

APPLICATION OF QUESTAR GAS )  
COMPANY FOR AN ADJUSTMENT ) Docket No. 09-057-09  
TO THE 191.1 BALANCING ACCOUNT )  
BY MEANS OF A SPECIAL ONE-TIME ) VERIFIED  
REFUND AND REQUEST FOR ) APPLICATION  
EXPEDITED TREATMENT )

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

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Attorneys for the Applicant

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Draft #1 – 4/15/09 JK  
Draft #2 – 4/15/09 CLB/BLM  
Draft #3 – 4/15/09 JK  
Draft #4 – 4/16/09 CLB/BLM/SRB/JK

APPLICATION  
AND  
EXHIBITS

April 16, 2009

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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APPLICATION OF QUESTAR GAS )	
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Questar Gas Company (Questar Gas or the Company) respectfully submits this application to the Utah Public Service Commission (Commission) for expedited approval of a one-time adjustment to the commodity cost portion of its Utah natural gas 191.1 Account. The Company 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.

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 rates, charges, and general conditions for natural gas service in Utah

are set forth in the 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. Applicable Statutes. The Commission may grant relief requested in this case pursuant to Utah Code Ann. § 54-4-1 (2000) and to the extent applicable § 54-7-12 (Supp. 2008).

3. Tariff Provision. The Commission has authorized Questar Gas to implement the 191 Account of the Uniform System of Accounts to balance its gas costs with revenues. This filing is made under §2.10 of the Tariff, pages 2-11 through 2-16, which sets forth procedures for recovering gas costs shown in the 191 Account by means of periodic and special adjustments to rates and an annual amortization of that account.

4. Test Year. For purposes of calculating the credit per decatherm, the test year for this application is proposed to be the historical 6 months ending March 2009. This period was chosen based on the accounting data which shows that during the month of October 2008 the 191.1 Account balance changed from under-collected to over-collected. The costs and usage from October 2008 through March 2009 created the current over-collected balance.

5. 191.1 Account History. Exhibit 1.1 shows the test-year costs for the 191.1 Account. The balance at September 30, 2008 (first of October) has changed from an under-collection of \$3,067,905 to the March 31, 2009 over-collection balance of \$96,103,635, as shown on Exhibit 1.1.

6. 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.

7. 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.

8. 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.

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

10. 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.

11. Exhibits. Questar Gas submits the following Exhibits in support of its request for a special refund of \$50,000,000 from the 191.1 Account in Utah:

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|-------------|--|
| Exhibit 1.1 | 191 Account history, September '08 – March '09 |
| Exhibit 1.2 | Calculation of Credit/Dth                      |
| Exhibit 1.3 | Effect on GS typical customer                  |

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with its rules and procedures and the Company's tariff:

1. Enter an order on an expedited basis authorizing Questar Gas to implement a special refund from the 191.1 Account of \$50,000,000 as more fully set out in this application.

DATED the 16th day of April 2009.

Respectfully submitted,

QUESTAR GAS COMPANY

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STATE OF UTAH            )  
                                      :  
COUNTY OF SALT LAKE )

Barrie L. McKay, being first duly sworn upon oath, deposes and states: He is the General Manager of Regulatory Affairs 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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Barrie L. McKay

Subscribed and sworn to before me this 16th day of April, 2009.

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Notary Public  
Residing in Salt Lake City, Utah