

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

In the Matter of the Application of Questar)
Gas Company to Amortize the Conservation) DOCKET NO. 07-057-10
Enabling Tariff Balancing Account)
) INTERIM ORDER
) APPROVING RATE CHANGES
)

ISSUED: October 31, 2007

SYNOPSIS

The Commission approves an increase in rates, on an interim basis, for the amortization of the Conservation Enabling Tariff (“CET”) balance identified in Questar Gas Company’s October 4, 2007, Application. The rate change may be made effective November 1, 2007, and represents an annual increase of \$2.60 for the average GS-1 customer using 80 decatherms a year.

By The Commission:

On October 4, 2007, Questar Gas Company (“Questar” or “Company”) submitted its Application to amortize the 191.9 Account balance, ending August 2007, arising under the Conservation Enabling Tariff (“CET”) previously authorized in Docket No. 05-057-T01. The Application identifies an under-collected balance of \$3,498,253, or an incremental increase of \$2,654,000 over the previous amortization request of \$844,035 approved by the Commission on an interim basis in Docket No. 07-057-03. Questar proposes to use the same rate calculation methodology used in setting rates in Docket 07-057-03, and proposes the use of the same gas sales volumes used by Questar in calculating rates in Docket 07-057-09. Questar attached to the Application proposed tariff sheets that reflect resulting GS-1 and GSS rates should the Application be granted. Effectively, GS-1 distribution non-gas rates would increase \$0.03414/Dth for Block #1 and \$0.01418/Dth for Block #2 for winter rates and \$0.02875/Dth for

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Block #1 and \$0.01067/Dth for Block #2 for summer rates. GSS rates increase \$0.06705/Dth for winter rates and \$0.06512/Dth for summer rates. For a typical residential GS-1 customer, using 80 decatherms per year, this reflects an average annual increase of \$2.60, or 0.36%.

On October 18, 2007, the Division of Public Utilities (“Division”) filed a Memorandum regarding the Application and recommending approval of the proposed rate change on an interim basis.

On October 31, 2007, hearing was held before the Administrative Law Judge. Questar appeared through counsel Colleen Larkin Bell, the Division appeared through Assistant Attorney General Michael Ginsberg, and the Committee of Consumer Services (“Committee”) appeared through Assistant Attorney General Paul Proctor; no other appearances were made. Questar presented testimony through its witness Gary Robinson and the Division presented testimony through its witness Marlin Barrow; each providing evidence in support of granting the Application and approving the rate change requested.

In its memorandum of October 18, 2007, the Division requested that the rate change be approved on an interim basis until the Division has had an adequate opportunity to review and audit the procedures and rates used in Questar’s billing system to determine the actual revenue amounts used in the monthly CET accrual entries. However, at hearing the Division offered an additional memorandum indicating the Division has completed said review and audit, and the Division witness stated the Division was prepared to recommend the rate change be approved by a final order.

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The Committee, having not received the Division's additional memorandum prior to hearing, indicated its desire to review the memorandum and the Division's audit papers prior to addressing whether the rate change should be approved on a final basis. The Division agreed to provide the necessary information to the Committee and, at the appropriate time, to file with the Commission a formal memorandum recommending issuance of a final order.

Having reviewed the record before the Commission and considered the testimony offered by the parties at hearing, the Administrative Law Judge finds said evidence establishes an adequate prima facie showing that approval of the proposed increase is justified on an interim basis pending completion of the Division's and Committee's review process. Therefore, the Administrative Law Judge recommends the Commission approve the requested amortization and interim use of the proposed rates effective November 1, 2007.

Wherefore, based upon the foregoing information, and for good cause appearing, the Administrative Law Judge enters the following proposed:

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that

The amortization and rate changes requested in the Application and reflected in the proposed tariff sheets are approved on an interim basis and may be implemented with an effective date of November 1, 2007.

Pursuant to Utah Code 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must

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be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 31st day of October, 2007.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 31st day of October, 2007, as the Report and Order of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#55203