

APPLICATION OF QUESTAR GAS) Docket No. 10-057-18
COMPANY TO AMORTIZE THE)
DEMAND SIDE MANAGEMENT/)
ENERGY EFFICIENCY)
DEFERRED ACCOUNT BALANCE) APPLICATION

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

Colleen Larkin Bell (5253)
Jenniffer R. Nelson (7947)
Attorneys for the Applicant

180 E. 100 South
P.O. Box 45360
Salt Lake City, Utah 84145-0360
(801) 324-5556

APPLICATION
AND
EXHIBITS

November 30, 2010

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF QUESTAR GAS)	Docket No. 10-057-18
COMPANY TO AMORTIZE THE)	
DEMAND SIDE MANAGEMENT)	APPLICATION
DEFERRED ACCOUNT BALANCE)	

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

If the Commission grants this application, typical residential customers using 80 decatherms per year will not see a change in their monthly bills.

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 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/EE Order. In the order dated October 5, 2006, approving the Settlement Stipulation in Docket No. 05-057-T01 (Order), 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/EE programs and market transformation initiative. (Order at 15.) This filing is made under §2.09 of the Tariff, which sets forth procedures for recovering the deferred DSM/EE 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 December 2011.

4. Amortization of Account No. 182.4 Balance. Attached as Exhibit 1.1 is a summary of the DSM/EE deferred expenses accounting entries for the period from May 2010 through October 2010. In the order dated January 16, 2007, in Docket 05-057-T01 approving the DSM/EE 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.) Exhibit 1.2 shows the DSM/EE related expenditures set forth in Exhibit 1.1, broken out by program (page 1) and by expenditure type (page 2). The balance, as of the end of October 2010, is \$43,673,115 (Exhibit 1.1, column F, line 6). Although the current DSM/EE balancing account balance is \$43,673,115, the Company proposes to maintain its amortization at \$36,000,000. The Company anticipates that changes in the market place, and some of the changes it proposed in its Application in Docket No. 10-057-15 will result in a reduction of expenditures in some of the rebate programs. Additionally, it is typical for the Company to incur fewer costs than it amortizes during winter months. Increasing the amortization now would result in a rate increase now, and a request for a subsequent rate decrease in the next DSM/EE application. Questar Gas proposes, instead, to maintain the current amortization rate of

\$36,000,000 in order to stabilize the amortization rate and minimize fluctuations in this rate. As a result, the typical customer's bill would be unchanged.

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

Exhibit 1.1 DSM/EE Deferred Expense Account Entries in Account 182.4

Exhibit 1.2 DSM/EE Program Expenditures by Program and Expenditure Type

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

1. Enter an order authorizing Questar Gas to continue to utilize the currently approved amortization rates and charges applicable to its Utah natural gas service that reflect an amortization in GS DNG rates until the next DSM/EE amortization filing, as more fully set out in this Application.

DATED this 30th day of November 2010.

Respectfully submitted,

QUESTAR GAS COMPANY

Colleen Larkin Bell (5253)
Jenniffer R. Nelson (7947)
Attorneys for the Applicant
P.O. Box 45360
Salt Lake City, Utah 84145-0360
(801) 324-5556