

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

)
In the Matter of the Pass-Through Application) DOCKET NO. 09-057-03
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. 09-057-04
Gas Company to Amortize the Conservation)
Enabling Tariff Balancing Account)
)
In the Matter of the Application of Questar) DOCKET NO. 09-057-05
Gas Company to Amortize the Demand Side)
Management Deferred Account Balance)
)
INTERIM ORDER
)

ISSUED: February 26, 2009

SYNOPSIS

The Commission approves a net reduction in natural gas rates totaling \$157 million. This will decrease the typical residential customer bill by about 16%, beginning March 1, 2009.

By The Commission:

Questar Gas Company (Questar) submitted these three Applications on February 10, 2009. In Docket No. 09-057-03, Questar applied for approval to decrease both the supplier and non-gas cost and the commodity rate components of its Utah natural gas rates for a rate reduction. The reason for this proposed price decrease is a forecasted decrease in the price of purchased gas, and the growing balance in the 191 balancing account. The proposed changes will result in a total decrease in gas costs of \$161,396,000. This will result in a 16.53% reduction in the typical residential customer bill.

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In Docket No. 09-057-04, Questar filed an Application seeking the amortization of \$446,884 under-collected under the Conservation Enabling Tariff (CET). The amortization will be applied as a percentage increase to the GS-1 DNG Block 1 and Block 2 rate class and the CET component of the GSS DNG rates. This annualized change, however, will not result in virtually any change for the typical residential customer.

Finally, in Docket No. 09-057-05, Questar filed an Application to Amortize the Demand Side Management Deferred Account Balance (DSM) seeking authorization to amortize DSM expenses. Questar proposes to amortize an ending balance of \$18,267,717 in the DSM account. It proposes to adjust the DSM rate component of the DNG rates for the GS-1 and GSS rate classes. The proposed change will result in a .53% increase in the typical residential customer bill.

All three Applications request an effective date of March 1, 2009.

On February 19, 2009, the Division of Public Utilities (Division) filed memoranda in these dockets recommending approval, effective March 1, 2009, of the proposed rates included in the 191 Account Application, CET Application, and DSM Application on an interim basis pending completion of the Division's audits.

On February 25, 2009, a hearing was held for the three dockets before Ruben H. Arredondo, Administrative Law Judge for the Commission. Questar appeared through counsel Jenniffer Nelson Byde. Messrs. John Kennedy and Kelly Mendenhall testified for Questar. Messrs. Kennedy and Mendenhall each testified separately, and generally reaffirmed the evidence submitted in company's Applications, and recommended approval of the Applications.

The Division appeared through Assistant Attorney Michael Ginsberg. Marlin Barrow testified for the Division. Mr. Barrow generally reaffirmed the information stated in the Recommendation submitted by the Division on February 19, 2009. Specifically, Mr. Barrow also reaffirmed his recommendation that Questar be allowed to set the current supplier non-gas (SNG) costs amortization rate at zero with the anticipation that in future filings, the SNG costs will be amortized on an annual basis beginning with the fall pass-through filing. Setting the SNG costs amortization rate annually, versus bi-annually, would facilitate more overall rate stability. Assistant Attorney General Paul Proctor appeared for the Committee of Consumer Services. The Committee concurred with the testimony given and recommend approval of all three Applications. The Commission took administrative notice of each Application and supporting material and the Recommendation provided by the Division. In support of its Applications, Questar made available the tariff sheets which would be used to implement the proposed rate changes for review by the parties and also filed those with the Commission.

Having reviewed the record before the Commission, and having heard the testimony presented at the hearing, the Commission finds the evidence establishes an adequate *prima facie* showing that approval of the proposed rate changes in each of the three Applications is justified on an interim basis pending completion of the Division's audits. Therefore, the Commission approves the interim use of the proposed rates effective March 1, 2009.

Wherefore, based upon the foregoing information, and for good cause appearing,
IT IS HEREBY ORDERED, that:

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1. The proposed rate decrease of \$161,396,000 requested by Questar Gas Company in Docket No. 09-057-03, as reflected in the application and supporting documents, is approved on an interim basis and may be implemented with an effective date of March 1, 2009;
2. The amortization and rate changes requested by Questar Gas Company in Docket No. 09-057-04, as reflected in the application and supporting documents, are approved on an interim basis and may be implemented with an effective date of March 1, 2009;
3. The amortization and rate changes requested by Questar Gas Company in Docket No. 09-057-05, as reflected in the in the application and supporting documents, are approved on an interim basis and may be implemented with an effective date of March 1, 2009.

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 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

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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 26th day of February, 2009.

/s/ Ruben H. Arredondo
Administrative Law Judge

Approved and confirmed this 26th day of February, 2009, 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#60975 Docket No. 09-057-03

G#61006 Docket No. 09-057-04

G#61007 Docket No. 09-057-05