

APPLICATION OF QUESTAR GAS) Docket No. 12-057-10
COMPANY TO AMORTIZE THE)
ENERGY EFFICIENCY)
DEFERRED ACCOUNT BALANCE) APPLICATION

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

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APPLICATION
AND
EXHIBITS

August 1, 2012

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF QUESTAR GAS)	Docket No. 12-057-10
COMPANY TO AMORTIZE THE)	
ENERGY EFFICIENCY DEFERRED)	
ACCOUNT BALANCE)	APPLICATION

Questar Gas Company (Questar Gas or the Company) respectfully submits this application to the Utah Public Service Commission (Commission) for approval of an amortization of the Energy Efficiency (Energy Efficiency) deferred account balance and an adjustment to the distribution non-gas (DNG) cost portions of its Utah GS natural gas rates pursuant to §2.09 of the Company's Utah Natural Gas Tariff No. 400 (Tariff). If the Commission grants this Application, typical residential customers using 80 decatherms per year will see a decrease in their yearly bills of \$8.12 or 1.19%. The Company proposes to implement this request by charging the new rates effective September 1, 2012.

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. Energy Efficiency Order. In the order dated October 5, 2006, approving the Settlement Stipulation in Docket No. 05-057-T01 (Order), the Commission authorized Questar Gas to establish a deferred expense account, Account 182.4 of the Uniform System of Accounts, in which to record the costs associated with the approved Energy Efficiency programs and market transformation initiative (Order at 15). This filing is made under §2.09 of the Tariff, which sets forth procedures for recovering the deferred Energy Efficiency related expenses by means of periodic adjustments to rates and amortizations of this account.

3. Test Year. The test year for this application is the 12 months ending August 2013.

4. Amortization of Account No. 182.4 Balance. Attached as Exhibit 1.1 is a summary of the Energy Efficiency deferred expenses accounting entries for the period from November 2011 through June 2012. In the order dated January 16, 2007, in Docket 05-057-T01 approving the Energy Efficiency programs, the Commission required that “Questar shall keep detailed records of all DSM expenditures and shall track them by each separate DSM program or marketing initiative, and by expenditure type. Summary statements prepared from these records shall be presented to the Commission as part of the Account 182.4 approval process” (Order at 9). Attached as Exhibit 1.2 is a summary of the deferred Energy Efficiency related expenditures by Energy Efficiency program (page 1) and by Energy Efficiency program and expenditure type (page 2) since March of 2011. The Energy Efficiency balance, as of the end of June 2012, is \$9,589,976 (Exhibit 1.1, column F, line 8). In Docket 11-057-15, the Company proposed to amortize \$39 million, an amount higher than the \$29 million actual balance in the account. The higher amount was proposed to draw down the balance in the account to \$0 over a three year period thereby reducing the carrying costs on the account. In this docket, the Company is proposing to continue amortizing at a higher amount. Due to lower ongoing

expenditures, the Company believes it can reduce the amortization rate by \$9 million thereby providing a rate decrease for customers, and still draw the balance in the account down to \$0 within the desired time frame. Using \$30,000,000 as the balance to be amortized decreases the amortization rate from \$0.40867 to \$0.30743, which is a decrease of \$0.10124 per Dth on the GS DNG rates as shown in Exhibit 1.3, column D.

5. Analysis of Account 182.4 Balance. In its Order, dated May 31, 2011, the Commission approved the rates suggested by the Company in Docket 11-057-04, which included a proposal to reduce the Energy Efficiency balance to zero over the course of three years. Docket 11-057-15 continued the implementation of the three year accelerated amortization. Now, due to lower ongoing anticipated expenditures the Company is proposing to reduce the Energy Efficiency amortization level from \$39 million to \$30 million, which will still reduce the Energy Efficiency balance to be at or near zero within the previously approved three year time period.

6. Proposed Tariff Sheets. Exhibit 1.4 shows the proposed GS rate schedule that reflects the amortization of the balance in Account 182.4 as explained in paragraph 4.

7. Change in Typical Customer's Bill. The annualized change in rates calculated in this application is a 1.19% decrease or \$8.12 per year for a typical GS residential customer using 80 decatherms per year. The projected month-by-month changes in bills are shown in Exhibit 1.5.

8. Exhibits. Questar Gas submits the following Exhibits in support of its request to amortize the DSM/EE balance:

Exhibit 1.1	Energy Efficiency Deferred Expense Account Entries in Account 182.4
Exhibit 1.2	Energy Efficiency Program Expenditure Report by Energy Efficiency Program and Expenditure Type
Exhibit 1.3	Calculation of Proposed Rates

Exhibit 1.4 Proposed Tariff Sheet

Exhibit 1.5 Effect on GS Typical Customer

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with the Order approving the Energy Efficiency Stipulation 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 amortization in GS DNG rates, as more fully set out in this Application; and
2. Authorize Questar Gas to implement its rates effective September 1, 2012.

DATED this 1st day of August 2012.

Respectfully submitted,

QUESTAR GAS COMPANY

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PROPOSED RATE SCHEDULES

P.S.C. Utah No. 400
Affecting the GS Rate Schedule
and Classes of Service in
Questar Gas Company's
Utah Service Area

Date Issued: August 1, 2012
To Become Effective: September 1, 2012