

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company to Amortize the Demand Side) DOCKET NO. 08-057-25
Management Deferred Account Balance) FINAL REPORT AND ORDER
)

ISSUED: January 14, 2009

SYNOPSIS

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. With this Report and Order, the Commission.

By The Commission:

On October 2, 2008, Questar filed an Application to Amortize the Demand Side Management Deferred Account Balance seeking authorization to amortize DSM expenses. Questar proposed to amortize an August 2008 ending balance of \$13,881,565 through an amortization rate of \$0.15263 per Dth.

On October 16, 2008, the Division of Public Utilities (Division) issued a memorandum to the Commission recommending they grant this rate increase on an interim basis until the Division had adequate opportunity to review and audit the entries to insure proper accounting had been recorded for the spent dollars.

On October 30, 2008, a hearing in was held for this matter and two other related dockets before a Commission designated Hearing Officer. 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. The Hearing Officer found the evidence established 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. The Commission subsequently approved the amortization and rate changes on an interim basis and were implemented with an effective date of November 1, 2008.

On December 18, 2008, the Division stated it had performed an audit of Questar's actual DSM program expenditures through August 31, 2008. The audit consisted of reviewing actual expenditure invoices for chosen expenditure types under various DSM projects, e.g. DSM Home Energy Audit, DSM Builder Rebates, DSM Weatherization, etc. The audit verified samplings of expenses for the months of May through August in selected categories for each DSM project. Those expenses for all verified as detailed in the Divisions December 2008 recommendation. The Division recommended that those rates be approved on a permanent basis.

ORDER

Therefore, based on the foregoing findings, and good cause appearing, the Commission hereby order that the interim rates made effective November 1, 2008 in this docket are made final.

Pursuant to Utah Code § 63G-4-301 and 54-7-15, an aggrieved party may request agency review or rehearing of this Order by filing a written request for review or rehearing with the Commission within 30 days after the issuance of the Order. Responses to a request for

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agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not 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 §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 14th day of January, 2009.

/s/ Ruben H. Arredondo
Administrative Law Judge

Approved and confirmed this 14th day of January, 2009, as the Final 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#60358