



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: January 10, 2012

Subject: Questar Gas, Docket No. 11-057-15 Amortize Energy Efficiency Deferred Account Balance.

### ISSUE:

On December 29, 2011, Questar Gas Company (QGC) filed the above application with the Public Service Commission (Commission). On January 3, 2012, the Commission issued to the Division of Public Utilities (Division) an Action Request in the above matter with a due date of February 2, 2012. This is the Division's response to that Action Request.

### RECOMMEND APPROVAL:

After a preliminary review of the application, the Division recommends the Commission approve the application, as filed, with the proposed rate decrease becoming effective, on an interim basis, on February 1, 2012.

### DISCUSSION:

Docket No. 11-057-15 is a request to decrease the current amortization rate, set in Docket No. 11-057-04 for the GS rate class's Energy Efficiency (EE) programs, which were established in Docket No. 05-057-T01.

This application requests the current EE amortization rate for the GS rate class decrease from \$0.44/Dth (rounded) to \$0.41/Dth (rounded). The \$0.41/Dth rate is set to amortize \$39 million a

year. The Division has verified<sup>1</sup>, assuming GS sales volumes remain at 95.4 Tbtu's a year over the next twenty eight months that the EE deferred account balance in Account 182.4 will be reduced to zero by May 2014 while allowing for additional expenditures of \$28 million a year in current EE programs.

The application also requests the Commission approve, in addition to the decrease in the GS EE amortization rate, a change to §2.09 of QGC's Utah Natural Gas Tariff. The change is a request to change the wording found in the paragraph under Amortization of Accrual from "No less frequently than semi-annually..." to "At least annually...". The Division supports this change. In Docket No. 10-057-18, in order to comply with the current tariff requirements found in §2.09, QGC filed an application requesting no change to the then current EE amortization rate. By approving this request to change the wording, such a filing, as required in Docket No. 10-057-18 could be avoided while still giving QGC the flexibility to file more frequently if needed.

If this application is approved by the Commission, a typical GS customer will see an annual decrease of \$2.59 in their gas bill as a result of the decrease in the EE amortization rate. The Division recommends the Commission approve the change to §2.09 as filed and approve the rate decrease on an interim basis until a final audit of the expenses contained in this filing can be completed by the Division.

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, Division of Public Utilities  
                          Brenda Salter, Division of Public Utilities

---

<sup>1</sup> Assumes \$25.4 million balance in Account 184.2 at end of January 2012 and \$28.0 million per year in new expenditures occurring evenly during the year and annual GS sales volumes of 95.4 Tbtu's spread the same as filed in Docket No. 11-057-08. The estimated carrying cost over this 28 month time period is \$2 million. Any changes to these assumptions will alter the calculated results.