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To: Public Service Commission

From: Division of Public Utilities
Constance B. White, Director
Energy Section
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Date: June 1, 2006

Subject: Docket No. 05-057-T01, Questar Gas Company Revised Tariff Sheets.

ISSUE:

Revised Tariff sheets reflecting \$9.7 million rate reduction as stipulated to in Docket No. 05-057-T01

RECOMMENDATION:

The Division (DPU) recommends that the Commission accept the revised tariff sheets with an effective date of June 1, 2006.

HISTORY:

On May 10, 2006 a stipulation recommending a \$9.7 million dollar reduction to the DNG rates of Questar Gas Company (QGC) was filed in Docket No. 05-057-T01. This revenue reduction was to be spread to all rate classes on a percentage basis using the same method as what was approved in Docket No. 02-057-02, QGC's last general rate case. On May 17, 2006, a hearing was held before the Public Service Commission (PSC) regarding this matter. On May 26, 2006 the PSC issued its order approving the stipulation and directed QGC to file revised tariff sheets reflecting the rate reductions and asked the Division to review the revised tariff sheets.

In reviewing the tariff sheets, the Division would like to note that the tariff sheets provided with the stipulation filing had some incorrect sales volumes associated with the F-4 and FT-2 rate classes that were picked up in error. QGC, in reviewing the reduced rates for each rate class, discovered this error and corrected it. The result of this correction increased the total revenue reduction from (\$9,718,000) as originally filed to (\$9,728,000). For the typical GS-1 customer, this revenue reduction reduces the winter GS-1 rate by \$0.12/Dth and will result in a savings of \$13 per year assuming an annual usage of 115 Dth.

After reviewing the tariff sheets, the Division acknowledges to the Commission that the tariff changes filed by QGC in Docket 05-057-T01 do reflect the \$9.7 million dollar rate reduction and therefore recommends to the Commission that it approve the tariff sheets as filed with an effective date of June 1, 2006.

Cc: Questar Gas Company
Committee of Consumer Services
Rea Peterson, DPU