

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company to Amortize the Demand Side) DOCKET NO. 08-057-17
Management Deferred Account Balance) FINAL REPORT AND ORDER
)

ISSUED: December 10, 2008

SYNOPSIS

In Docket No. 08-057-17, the Commission approved an increase in rates, on an interim basis, for the amortization of the Demand Side Management (“DSM”) balance identified in Questar’s (Questar) June 6, 2008, DSM Application. The interim rate change was made effective July 1, 2008, and represents an annual increase of \$5.62 for the average GS-1 customer using 80 decatherms a year. The proposed rates were made in the interim pending completion of a more detailed audit by the Division of Public Utilities (DPU) to ensure proper accounting for spent monies. DPU has finalized their audit of Questar’s actual DSM program expenditures through April 30, 2008 and recommends permanent approval of the rates.

By The Commission:

BACKGROUND

On June 6, 2008, Questar filed an Application to Amortize the Demand Side Management Deferred Account Balance (“DSM Application”) seeking authorization to amortize DSM expenses. Questar proposed to amortize an April 2008 ending balance of \$8,703,854 by applying an increase to the amortization of \$0.07026 per Dth for GS-1 and GSS DNG rates. The annualized change in rates calculated in the DSM Application is a 0.86% increase, or \$5.62 per year for a typical GS-1 residential customer using 80 Dths per year.

DOCKET NO. 08-057-17

-2-

On June 13, 2008, DPU filed memoranda in Docket No. 08-057-17 recommending approval of the proposed rates included in the DSM Application, on an interim basis pending completion of a more detailed audit of DSM sub-accounts.

At a hearing held June 30, 2008, held for this and two other corresponding dockets (Docket Nos. 08-057-15, 08-057-16), the Administrative Law Judge found *prima facie* evidence that approval of the proposed rate changes in each of the three subject dockets was justified on an interim basis pending completion of the Division's audits as discussed above. The Administrative Law Judge recommended the Commission approve the interim use of the proposed rates effective. The amortization and rate changes requested by Questar in Docket No. 08-057-17, as reflected in the proposed tariff sheets, were approved on an interim basis and were implemented by the Commission effective July 1, 2008.

DPU performed an audit to verify actual DSM program expenditures through April 30, 2008. It reviewed actual expenditure invoices for certain expenditure types under various DSM programs identified in the *DSM Program Expenditure Report*, Exhibit 1.2, page 2 of 2. It also verified a sampling of actual amounts listed on the *DSM Program Expenditure Report*. The sampling consisted of verifying 100% of the expenses greater than \$1,000 in certain months. Questar supplied copies of applicable documentation, invoices and/or schedules in support of the charge. The documentation was verified and reconciled with Questar Exhibit 1.2, page 2 of 2. DPU did not note any discrepancies between supporting documentation and amounts reported by Questar.

DOCKET NO. 08-057-17

-3-

DPU has affirmed that actual DSM expenditures through April 30, 2008 as presented in Questar Docket No. 08-057-17, Exhibits 1.2, page 2 of 2, appear to be correct, and recommends that those rates be approved on a permanent basis.

Therefore, based on the recommendation of the DPU, and having reviewed the record before the Commission, the Commission finds that the interim rates made effective in this docket on July 1, 2008 are just and reasonable.

ORDER

Based on the foregoing information, and good cause appearing, it is hereby Ordered that the interim rates made effective July 1, 2008 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.

DATED at Salt Lake City, Utah, this 10th day of December, 2008.

/s/ Ruben H. Arredondo
Administrative Law Judge

DOCKET NO. 08-057-17

-4-

Approved and Confirmed this 10th day of December, 2008, 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#60019