

## State of Utah Department of Commerce

FRANCINE GIANI
Executive Director
THAD LEVAR
Deputy Director
Division of

Public Utilities
JEFFREY P.MILLINGTON
Director

## $\begin{array}{c} {\rm JON\; HUNTSMAN\; Jr.} \\ {\it Governor} \end{array}$

GARY HERBERT Lieutenant Governor

## MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities

Jeffrey P. Millington, Director

**Energy Section** 

Marlin H. Barrow, Technical Consultant

Carolyn Roll, Utility Analyst Artie Powell, Manager

Date: January 17, 2008

Subject: Questar Gas, Remove CO2 Management Costs, Docket No. 07-057-09.

## **ISSUE:**

Questar Gas Company (QGC) filed on January 14, 2008 an application with the Utah Public Service Commission (PSC) to remove from the commodity cost portion of its Utah natural gas rates the CO2 gas management costs. This filing asks for a total decrease in revenues, related to the CO2 gas management costs of \$4.6 million. If approved by the PSC, a typical residential customer, assuming a usage of 80 decatherms per year, will see an average decrease in their annual bill of \$3.81 or a decrease of 0.58% over current rates.



**RECOMMEND APPROVAL:** 

After a preliminary review of this application, the Division of Public Utilities (Division)

recommends, the application be approved as filed with the proposed rates becoming

effective February 1, 2008.

**DISCUSSION:** 

This filing is based on the same expected firm sales volumes and projected commodity

gas costs used in QGC's 191 pass-through application in Docket No. 07-057-09 with the

same test year ending October 31, 2008.

As noted in the filing, QGC was allowed, pursuant to the PSC's order in approving the

Gas Management Cost Stipulation in Docket Nos. 04-057-04, 04-057-09, 04-057-11, 04-

057-13 and 05-057-01, to recover 90% of the actual non-fuel costs as defined in the

stipulation beginning February 1, 2005 and continuing through January 31, 2008.

Effective February 1, 2008 the CO2 Gas Management Cost portion of the commodity gas

cost rate is removed from QGC tariff rate schedules GS-1, GSS, F-1, F-3,F-4, NGV, FT-

2, IT and IT-S rate schedules and those CO2 management costs will no longer be charged

to QGC's customers.

The Division has reviewed the tariff sheets included as Exhibit 1.1 in this filing and

agrees with the rates as proposed in the tariff sheets and recommends to the Commission

approval of the application to remove the CO2 gas management rates from the

commodity gas costs in the above mentioned rate schedules.

Cc:

Barrie McKay, Questar Gas Company

Michele Beck, Committee of Consumer Services

Rea Petersen, Division of Public Utilities

Francine Giani, Department of Commerce