



GARY HERBERT.
Governor
GREG BELL
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

ACTION REQUEST RESPONSE

To: Public Service Commission

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

Date: April 20, 2011

Subject: Docket No. 10-057-20, Application of Questar Gas Company to Reduce the Infrastructure Rate Adjustment.

ISSUE:

On April 13, 2011, Questar Gas Company (QGC) filed an application with the Utah Public Service Commission (PSC) requesting permission to update the infrastructure rate adjustment mechanism component of the DNG rates in their GS, FS, IS, TS, FT-1, MT and NGV rate schedules of their Utah Natural Gas Tariff PSCU 400. On April 14, 2011, the PSC issued an Action Request to the Division of Public Utilities (Division) to investigate the tariff filing. This is the Division response to that Action Request.

RECOMMENDATION:

The Division recommends the Commission approve, on an interim basis, QGC'S filed tariff sheets reflecting a reduction in the infrastructure rate adjustment component of the DNG rates in the Company's Utah Natural Gas Tariff PSCU 400, with an effective date of May 1, 2011.

DISCUSSION:

The Division reviewed the revised tariff sheets attached as exhibit 1.5U as well as the exhibits showing the calculations, filed with the PSC on April 13, 2011, and agrees with the methodology used by the Company, as shown in Exhibits 1.1U through Exhibits 1.4U of the filing, to support their request to reduce the current infrastructure rate adjustment component of the DNG rates of all rate schedules in their Utah Natural Gas Tariff.

However, the Division has not reviewed the detailed invoices used by the Company in deriving the dollar amounts that qualify for the 100% bonus depreciation and therefore recommends that the rates continue to be approved on an interim basis.

As noted in Exhibit 1.4U of the filing, the effect of this reduction on a typical GS residential customer's annual gas bill is a reduction of \$0.15. Because of the relative immaterial effect on a typical residential customer's bill, the Division supports the Company's recommendation to refund the estimated over-collection of \$94,000 that occurred from January through April of this year, as an amortization to be included in the next infrastructure rate adjustment filing.

The Division recommends the Commission approve, on an interim basis, QGC's filed tariff sheets reflecting the reduction to the infrastructure rate component in all rate schedules of QGC's Utah Natural Gas Tariff PSCU 400.

Cc: Barrie McKay, Questar Gas Company
 Kelly Mendenhall, Questar Gas Company
 Michele Beck, Office of Consumer Services
 Eric Orton, Office of Consumer Services
 Maria Martinez, DPU Customer Service