

APPLICATION OF QUESTAR GAS) Docket No. 12-057-11
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 1, 2012

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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. 12-057-11 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, pursuant to §8.03 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 an increase in their yearly bills of about \$0.05, and qualifying low income customers will receive an annual credit in their bills of \$41. 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 an 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. During the period ending June 2012 (Exhibit 1.1 Line 12) the Company under collected \$8,857 from customers. Hence, this under collection has been added to the allowed amount of \$1,500,000 so that \$1,508,857 will be collected from customers during the test period.

In this application Questar Gas is also proposing to change the credit for customers in the upcoming heating season. On July 27, 2012 Questar Gas met with interested parties including representatives from the SLCAP, Red Cross, the Division of Public Utilities, and the Office of Consumer Services, and those in attendance determined it was appropriate to calculate a \$41 credit. The group agreed that participation in year 3 would be higher than the 31,000 participants in year 2 because year 2 was warmer than normal and the struggling economy. The presumed increase in participants will result in a lower payment to those who do participate in the program. The projected payout funds on \$1,508,857 have been divided by 36,800 customers to calculate the \$41 credit available to qualifying customers.

Exhibit 1.2 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 1.3 shows the proposed tariff sheets. 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.

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 Allocation and Rate Design

Exhibit 1.3 Proposed Tariff Sheets

Exhibit 1.4 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 for each rate class, as more fully described 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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