

ACTION REQUEST

Date: March 24, 2016

FROM: Public Service Commission Due: April 25, 2016*

SUBJECT: QGC – Application to Amortize the DSM/Energy Efficiency Deferred Account
Balance 15-057-18

(Company Name, Case Number, etc.)

10/30/2015

15-057-18

(8) APPLICATION In the Matter of the Application of Questar Gas Company to Amortize the Demand Side Management/Energy Efficiency Deferred Account Balance

This is a request for the Division to provide analysis, evaluation results, and the basis for conclusions and recommendations regarding the following:

- Review for Compliance and Make Recommendations
- Review Application and Make Recommendations
- Analyze the Complaint
- Review Notice and Make Recommendations
- Review Request for Agency Action and Make Recommendations
- Respond in Accordance with the Notice of Filing and Request for Comments
- Investigate
- Other – Explanation and Statement of Issues to be Addressed (See Below):

1) In the January 19, 2016 Memorandum to the Commission (Division Memo), the Division of Public Utilities (Division) presents the results of its audit of Questar Gas Company's (Questar) energy efficiency program expenditures for the period of October 1, 2014 through

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- The Division shall respond consistent with the order or notice;
- The order or notice, including any deadlines, shall supersede and replace this action request; and
- This action request shall be deemed withdrawn.

September 30, 2015 and identifies an issue regarding Questar's calculation of the carrying charge interest rate. Specifically the Division states:

. . . In reviewing the carrying charges applied to the energy efficiency expense the Division noted that the carrying charge rate applied to the periods July through October 2015 were not the Commission approved 4.51% annual rate. Discussions with the Company revealed that the rate included a tax deferral deduction of approximately 38% for under-collected monthly balances. Over-collected balances are charged the approved carrying charge rate of 4.51%. The tax deferral deduction adjustment resulted from Mountain Fuel Supply's application for tariff changes and implementation of proposed Tariff No. 200 in Docket No. 82-057-16. Although the tax deferral deduction was implemented in 1982, it was not applied to the energy efficiency account until July 2015. The Division and the Company agree that the tax deferral deduction should be evaluated further but that the Division's audit of the energy efficiency program is not the appropriate venue. Division Memo at 4-5 (emphasis added).

The Commission notes that the January 16, 2007 Order (amended on January 22, 2007) in Docket No. 05-057-T01 approved the following language applicable to the DSM carrying charges, effective January 1, 2007. The language pertaining to the corresponding tax deferral balance has been renewed several times (for example, see Docket Nos. 14-057-T01 and 15-057-T03).

“TWO-WAY” CARRYING CHARGE

An annual interest rate of 6% simple interest (.50% per month) shall be applied monthly to the DSM Deferred Account balance, as adjusted for the corresponding tax deferral balance in Account 283. The DSM Deferred Account will be increased by the carrying charge. See Questar's December 6, 2006, filing in Docket No. 05-057-T01, Appendix 1.7, Page 2-19.

Given the Division's response noted above and the tariff language referring to the adjustment for the corresponding tax deferral balance in Account 283, effective since January 1, 2007, please clarify whether any additional evaluation is needed, and if so, in what venue it should occur.

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