

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company to Amortize the Demand Side) DOCKET NO. 07-057-11
Management Deferred Account Balance) FINAL ORDER

ISSUED: November 29, 2007

SYNOPSIS

The Commission approves as final the interim rates made effective November 1, 2007, in the above-entitled docket.

By The Commission:

On October 4, 2007, Questar Gas Company (“Questar” or “Company”) submitted its Application seeking authorization to amortize Demand Side Management (“DSM”) expenses. In an order dated October 5, 2006, approving the Settlement Stipulation in Docket No. 05-057-T01, the Commission authorized Questar 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 DSM programs and market transformation initiative. This filing was made under §2.12 of the Tariff, which sets forth procedures for recovering the deferred DSM related expenses by means of periodic adjustments to rates and amortizations of this account. Questar proposed to amortize an August 2007 ending balance of \$2,328,735 by applying an amortization of \$0.02526 per decatherm (“Dth”) increase to GS-1 rates. The annualized change in rates calculated in the

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Application was an 0.28% increase, or an increase of \$2.01 per year for a typical GS-1 residential customer using 80 decatherms per year.

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.

At hearing, the Division requested the rate change be approved on an interim basis until the Division had an adequate opportunity to review and audit the information provided by the Company to insure that proper accounting has been recorded for the spent dollars. Therefore, on October 31, 2007, the Commission issued an Interim Order approving on an interim basis the amortization and rate changes requested in the Application and reflected in the proposed tariff sheets with an effective date of November 1, 2007.

On November 9, 2007, the Division filed a memorandum stating the Division has performed its audit of Questar’s actual DSM expenditures through August 31, 2007, and now recommends these rates be approved on a permanent basis.

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Having reviewed the record before the Commission and considered the testimony offered by the parties at hearing, the Administrative Law Judge finds and concludes the interim rates made effective in this docket on November 1, 2007, are just and reasonable. Therefore, the Administrative Law Judge recommends the Commission approve said rates as final.

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 interim rates made effective November 1, 2007, in the above-entitled docket are made final.

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 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.

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DATED at Salt Lake City, Utah, this 29th day of November, 2007.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 29th day of November, 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#55451