

APPLICATION OF QUESTAR GAS) Docket No. 11-057-10
COMPANY FOR A TARIFF CHANGE)
AND ADJUSTMENT TO THE)
LOW INCOME ASSISTANCE/)
ENERGY ASSISTANCE RATE) APPLICATION

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

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APPLICATION
AND
EXHIBITS

August 31, 2011

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF QUESTAR GAS COMPANY FOR A TARIFF CHANGE AND ADJUSTMENT TO THE LOW INCOME/ ENERGY ASSISTANCE RATE	Docket No. 11-057-10 APPLICATION FOR ADJUSTMENT OF TO THE ENERGY ASSISTANCE PROGRAM RATE
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Questar Gas Company respectfully submits this Application for an adjustment to the Low Income/Energy Assistance credit, and a modification to the distribution non-gas (DNG) cost portions of its Utah natural gas rates.

If the Commission grants this application, typical residential customers using 80 decatherms per year will see decrease their yearly bills of about \$0.04, and qualifying low income customers will receive an annual credit in their bills of \$52. The Company proposes to implement this request by charging the new rates effective October 1, 2011.

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. Background: In the Report and Order dated July 29, 2010 in Docket 10-057-08, approving the Application of Questar Gas Company for a Tariff Change Implementing a Low-Income Assistance Program (Order), the Commission authorized Questar Gas to establish a balancing account, Account 191.8 of the Uniform System of Accounts, in which to record the debits and credits associated with the approved Low Income / Energy Assistance Program. This filing is made under subsection Energy Assistance Fund in section §8.03 of the Tariff, which sets forth procedures for recovering the costs associated with the Low Income / Energy Assistance Fund by means of periodic adjustments to maintain the \$1.5 million target funding level. In its approved application in Docket 10-057-08, the Company states, "Questar Gas also respectfully requests that the dollars collected and the costs associated with the Low-Income Assistance Program to be recorded in account number 191.8, and be subject to adjustment at least annually to ensure that the target funding level of \$1.5 million is maintained."

3. Adjustment of Account 191.8 Balance. Exhibit 1.1 is a summary of the accounting entries and monthly balances for the low income program. The collections, payouts, administrative charges and interest are shown on a month by month basis in columns A through D. Exhibit 1.2 shows the projected revenue to be collected and the credit to be given for the twelve months ended September 2012. The Company over collected \$59,002 from customers during the twelve months ended July 2011 (line 3). This over collection has been subtracted from the allowed amount of \$1,500,000 so that \$1,440,998 will be collected from customers during the test period. Lines 5 through 9 show the payouts, programming costs, DCC administrative costs and interest incurred. The total costs of \$1,397,734 for the program in 2010/2011 (line 9) were about \$120,000 less than the \$1,500,000 allowed amount. The 2011/2012 projected payouts of \$1,570,266 (line 14) were calculated by netting the \$120,266 carryover (line 11) and the \$50,000 of projected DCC costs (line 13) to the \$1,500,000 allowed amount.

In this application Questar Gas is also proposing to change the credit for customers in the upcoming heating season. On August 11, 2011 Questar Gas met with interested parties including representatives from the SLCAP, AARP, DCC, the Division of Public Utilities, and the Office of Consumer Services, and those in attendance determined it was appropriate to calculate the credit based on an assumed 30,000 participants. The reduction in participants will result in a higher payment to those who do participate in the program. The projected payout funds on line 14 have been divided by 30,000 customers to calculate the \$52 credit available to qualifying customers. (Exhibit 1.2 Line 15)

Exhibit 1.3 shows a breakdown and proposal to collect those rates by the

applicable class. Column D illustrates the revenue responsibility by class. This revenue responsibility is divided by the test period volumes to calculate a rate. Pursuant to Utah Code Ann. § 54-7-13.6, those customers qualifying for program benefits are not charged the surcharge and, therefore, volumes attributable to program participants have been removed from the calculation. The rate calculation also takes into account the program and statutory requirement that no individual customer will be assessed more than \$50 per month for the program (Columns G and H). The total projected revenue by class is shown in column I.

4. Proposed Tariff Sheets. Exhibit 1.4 shows the proposed tariff sheets reflecting the changes outlined in this application in legislative draft format. The program will continue to provide eligible customers with a one-time credit on their monthly bill after the Company receives notification of the customer's qualification. In addition to the changes in rates and credits on tariff sheets 2-2 through 2-5, 4-3 through 4-4 and 5-8 through 5-13, the Company proposes to change the language in Section 8.03, paragraph 3 (Page 8-11) under the heading "Energy Assistance Eligibility" to read, "Customers that receive HEAT assistance during a heating season will be exempt from the Energy Assistance rate in that same heating season."

5. Exhibits. Questar Gas submits the following Exhibits in support of its request to adjust the Low Income balancing account:

Exhibit 1.1 Account 191800 UT/ID Low Income Credit/Charge

Exhibit 1.2 Energy Assistance Program Summary

Exhibit 1.3 Energy Assistance Allocation and Rate Design

Exhibit 1.4 Proposed Tariff Sheets

Exhibit 1.5 Typical Customer

WHEREFORE, Questar Gas respectfully requests an Order from the Commission, in accordance with the Order approving the Implementation of a Low-Income Assistance and the Company's Tariff:

1. Enter an order authorizing Questar Gas to implement rates and charges applicable to its Utah natural gas service that reflect an adjustment to the GS DNG rates, as more fully described in this application; and
2. Authorize Questar Gas to implement its rates effective October 1, 2011.

DATED this 31st day of August, 2011.

Respectfully submitted,

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