

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company to Amortize the Demand Side) DOCKET NO. 07-057-11
Management Deferred Account Balance) INTERIM ORDER

ISSUED: October 31, 2007

SYNOPSIS

The Commission approves an increase in rates, on an interim basis, for the amortization of the Demand Side Management (“DSM”) balance identified in Questar Gas Company’s October 4, 2007, Application. The rate change may be made effective November 1, 2007, and represents an annual increase of \$2.01 for the average GS-1 customer using 80 decatherms a year.

By The Commission:

On October 4, 2007, Questar Gas Company (“Questar” or “Company”) submitted its Application seeking 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 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. Questar proposes to amortize an August 2007 ending balance of \$2,328,735 by applying an amortization of \$0.02526 per decatherm (“Dth”) increase to GS-1 rates. The annualized change in rates calculated in the

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Application is a 0.28% increase, or an increase of \$2.01 per year for a typical GS-1 residential customer using 80 decatherms per year.

On October 18, 2007, the Division of Public Utilities (“Division”) filed a Memorandum regarding the Application and recommending approval of the proposed rate change on an interim basis.

On October 31, 2007, hearing was held before the Administrative Law Judge. Questar appeared through counsel Colleen Larkin Bell, the Division appeared through Assistant Attorney General Michael Ginsberg, and the Committee of Consumer Services (“Committee”) appeared through Assistant Attorney General Paul Proctor; no other appearances were made. Questar presented testimony through its witness Gary Robinson and the Division presented testimony through its witness Marlin Barrow; each providing evidence in support of granting the Application and approving the rate change requested.

The Division requests that the rate change be approved on an interim basis until the Division has had an adequate opportunity to review and audit the information provided by the Company to insure that proper accounting has been recorded for the spent dollars.

Having reviewed the record before the Commission and considered the testimony offered by the parties at hearing, the Administrative Law Judge finds said evidence establishes an adequate prima facie showing that approval of the proposed increase is justified on an interim basis pending completion of the Division’s audit process. Therefore, the Administrative Law Judge recommends the Commission approve the requested amortization and interim use of the proposed rates effective November 1, 2007.

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Wherefore, based upon the foregoing information, and for good cause appearing, the Administrative Law Judge enters the following proposed:

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that

The amortization and rate changes requested in the Application and reflected in the proposed tariff sheets are approved on an interim basis and may be implemented with an effective date of November 1, 2007.

Pursuant to Utah Code 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 31st day of October, 2007.

/s/ Steven F. Goodwill
Administrative Law Judge

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Approved and Confirmed this 31st day of October, 2007, as the Report and Order
of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#55201