

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company for an Adjustment to the 191.1) DOCKET NO. 09-057-09
Balancing Account by Means of a Special)
One-Time Refund and Request for Expedited) REPORT AND ORDER
Treatment)

ISSUED: April 29, 2009

By The Commission:

This matter is before the Commission on Questar Gas Company's (Company) Application for an Adjustment to the 191.1 Balancing Account by means of A Special One-Time Refund and Request for Expedited Treatment (Application). In support of its Application, the Company submits the following information:

Questar proposes a special one-time refund to customers on their May bills as was previously done in Docket No. 95-057-30.

The Questar Gas Company Utah Natural Gas Tariff PSCU 400 (Tariff), Section 2.10, provides for pass-through applications to be filed "no less frequently than semi-annually." While this is not a formal pass-through filing, it is affecting costs normally taken care of in formal pass-through filings. The driving force behind the proposed special refund is a significant over-collected balance in the 191.1 Account.

This filing is based on the March 2009 Utah 191.1 Account over-collection balance of \$96,103,635. This application requests that approximately \$50,000,000 from the 191.1 Account balance be refunded to customers. The Company proposes that the refund will be credited to firm-sales customers' bills during the month of May 2009.

If the Commission grants this application, a typical residential customer using 80 decatherms per year will see a decrease in their May 2009 bill of approximately \$41.

Calculation of Credit/Dth. Exhibit 1.2, line 1, shows the proposed \$50,000,000 refund. Line 2, shows the total decatherms (test-year dths) used by firm sales

customers from October 2008 through March 2009. When test-year dths are divided into the refund amount the result is a \$0.70120/Dth credit (line 3). This credit/dth will be applied to customer's individual total dth use during the months of October 2008 through March 2009. The result will be credited to customers on their May 2009 bills.

Amortization of 191.1 Account Balance. Currently included in Questar Gas' gas cost rate is a commodity amortization of \$0.61811/Dth approved by the Commission in Docket No. 09-057-03. Since the 191.1 Account is over-collected in an unprecedented amount, the Company proposes in this filing to credit customers \$50 million of the March 2009 over-collected commodity balance. This will be accomplished by a one-time credit on customer's May 2009 bills. The remaining 191.1 Account commodity balance will be amortized during 2009 through the current \$0.61811/Dth amortization credit. This proposal will rebate a portion of the March 2009 commodity balance to customers sooner than if it were amortized over a one-year period and will reduce the size of the credit amortization that could result in future rate shock.

Change in Typical Customer's Bill. The typical residential customer would receive a one-time May bill credit of approximately \$41 as shown in Exhibit 1.3, line 13.

Current Rate Schedules. Questar Gas' current Utah rate schedules will see no changes.

Effect on Earnings. Because the change sought in this application is a one-time refund for its customers from the 191.1 Account, there will be no change in the Company's rate of return.

Application, pp. 1, 3-4.

On April 16, 2009, the Division of Public Utilities (Division) filed its Recommendation. The Division analyzed the Company's Application and attached exhibits, and in summary, stated as follows:

This application by QGC represents a unique situation that presented itself with the large over-collection in the 191 account balance. The Division supports this application and the one-time method chosen by QGC, in this instance, to reduce the balance in the 191.1 account by \$50 million because of the circumstances surrounding the current prices in the natural gas markets. Allowing for this one-

DOCKET NO. 09-057-09

-3-

time refund, given current projections, provides rate stability for customers, which is important to the Division since the Company just recently adjusted both the commodity and DNG rates effective March 1, 2009 in Docket Nos. 09-057-03, 04, 05 and again on April 1, 2009 based on the order in Docket No. 07-057-13 issued February 26, 2009.

Recommendation, pp. 4-5. It recommended approval of the Application.

No other party moved to intervene and no one opposed the Application for a rate decrease.

The Commission finds that given this Application is for a rate decrease, that there is no opposition to the rate decrease, and that such a decrease would benefit Utah ratepayers immediately, there is no need for a hearing pursuant to Utah Code §54-7-12(2)(b). Pursuant to Utah Code §54-7-12(5)(a), the Commission finds that the effective date for this decrease should be May 1, 2009 or the date of this Order, whichever is earlier.

Based on the Application and attached exhibits submitted by the Company, and based on the Division's Recommendation for approval, the Commission orders as follows:

1. The Commission orders the Company to implement a special refund from the 191.1 Account of \$50,000,000 as detailed in the Company's Application;
2. The Request for expedited treatment is granted. Pursuant to Utah Code §54-7-12(5)(a), the Company may implement the special refund as of May 1, 2009 or the date of this Order, whichever is earlier.

DOCKET NO. 09-057-09

-4-

3. This Order is subject to the Commission's authority set forth in Utah Code § 54-7-12(5)(a)¹.
4. Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing within 30 days after issuance of this Order by filing a written request with the Commission. 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 does not grant a request for review or rehearing within 20 days after the filing of the request, 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 requirement of Sections 63G-4-401 and 63G-4-403 of the Utah Code and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 29th day of April, 2009.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#61783

¹ The Commission may waive the 30-day waiting period subject to "authority of the commission, after a hearing, to suspend, alter, or modify the schedule, classification, practice, or rule."