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Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission of Utah
Ted Boyer, Chair
Ric Campbell, Commissioner
Ron Allen, Commissioner

From: Utah Division of Public Utilities
Phil Powlick, Director
Artie Powell, Energy Section Manager
Doug Wheelwright, Utility Analyst

Date: February 11, 2009

Subject: Docket No. 09-057-03, Pass-Through application
Docket No. 09-057-04, Conservation Enabling Tariff
Docket No. 09-057-05, Demand Side Management

RECOMMENDATION

The Division recommends that the Commission schedule a hearing to address these issues during the week of February 23, 2009. The Company has asked that the proposed changes be effective as of March 1, 2009 and an analysis of these issues will be completed by the Division prior to the hearing.

ISSUE

Questar submitted three applications February 10, 2009. The net effect of these requests is a 16% reduction in natural gas rates totaling \$157 million. The

Company has identified and announced March 1, 2008 as the effective date of this change. The original action request identified April 13, 2009 as the due date for Division response.

DISCUSSION

Questar has submitted this rate reduction in three separate applications.

Docket 09-057-03 is the 191 pass through adjustment. The Questar Gas Company Utah Natural Gas Tariff PSCU 400 (Tariff), Section 2.10, provides for pass-through applications to be filed “no less frequently than semi-annually.” The driving force behind the 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 16.53% reduction in the typical residential customer bill.

Docket 09-057-04 is the amortization of \$446,884 under collected under the Conservation Enabling Tariff. The amortization will be applied as a percentage increase to the GS-1 and GSS DNG rates. The annualized change will result in no increase for a typical residential customer.

Docket 09-057-05 is an amortization of \$18,267,717 in the DSM account. The proposed change will result in a 0.52% increase in the typical residential customer bill. All three of the proposed changes will go into effect March 1, 2009.

CC: Barry McKay, Questar Gas Company
Michele Beck, Committee for Consumer Service