission two business days in advance at (801) 530-6716 or 1-866-PSC-UTAH (1-866-772-8824).

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this hearing should notify the Commission at 160 East 300 South, Salt Lake City, Utah, 84111, (801)530-6716, at least three business days prior to the hearing.

DATED at Salt Lake City, Utah this 22nd day of October, 2007.

/s/ Julie Orchard
Commission Secretary
G#55111