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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Energy Section
Marlin H. Barrow, Technical Consultant
Artie Powell, Manager

Date: March 23, 2009

Subject: Docket No. 09-057-T03

ISSUE:

On March 11, 2009, Questar Gas Company (QGC) filed an updated Questar Gas Company Utah Natural Gas Tariff PSCU 400 application with the Utah Public Service Commission (PSC) implementing changes approved by the PSC in an order issued December 22, 2008 and as amended in PSC orders issued February 9, 2009, February 26, 2009 and March 3, 2009.

RECOMMENDATION: CONDITIONAL APPROVAL

The Division of Public Utilities (Division) has reviewed the updated tariff and approves the tariff provided the following changes, as contained in the attached red-line version of the tariff, are accepted by QGC. The Division also makes some informational comments about certain portions of the tariff which the Division also approves.

DISCUSSION:

The Division reviewed the tariff pages filed with the PSC in this application with the tariff pages filed in Docket No. 07-057-13 as well as the language contained in the above

mentioned PSC orders to insure compliance with those orders. The Division has noted some minor recommended changes which are red-lined in the attached tariff document and noted below in the Tariff Filing Schedule Comments section. The Division recommends that they be incorporated into the tariff by QGC before being approved by the Commission. The Division also notes that the rates of each rate schedule has been verified as those rates contained in Appendix A of the Commission's order issued on December 22, 2008 and as amended in orders issued on February 26, 2009 and March 3, 2009. The following is a summary of those recommended changes, noted by page number as well as comments on some schedules.

Tariff Filing Schedule Comments:

§2.02 GS Rate Schedule Page 2-2; This Rate Schedule was previously known as the GS-1 Rate Schedule. In the rate case, the Company proposed splitting this schedule into two separate schedules, the GSR and the GSC rate schedules. The PSC denied this request and kept the GS-1 Rate Schedule intact. Although not specifically approved by the PSC in any order, the Company, in the filing, has renamed this schedule the GS Rate Schedule. The Division is not opposed to this renaming as it is consistent in naming convention with other rate schedule changes approved by the Commission.

§2.06 Weather Normalization Adjustment Page 2-6; Second ¶, Red lined Ogden, change to Park City as shown. "...WNA, degree days calculated from one of the Company's weather zones—Logan, Park City~~Ogden~~, Salt Lake City,"

§2.07 Gas Balancing Account Adjustment Provision Page 2-8; Third ¶, Red lined FT-2, IT and ITS and replace with TS rate schedule as shown. "...this account applies to the ~~FT-2, IT and IT-STS~~ rate schedules."

§2.07 Gas Balancing Account Adjustment Provision Page 2-10; (3)(b), Red lined FT-2, IT and ITS and replace with TS rate schedule as shown. "...direct charges to ~~FT-2, IT and IT-STS~~ customers. (See "CO₂ Cost Recovery from ~~FT-2, IT and IT-STS~~ Rate Schedules" below.)"

§2.07 Gas Balancing Account Adjustment Provision Page 2-12; Second ¶, Red lined FT-2, IT and ITS and replace with TS schedule as shown. "...been allocated to the ~~FT-2, IT and IT-STS~~ schedules."

§2.08 Conservation Enabling Tariff (CET) Page 2-14; Second ¶, Insert word Base between 5% of and DNG revenue as shown. “...*Company may not accrue more than 5% of Base DNG revenue each calendar year ending October.*”

§2.08 Conservation Enabling Tariff (CET) Page 2-14; Third ¶, Insert word Base DNG between jurisdictional and GS revenues as shown. “...*jurisdictional Base DNG GS revenues based on the most recent 12-month period...*”

§2.09 Demand-Side Management (DSM) Page 2-16; First ¶, Correct DSM Program section numbering to correspond to correct sections of each following DSM program as shown.

§ 2.103	ThermWise Appliance Rebates
§ 2.114	ThermWise Builder Rebates
§ 2.125	ThermWise Multi-Family Rebates
§ 2.136	ThermWise Business Rebates
§ 2.147	ThermWise Home Energy Audits
§ 2.158	ThermWise Weatherization Rebates
§ 2.169	Low-Income Weatherization Assistance Program
§ 2.1720	ThermWise Business Custom Rebates

§4.02 IS Rate Schedule Page 4-3; Under the Minimum Yearly Charge, QGC added the wording “*Greater of \$1,600.00 or*” before Peak Winter Day. This is the calculation of the minimum annual usage as stated in (7) of the IS Classification Provisions section multiplied by the DNG 1st block rate. The Division agrees with this calculation and approves of it being added to the tariff. This is consistent with calculations that already show in other schedules.

§4.03 ES Rate Schedule Page 4-4; In ES Classification Provisions (2) added back “discontinuance” as shown. This was left out of filing. “...Service is on a reasonable-efforts basis, subject to interruption or discontinuance at any time.”

§5.09 Imbalances Page 5-15; Company needs to file a letter with the Commission explaining how changing the word “will” to “may” as shown in first line of page will be applied uniformly and consistently to all customers as ordered on page 75 of PSC’s December 22, 2008 order.

§8.01 Gas Measurement Page 8-1; Although ordered on page 71 of the PSC's December 22, 2008 order to remove confusing language in this section by the next rate case, QGC has now revised the tariff language under the Multiple Rate section clarifying how interruptible sales customers are allowed to base load a portion of their usage on firm sales service as shown.

MULTIPLE RATES

“Interruptible sales customers are allowed to base load a portion of their usage on firm sales service. In such cases, gas delivered through the meter will be billed on a daily basis, if the data is available, in the following schedule order; GS, FS, IS. FT-1 transportation customers are allowed to base load their usage with interruptible transportation service and will be billed on a daily basis as follows: FT-1, TS. In every case the highest basic service fee will apply. Customers selecting multiple rates must specify a maximum daily contract limit by rate schedule. The billing for volumes exceeding contract limits will revert to the first rate block in subsequent rates.” The Division approves this language.

§9.02 New or Additional Service Page 9-4; Second ¶ 3rd line, Red lined its and added a 6% as shown. “...the Company to recover a 6%~~its~~ return on the deferred portion...”

The Division notes that QGC reports that §10.01 Utah State Sales Tax Rates and §10.02 Local Charge Rates for Each Municipality have been updated as of January 2009. The Division has not verified those tax rates shown in this tariff filing nor has the Division reviewed the Glossary and Index sections of this tariff filing.

Cc: Barrie McKay, Questar Gas Company
 Dan Dent, Questar Gas Company
 Michele Beck, Committee of Consumer Services
 Rea Petersen, DPU Customer Service
 Francine Giani, Department of Commerce

