

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

)
In the Matter of the Pass-Through Application) DOCKET NO. 08-057-23
of Questar Gas Company for an Adjustment)
in Rates and Charges for Natural Gas Service)
in Utah)
)
In the Matter of the Application of Questar) DOCKET NO. 08-057-24
Gas Company to Amortize the Conservation)
Enabling Tariff Balancing Account)
)
In the Matter of the Application of Questar) DOCKET NO. 08-057-25
Gas Company to Amortize the Demand Side)
Management Deferred Account Balance)
)
INTERIM ORDER
)

ISSUED: October 30, 2008

SYNOPSIS

In Docket No. 08-057-23, the Commission approves an decrease in rates, on an interim basis, based on an annualized gas cost decrease of \$68,809,033 as identified in Questar Gas Company's ("Questar's") October 2, 2008, 191 Account Application. The rate change may be made effective November 1, 2008, and represents an annual decrease of \$47.96 for the average GS-1 customer using 80 decatherms a year.

In Docket No. 08-057-24 the Commission approves an increase in rates, on an interim basis, for the amortization of the Conservation Enabling Tariff ("CET") balance identified in Questar's October 2, 2008, CET Application. The rate change may be made effective November 1, 2008, and represents an annual increase of \$0.07 for the average GS-1 customer using 80 decatherms a year.

In Docket No. 08-057-25, the Commission approves an increase in rates, on an interim basis, for the amortization of the Demand Side Management ("DSM") balance identified in Questar's October 2, 2008, DSM Application. The rate change may be made effective November 1, 2008, and represents an annual increase of \$4.57 for the average GS-1 customer using 80 decatherms a year.

The cumulative affect of the three rate changes is an annual decrease of \$43.32, or 5.3 percent, for the average GS-1 customer using 80 decatherms a year.

By The Commission:

On October 2, 2008, in Docket No. 08-057-23, Questar Gas Company (“Questar”) filed a 191 Account Application in the above-entitled docket requesting an annualized gas cost decrease of \$68,809,033 consisting of a commodity decrease of \$93,377,626 and a supplier non-gas increase of \$24,568,594. The typical residential customer, assuming a usage of 80 decatherms per year, would recognize an average decrease in their annual charges of \$47.96, or a decrease of 5.8 percent below current rates.

Also on October 2, 2008, in Docket No. 08-057-24, Questar filed an Application to Amortize the Conservation Enabling Tariff Balancing Account (“CET Application”) seeking to amortize the 191.9 Account balance, \$435,495, ending August, 2008, arising under the Conservation Enabling Tariff (“CET”) approved in Docket No. 05-057-T01. The sales volumes used to calculate the amortization rate are the same sales volumes used in the 191 Account Application in Docket No. 08-057-23. The increased rate reflects an incremental increase request of \$69,350 from Questar’s previous June, 2008, filing. The incremental increase in the GS-1 DNG Block 1 rate is \$0.00079 per Dth for the summer rate and \$0.00094 per Dth for the winter rate. The GS-1 Block 2 rate increase is \$0.00029 per Dth for the summer and \$0.00039 per Dth for the winter. For a typical residential GS-1 customer, using 80 Dths per year, this reflects an average annual increase of \$0.07, or 0.01 percent.

In addition, also on October 2, 2008, Questar filed an Application to Amortize the Demand Side Management Deferred Account Balance (“DSM Application”) seeking authorization to amortize DSM expenses. Questar proposes to amortize an August 2008 ending

balance of \$13,881,565 through an amortization rate of \$0.15263 per Dth. The annualized change in rates calculated in the DSM Application is a \$4.57 per year, or 0.56%, increase for a typical GS-1 residential customer using 80 Dths per year.

On October 16, 2008, the Division of Public Utilities (“Division”) filed memoranda in Docket Nos. 08-057-23, 08-057-24, and 08-057-25 recommending approval, effective November 1, 2008, of the proposed rates included in the 191 Account Application, CET Application, and DSM Application on an interim basis pending completion the Division’s audits.

On October 30, 2008, a hearing in was held for the three dockets before a Commission designated Hearing Officer. Questar appeared through counsel Colleen Larkin Bell, the Division appeared through Assistant Attorney General Patricia Schmid, and the Committee of Consumer Services appeared through Assistant Attorney General Paul Proctor; no other appearances were made. The Commission took administrative notice of each application and supporting material and the memoranda provided by the Division. Questar introduced two additional exhibits, one demonstrating the tariff sheets which would be used to implement the proposed rate changes and the other summarizing the effect of the combined rate changes on a typical GS-1 customer using 80 Decatherms per year. These exhibits were received and entered into evidence by the Commission.

Having reviewed the record before the Commission, the Hearing Officer finds the evidence establishes an adequate prima facie showing that approval of the proposed rate changes in each of the three dockets is justified on an interim basis pending completion of the Division’s

audits. Therefore, the Hearing Officer recommends the Commission approve the interim use of the proposed rates effective November 1, 2008.

Wherefore, based upon the foregoing information, and for good cause appearing, the Hearing Officer enters the following proposed

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that

1. The proposed rate decrease in an annualized amount of \$68,809,033 requested by Questar Gas Company in Docket No. 08-057-23, as reflected in the proposed tariff sheets, is approved on an interim basis and may be implemented with an effective date of November 1, 2008.

2. The amortization and rate changes requested by Questar Gas Company in Docket No. 08-057-24, as reflected in the proposed tariff sheets, are approved on an interim basis and may be implemented with an effective date of November 1, 2008.

3. The amortization and rate changes requested by Questar Gas Company in Docket No. 08-057-25, as reflected in the proposed tariff sheets, are approved on an interim basis and may be implemented with an effective date of November 1, 2008.

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

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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 30th day of October, 2008.

/s/ Sandy Mooy
Hearing Officer

Approved and Confirmed this 30th day of October, 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#59683 Docket No. 08-057-23
G#59685 Docket No. 08-057-24
G#59686 Docket No. 08-057-25