

APPLICATION OF QUESTAR GAS) Docket No. 07-057-11
COMPANY TO AMORTIZE THE)
DEMAND SIDE MANAGEMENT)
DEFERRED ACCOUNT BALANCE) APPLICATION

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

Colleen Larkin Bell (5253)
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APPLICATION
AND
EXHIBITS

October 4, 2007

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF QUESTAR GAS)	Docket No. 07-057-11
COMPANY TO AMORTIZE THE)	
DEMAND SIDE MANAGEMENT)	APPLICATION
DEFERRED ACCOUNT BALANCE)	

Questar Gas Company (Questar Gas or the Company) respectfully submits to the Utah Public Service Commission (Commission) for approval of this application for an amortization of the Demand Side Management (DSM) deferred account balance and an adjustment to the distribution non-gas (DNG) cost portions of its Utah GS-1 and GSS natural gas rates.

If the Commission grants this application, typical residential customers using 80 decatherms per year will see an increase in their yearly bills of \$2.01 (or 0.28%). The Company proposes to implement this request by charging the new rates effective November 1, 2007.

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 the Questar Gas Company Utah Natural Gas Tariff PSCU 400 (Tariff). 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. DSM Order. In the 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. (Order at 15.) 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.

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

4. Amortization of Account No. 182.4 Balance. Attached as Exhibit 1.1 is a summary of the DSM deferred expenses accounting entries for the period from September 2006 through August 2007. In the 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.” (Order at 9.) Attached as Exhibit 1.2 is a summary of the deferred DSM related expenditures by DSM program (page 1) and by DSM program and expenditure type (page 2). The Company proposes to amortize the August 2007 ending balance of \$2,328,735 (Exhibit 1.1, line 13) by applying an amortization of \$0.02526 per Dth increase to the GS-1 and GSS DNG rates as shown in Exhibit 1.3, column C.

5. Proposed Tariff Sheets. Exhibit 1.4 shows the proposed GS-1 and GSS rate schedules that reflect the amortization of the balance in Account 182.4 as explained in paragraph 4.

6. Change in Typical Customer's Bill. The annualized change in rates calculated in this 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. The projected month-by-month changes in bills are shown in Exhibit 1.5.

7. Exhibits. Questar Gas submits the following Exhibits in support of its request to amortize the CET balance:

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|-------------|--|
| Exhibit 1.1 | DSM Deferred Expense Account Entries in Account 182.4 |
| Exhibit 1.2 | DSM Program Expenditure Report by DSM Program and Expenditure Type |
| Exhibit 1.3 | Calculation of Proposed Rates |
| Exhibit 1.4 | Proposed Tariff Sheets |
| Exhibit 1.5 | Effect on GS-1 Typical Customer |

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with the Order approving the DSM Stipulation and the Company's Tariff:

1. Enter an order authorizing Questar Gas to implement rates and charges applicable to its Utah natural gas service that reflect an amortization in GS-1 and GSS DNG rates, as more fully set out in this Application; and
2. Authorize Questar Gas to implement its rates effective November 1, 2007.

DATED this 4th day of October 2007.

Respectfully submitted,

QUESTAR GAS COMPANY

Colleen Larkin Bell (5253)
C. Scott Brown (4802)
Attorneys for the Applicant
P.O. Box 45360
Salt Lake City, Utah 84145-0360
(801) 324-5556

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.

Alan K. Allred

Subscribed and sworn to before me this 4th day of October 2007.

Notary Public
Residing in Salt Lake City, Utah

QUESTAR GAS COMPANY
180 East First South
P. O. Box 45360
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PROPOSED RATE SCHEDULES

P.S.C. Utah No. 400
Affecting the GS-1 and GSS Sales Rate Schedules
in Questar Gas Company's
Utah Service Area

Date Issued: October 4, 2007
To Become Effective: November 1, 2007

QUESTAR GAS COMPANY

By _____
Alan K. Allred
President and Chief Executive Officer