

APPLICATION OF QUESTAR GAS) Docket No. 14-057-26
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

November 3, 2014

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF QUESTAR GAS)	Docket No. 14-057-26
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 a \$13 million decrease in the amortization of the 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 \$11.48 or 1.54%. The Company proposes to implement this request by charging the new rates effective December 1, 2014.

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 (2006 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 (2006 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 November 30, 2015.

4. Amortization and Analysis 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 July 2013 through September 2014. In the order dated January 16, 2007, in Docket 05-057-T01 (2007 Order) 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” (2007 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 July of 2013. The Energy Efficiency balance, as of the end of September 2014, is \$3,963,184 (Exhibit 1.1, column F, line 15). In its Order, dated May 31, 2011, the Commission approved the rates proposed by the Company in Docket 11-057-04, which included a proposal to reduce the Energy Efficiency balance be at or near zero over the course of three years. Dockets 11-057-15, 12-057-10 continued the implementation of the three year accelerated amortization. The three-year amortization period is now complete and a change in the amortization is needed. In an

effort to keep the average balance at or near zero, the Company proposes an amortize rate of \$0.24341. This amortization rate should allow the Company to collect its costs of \$28,500,000 while at the same time taking into account energy efficiency expenses and the seasonal fluctuations in usage. The rate used to amortize the 2015 budget is based on the forecasted monthly Energy Efficiency expense and forecasted IRP Dth volume. Using a \$28,500,000 budget, the amortization rate decreases from \$0.38690 to \$0.24341, or a decrease of \$0.14349 per Dth on the GS DNG rates as shown in Exhibit 1.3, column D.

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

6. Change in Typical Customer's Bill. The annualized change in rates calculated in this application is a 1.54% increase or \$11.48 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.

7. Legislative and Proposed Final Tariff Sheets. In addition to this Energy Efficiency Amortization filing, the Company is also concurrently filing an application for Questar Gas to change the Infrastructure Rate Adjustment in Docket No. 14-057-27. The Company is asking that these applications be made effective December 1, 2014. Exhibit 1.6 shows the legislative and proposed GS rate schedule that reflects the final Tariff that would be effective if the Commission approves both applications.

8. Exhibits. Questar Gas submits the following Exhibits in support of its request to amortize the Energy Efficiency 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	Legislative and Proposed Tariff Sheets
Exhibit 1.5	Effect on GS Typical Customer
Exhibit 1.6	Legislative and Proposed GS Rate Schedule for Energy Efficiency Amortization and Infrastructure Rate Adjustment changes

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with applicable Commission Orders 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 December 1, 2014.

DATED this 3rd day of November 2014.

Respectfully submitted,

QUESTAR GAS COMPANY

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LEGISLATIVE AND 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: November 3, 2014
To Become Effective: December 1, 2014
Energy Efficiency Changes Only

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