

APPLICATION OF QUESTAR GAS ) Docket No. 07-057-09  
COMPANY TO REMOVE THE GAS )  
MANAGEMENT COSTS (C0<sub>2</sub>) ) APPLICATION

All communications with respect to  
these documents should be served upon:

Colleen Larkin Bell (5253)  
C. Scott Brown (4802)  
Attorneys for the Applicant

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(801) 324-5556

APPLICATION  
AND  
EXHIBITS

January 14, 2008

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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APPLICATION OF QUESTAR GAS	)	Docket No. 07-057-09
COMPANY TO REMOVE THE GAS	)	
MANAGEMENT COSTS (CO <sub>2</sub> )	)	APPLICATION

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Questar Gas Company (Questar Gas or the Company) respectfully submits to the Utah Public Service Commission (Commission) for approval of this application for a decrease of \$4.6 million to the commodity cost portion of its Utah natural gas rates by removing the gas management costs from each class' rates.

If the Commission grants this application, typical residential customers using 80 decatherms per year will see a decrease in their yearly bills of \$3.81 (or 0.58%). The Company proposes to implement this request by charging the new rates effective February 1, 2008.

In support of this application, Questar Gas states:

1. Questar Gas' Operations. Questar Gas, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's present rates, charges, and general conditions for natural gas service in Utah are set forth in Questar Gas' PSC Utah Tariff No. 400. Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves customers in the Preston, Idaho area. Under the terms of agreement between the Commission and the Idaho Public Utilities Commission, the rates for these Idaho customers are determined by the Utah Commission. Volumes for these customers have been included in the Utah volumes.

2. Gas Management Costs Stipulation Order. Pursuant to the Commission's order approving the Gas Management Cost Stipulation (Stipulation) in

Docket Nos. 04-057-04, 04-057-09, 04-057-11, 04-057-13 and 05-057-01, the Company is allowed to recover in rates 90% of the actual non-fuel costs as defined in the Stipulation. In the order, the Commission authorized Questar Gas to establish a separate rate by class that is added to the commodity portion of each class' respective rate schedule. This Stipulation was for three years beginning February 1, 2005 and effective through January 31, 2008. Questar Gas proposes to remove effective February 1, 2008, this gas management cost portion from all rate schedules. This filing is made under §2.10 of Questar Gas' PSC Utah Tariff No. 400, which sets forth procedures for recovering the allowed commodity revenue from the gas balancing account by means of periodic adjustments to rates and amortizations of this account.

3. Test Year. The test year for this application is the 12 months ending October 31, 2008.

4. Proposed Tariff Sheets. Questar Gas' proposed Utah rate schedules reflect the removal of the gas management costs as explained in paragraph 2 (Exhibit 1.1).

5. Change in Typical Customer's Bill. The annualized consolidated change in rates calculated in this application is a 0.58% decrease, or a decrease of \$3.81 per year for a typical GS-1 residential customer using 80 decatherms per year. The projected month-by-month changes in bills are shown in Exhibit 1.2.

6. Exhibits. Questar Gas submits the following Exhibits in support of its request to remove the gas management costs:

Exhibit 1.1      Proposed Tariff Sheets

Exhibit 1.2      Effect on GS-1 Typical Customer

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with the Order approving the gas management costs and the Company's commission-approved tariff:

1. Enter an order authorizing Questar Gas to implement rates and charges applicable to its Utah natural gas service that reflect a removal of gas management costs from all commodity rates, as more fully set out in this Application; and
2. Authorize Questar Gas to implement its rates effective February 1, 2008.

DATED this 14th day of January 2008.

Respectfully submitted,

QUESTAR GAS COMPANY

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C. Scott Brown (4802)  
Attorneys for the Applicant  
P.O. Box 45360  
Salt Lake City, Utah 84145-0360  
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STATE OF UTAH            )  
                                      :  
COUNTY OF SALT LAKE )

Alan K. Allred, being first duly sworn upon oath, deposes and states: He is the President and Chief Executive Officer of Questar Gas Company; he has read the foregoing application; and the statements made in this application are true to the best of his knowledge and belief.

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Alan K. Allred

Subscribed and sworn to before me this 14th day of January 2008.

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Notary Public  
Residing in Salt Lake City, Utah

QUESTAR GAS COMPANY  
180 East First South  
P. O. Box 45360  
Salt Lake City, Utah 84145-0360

CURRENT RATE SCHEDULES

P.S.C. Utah No. 400  
Affecting Utah Rate Schedules  
in Questar Gas Company's  
Utah Service Area

Date Issued: January 14, 2008  
To Become Effective: February 1, 2008

QUESTAR GAS COMPANY

By \_\_\_\_\_  
Alan K. Allred  
President and Chief Executive Officer