

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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| In the Matter of the Application of Questar Gas Company For Authority To File a Change in Its Existing Tariff. |)))))) | Docket No. 10-057-05 Administrative Law Judge: Ruben Arredondo |
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TRANSCRIPT OF HEARING PROCEEDINGS

TAKEN AT: Public Service Commission
 160 East 300 South
 Salt Lake City, Utah

DATE: May 26, 2010

TIME: 9:03 a.m.

REPORTED BY: Kelly L. Wilburn, CSR, RPR

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APPEARANCES

For Questar Gas:

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WITNESSES

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1 MAY 26, 2010

9:03 A.M.

2 P R O C E E D I N G S

3 THE COURT: We're here in Docket
4 No. 10-057-05, Questar Gas Company Application to
5 Change Its Existing Tariff.

6 And let's begin with appearances, beginning
7 with the Company, please.

8 MS. NELSON: Jennifer Nelson here on behalf
9 of the Company, and with me I have John Kennedy.

10 THE COURT: Thank you.

11 And with the Division, please.

12 MS. SCHMID: Patricia E. Schmid with the
13 Attorney General's Office representing the Division,
14 and with me is Marlin H. Barrow.

15 THE COURT: Thank you. All right then, how
16 would you like to proceed? Does the Company want to
17 put on testimony or is the Division gonna make a
18 recommendation; how do you want to do that?

19 MS. NELSON: We're happy to proceed any way
20 you feel is appropriate. But Mr. Kennedy is prepared
21 to summarize briefly the Company's filing and what it
22 seeks.

23 THE COURT: All right then.

24 Mr. Kennedy, if you could raise your right
25 hand for me?

1 (Mr. Kennedy was sworn.)

2 THE COURT: Thank you. Go ahead.

3 JOHN KENNEDY,

4 called as a witness, having been duly sworn,

5 was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MS. NELSON:

8 Q. Would you please state your name, employer,
9 and position for the record?

10 A. My name is John Kennedy. My employer is
11 Questar Gas Company. I'm a regulatory affairs
12 analyst.

13 Q. And did you participate in the preparation of
14 the application in this docket?

15 A. Yes, I did.

16 Q. Would you please summarize, for the record,
17 the contents of the application and what the Company
18 is seeking?

19 A. Yes, I will. Questar Gas Company, the
20 Applicant in this Docket No. 10-057-05, respectfully
21 requests the Utah Public Service Commission to approve
22 changes in its existing Tariff No. 400 by removing the
23 credit amortization from the commodity portion of the
24 firm sales customer rate schedules.

25 Since the 191 account is no longer

1 over-collected, this credit amortization is no longer
2 warranted. The Company proposes to remove the .24106
3 credit amortization from the commodity portion of
4 tariff rates for all firm sales rate classes.

5 This amortization was approved by the
6 Commission in Docket No. 09-057-12 in September 2009
7 using the 191 commodity account balance of
8 \$24,879,550. As of February 2010 that balance has
9 been reduced to zero.

10 The removal of the credit amortization will
11 result in an annual increase of approximately
12 \$24.9 million because the over-collection of
13 \$24.9 million has been returned to customers.

14 The effect of the proposed change to the
15 typical GS customer using 80 decatherms per year
16 results in an annual increase of \$19.28, or
17 2.93 percent for the typical GS customer. Thank you.

18 MS. NELSON: I have no further questions.

19 THE COURT: All right, thank you.

20 Ms. Schmid, any questions for Mr. Kennedy?

21 MS. SCHMID: No questions.

22 THE COURT: All right, thank you. And then
23 Mr. Barrow is going to testify?

24 MS. SCHMID: Yes, please.

25 THE COURT: Okay.

1 MS. SCHMID: Could he be sworn?

2 THE COURT: Yes.

3 (Mr. Barrow was sworn.)

4 THE COURT: Thank you. Go ahead.

5 MS. SCHMID: Thank you.

6 MARLIN H. BARROW,

7 called as a witness, having been duly sworn,

8 was examined and testified as follows:

9 DIRECT EXAMINATION

10 BY MS. SCHMID:

11 Q. Could you please state your full name and by
12 whom you are employed for the record?

13 A. Yes. It's Marlin H. Barrow. And I'm
14 employed by the Division of Public Utilities as a
15 technical consultant.

16 Q. On behalf of the Division have you
17 participated in this docket?

18 A. Yes, I have.

19 Q. Did you prepare or cause to be prepared a
20 memorandum filed May 13, 2010, entitled: "Docket
21 10-057-05 Questar Gas Company Application to Change
22 Existing Tariff"?

23 A. Yes, I did.

24 MS. SCHMID: We'd request that the Commission
25 take notice of that as it was filed.

1 Q. (By Ms. Schmid) Do you have a summary of the
2 Division's recommendation that you would like to give
3 today?

4 A. Just a brief summary. The Division reviewed
5 the application as it was filed by Questar and agreed
6 with the premise of the application. That it does
7 make prudent sense to remove the amortization credit
8 at this time so that that balance no longer accrues to
9 the detriment of customers.

10 Removing the balance at this time or the
11 credit amortization at this time is a prudent thing to
12 do, and we fully support the Company's application at
13 this time.

14 We would note that typically in the summer
15 months, because summer usage is so much lower than
16 winter months, the actual effect on a customer during
17 the summer is only about 85 cents a month.

18 And we also noted in my memo that typically
19 around the end of June or first part of July we
20 anticipate that the company will again file another
21 pass-through filing that will more coincide with the
22 general rate increase that will occur August 1st, that
23 may true up the rates going into the winter heating
24 season.

25 THE COURT: Okay, thank you Mr. Barrow.

1 Anythi ng el se, Ms. Schmi d?

2 MS. SCHMI D: Nothi ng el se.

3 THE COURT: Any questi ons for Mr. Barrow?

4 MS. NELSON: No.

5 THE COURT: All ri ght. Then we' ll take
6 noti ce of the appli cati on fi led by the Company, al so
7 the Di vi si on' s recomme dati on.

8 And based on that appli cati on,
9 recomme dati on, and the testi mony here today we' ll go
10 ahead and -- I' ll go ahead and recomme nd the
11 Commi ssi oners approve the appli cati on. And make that
12 change effecti ve June 1, 2010.

13 Anythi ng el se?

14 MS. NELSON: No, si r.

15 THE COURT: Ms. Schmi d?

16 MS. SCHMI D: Nothi ng.

17 THE COURT: Okay. Then that' s i t. Thank
18 you.

19 (The heari ng was concl uded at 9:08 a. m.)

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C E R T I F I C A T E

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STATE OF UTAH)
COUNTY OF SALT LAKE) ss.

This is to certify that the foregoing proceedings were taken before me, KELLY L. WILBURN, a Certified Shorthand Reporter and Registered Professional Reporter in and for the State of Utah.

That the proceedings were reported by me in stenotype and thereafter caused by me to be transcribed into typewriting. And that a full, true, and correct transcription of said proceedings so taken and transcribed is set forth in the foregoing pages, numbered 1 through 8, inclusive.

I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the event thereof.

SIGNED ON THIS 29th DAY OF May, 2010.

Kelly L. Wilburn, CSR, RPR
Utah CSR No. 109582-7801

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