

APPLICATION OF QUESTAR GAS ) Docket No. 16-057-11  
COMPANY TO AMORTIZE THE )  
DEMAND SIDE MANAGEMENT/ )  
ENERGY EFFICIENCY )  
DEFERRED ACCOUNT BALANCE ) APPLICATION

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

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APPLICATION  
AND  
EXHIBITS

September 29, 2016

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APPLICATION OF QUESTAR GAS	)	Docket No. 16-057-11
COMPANY TO AMORTIZE THE	)	
DEMAND SIDE MANAGEMENT	)	APPLICATION
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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 to continue the current amortization of the Energy Efficiency deferred account balance.

If the Commission grants this Application, typical residential customers using 80 decatherms per year will see a decrease in their yearly bills of \$9.56 (or 1.41%). The Company proposes to implement this request by charging the new rates effective November 1, 2016.

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 Questar Gas Company Utah Natural Gas Tariff PSCU No. 400 (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. The Tariff requires that at least annually, the Company will file with the Commission an Application to amortize the balance in Account 182.4. This Application complies with the §2.09 of the Tariff.

3. 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 October 2015 through August 2016. 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 expenditure type (page 2) since October 2015. The Energy Efficiency balance, as of the end of August 2016, is \$109,413 (Exhibit 1.1, column F, line 12).

The actual and projected Energy Efficiency balance from December 2015 through October 2017 is shown in Exhibit 1.3. The Company expects the 2017 budgeted expenditures in this program to be about \$2,000,000 less than the budget for 2016. This lower budget, combined with higher projected volumes for the 2016-2017 test period will allow the Company to collect the necessary revenue through a lower amortization rate while at the same time minimizing interest expense. The \$0.19385 rate is taken by

dividing the projected amortization of \$23,721,856 by the test period volumes of 101,981,358. If the Commission grants this Application, typical residential customers using 80 decatherms per year will see a decrease of \$9.56 (or 1.41%) in their annual bills attributable to the amortization of the Energy Efficiency Deferred Account Balance.

4. Final Tariff Sheet. In addition to this DSM Application, the Company is also concurrently filing a Pass-Through Application (Docket No. 16-057-09), a Conservation Enabling Tariff Application (Docket No. 16-057-10), an Energy Assistance Application (Docket No. 16-057-12), an Infrastructure Replacement Application (Docket No. 16-057-13) and a Transportation Imbalance Charge (Docket No. 16-057-14). The Company is asking that these Applications be made effective November 1, 2016. Exhibit 1.6 shows the legislative and proposed rate schedules, which reflects the final tariff sheets that would be effective if the Commission approves all of these Applications.

5. Exhibits. Questar Gas submits the following Exhibits in support of its request to amortize the Energy Efficiency balance:

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|-------------|---|
| Exhibit 1.1 | Energy Efficiency Deferred Expense Account Entries in Account 182.4   |
| Exhibit 1.2 | Energy Efficiency Program Expenditures Report by Energy Efficiency Program and Expenditure Type   |
| Exhibit 1.3 | Projected Energy Efficiency Account 182.4 Balance Graph   |
| Exhibit 1.4 | Legislative and Proposed Tariff Sheets  |
| Exhibit 1.5 | Effect on GS Typical Customer   |
| Exhibit 1.6 | Combined Legislative and Proposed GS Rate Schedule for Energy Efficiency, Energy Assistance, CET and Infrastructure Rate Adjustment changes |

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with the 2006 Order, the 2007 Orders, and the Company's Tariff:

1. Enter an order authorizing Questar Gas to continue to utilize the currently-approved amortization rates and charges applicable to its Utah natural gas service territory, as more fully set out in this Application.

DATED this 29<sup>th</sup> day of September 2016.

Respectfully submitted,

QUESTAR GAS COMPANY

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QUESTAR GAS COMPANY  
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LEGISLATIVE/PROPOSED RATE SCHEDULES

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

Date Issued: September 29, 2016  
To Become Effective: November 1, 2016  
Demand Side Management Only

QUESTAR GAS COMPANY  
333 South State Street  
P. O. Box 45003  
Salt Lake City, Utah 84145-0003

COMBINED LEGISLATIVE/PROPOSED RATE SCHEDULES

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

Date Issued: September 29, 2016  
To Become Effective: November 1, 2016  
Low Income Assistance/Energy Assistance, CET Amortization, Commodity Rate Adjustment Changes,  
Demand Side Management, Transportation Imbalance Charge, and Infrastructure Adjustment