



GARY HERBERT.
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

PHILIP J. POWLICK
Director, Division of Public Utilities

ACTION REQUEST RESPONSE

To: Public Service Commission of Utah

From: Utah Division of Public Utilities
Phil Powlick, Director
Artie Powell, Energy Section Manager
Marlin Barrow, Technical Consultant

Date: December 2, 2010

Subject: Docket No. 10-057-17, Pass-Through application
Docket No. 10-057-18, Demand Side Management
Docket No. 10-057-19, Conservation Enabling Tariff
Docket No. 10-057-20, Infrastructure Rate Adjustment

ISSUE

Questar Gas Company (Company) submitted four applications to the Utah Public Service Commission (Commission) on November 30, 2010. The net effect of these requests is a reduction in natural gas rates totaling \$3.4 million. The Company has identified and announced January 1, 2011 as the effective date of this change. The Action Requests submitted to the Division of Public Utilities (Division) identified January 31, 2011 as the due date for Division's response.

RECOMMENDATION

In response to the Action Requests, the Division recommends that the Commission schedule a hearing to address these issues during the week of December 13, 2010. The Division will prepare, in a separate memorandum, an analysis of all four filings, which will be filed with the Commission on or before December 9, 2010.

DISCUSSION:

Docket No. 10-057-17 is the 191 pass through adjustment for gas costs. This application proposes a decrease in the forecasted price of purchased gas resulting in a net decrease of \$6,636,000 in commodity rates. The proposed changes will result in a 0.73% reduction in the typical GS residential customer's bill.

Docket No. 10-057-18 is a request to keep the DSM amortization rate component of the GS DNG Rate Class as currently filed.

Docket No. 10-057-19 is a request to amortize an over-collected CET balance of \$3,346,800 in Account 191.9. This proposed change will result in a 0.02% increase in the typical GS residential customer's bill.

Docket No. 10-057-20 is the first request of the Company to include an Infrastructure Rate Adjustment to the DNG rate of its GS, FS, TS, IS, FT-1, NGV and MT natural gas schedules and if approved, a 0.39% increase in a typical GS residential customer's bill will result.

The Division expects to finish its analysis of these four dockets by the end of December 9, 2010. If the dockets are approved as filed, the net effect of all four dockets is expected to result in a net decrease to a typical GS residential customer's annual bill of \$2.75 (or 0.39%).

The Division therefore requests the Commission schedule a hearing for the week of December 13th in order to review these four Dockets before the Christmas holidays so that any resulting rates may be implemented by January 1, 2011.

CC: Barry McKay, Questar Gas Company
Michele Beck, Office of Consumer Services
Eric Orton, Office of Consumer Services