

APPLICATION OF QUESTAR GAS)
COMPANY FOR AN ADJUSTMENT) Docket No. 12-057-05
TO THE 191.1 BALANCING ACCOUNT)
BY MEANS OF A SPECIAL ONE-TIME) VERIFIED
REFUND) APPLICATION

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

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Draft #1 – 3/28/12 JK
Draft #2 – 4/04/12 JK
Draft #3 – 4/09/12 JNC, BLM, KBM, JK
Draft #4 – 4/10/12 BLM

APPLICATION
AND
EXHIBITS

April 10, 2012

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF QUESTAR GAS)	
COMPANY FOR AN ADJUSTMENT)	Docket No. 12-057-05
TO THE 191.1 BALANCING ACCOUNT)	
BY MEANS OF A SPECIAL ONE-TIME)	VERIFIED
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Questar Gas Company (Questar Gas or the Company) respectfully submits this application to the Utah Public Service Commission (Commission) for approval of a one-time adjustment to the commodity cost portion of its Utah natural gas 191.1 Account. The Company proposes a special one-time refund to current customers on their May bills as was previously done in Docket Nos. 95-057-30 and 09-057-09.

The Questar Gas Company Utah Natural Gas Tariff PSCU 400 (Tariff), Section 2.06, provides for pass-through applications to be filed “no less frequently than semi-annually.” The driving force behind the proposed special refund is the reduction in natural gas prices, which has resulted in an over-collected commodity balance in the 191.1 Account.

This filing is based on the forecasted April 2012 Utah 191.1 Account commodity over-collection balance of \$41,987,890. This application requests that this \$41,987,890 from the 191.1 Account balance be refunded to current GS & FS customers. The Company proposes that the refund will be credited to current firm-sales customers’ bills during the month of May 2012.

If the Commission grants this application, a typical residential customer using 80 decatherms per year will see a decrease in their May 2012 bill of \$34.50.

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 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. Applicable Statutes. The Commission may grant relief requested in this case pursuant to Utah Code Ann. § 54-4-1 (2010) and to the extent applicable § 54-7-12 (2010).

3. Tariff Provision. The Commission has authorized Questar Gas to implement the 191 Account of the Uniform System of Accounts to balance its gas costs with revenues. This filing is made under §2.06 of the Tariff, pages 2-08 through 2-13, which sets forth procedures for recovering gas costs shown in the 191 Account by means of periodic and special adjustments to rates and an annual amortization of that account.

4. Test Year. For purposes of calculating the credit per decatherm, the test year for this application is proposed to be the 5 months ending April 2012. This period was chosen based on the accounting data which shows that during the month of December 2011 the 191.1 Account commodity balance changed from under-collected to over-collected. The costs and usage from December 2011 through April 2012 created the current over-collected balance.

5. 191.1 Account History. Exhibit 1.1 shows the test-year commodity costs for the 191.1 Account. The commodity balance at November 30, 2011 (first of December) has changed from an under-collection of \$6,491,908 to the April 30, 2012 forecasted over-collection balance of \$41,987,890, as shown on Exhibit 1.1, line 68, column H.

6. Calculation of Credit/Dth. Exhibit 1.2, line 1, shows the proposed \$41,987,890 refund. Line 2, shows the total decatherms (test-year dths) used by firm GS & FS sales customers from December 2011 through April 2012. When test-year dths are

divided into the refund amount the result is a \$0.60206/Dth credit (line 3). This credit/dth will be applied to current GS & FS customer's individual total dth use from the months of December 2011 through April 2012. The result will be credited to current active customers on their May 2012 bills.

7. Amortization of 191.1 Account Balance. Currently included in Questar Gas' gas cost rate is a commodity amortization of \$0.00000/Dth approved by the Commission in Docket No. 12-057-02. Since the 191.1 Account will be approximately \$42 million over-collected at the end of April 2012, the Company proposes to return this balance to current GS & FS customers through a one-time credit on their May 2012 bills. The 191.1 Account commodity amortization of \$0.00000/Dth will continue to remain in effect. This proposal will refund the April 2012 commodity balance to customers sooner than if it were amortized over a one-year period and will eliminate a future (\$42 million) rate increase, when a credit amortization would normally drop off.

8. Change in Typical Customer's Bill. The typical residential GS customer would receive a one-time May bill credit of \$34.50 as shown in Exhibit 1.3, line 13, column E.

9. Current Rate Schedules. Questar Gas' current Utah rate schedules will see no changes.

10. Effect on Earnings. Because the change sought in this application is a one-time refund for its customers from the 191.1 Account, there will be no change in the Company's rate of return.

11. Exhibits. Questar Gas submits the following Exhibits in support of its request for a special refund of \$41,987,890 from the 191.1 Account in Utah:

- | | |
|-------------|--------------------------------------|
| Exhibit 1.1 | 191 Account, November '11– April '12 |
| Exhibit 1.2 | Calculation of Credit/Dth |
| Exhibit 1.3 | Effect on GS typical customer |

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with its rules and procedures and the Company's tariff:

1. Enter an order authorizing Questar Gas to implement a special commodity refund from the 191.1 Account of \$41,987,890 effective May 1, 2012 as more fully set out in this application.

DATED the 10th day of April 2012.

Respectfully submitted,

QUESTAR GAS COMPANY

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P.O. Box 45360
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STATE OF UTAH)
 :
COUNTY OF SALT LAKE)

Barrie L. McKay, being first duly sworn upon oath, deposes and states: He is the General Manager of Regulatory Affairs of Questar Gas Company; he has read the foregoing application; and the statements made in this application are true to the best of his knowledge and belief.

Barrie L. McKay

Subscribed and sworn to before me this 10th day of April, 2012.

Notary Public
Residing in Salt Lake City, Utah