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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF QUESTAR GAS COMPANY FOR A TARIFF CHANGE IMPLEMENTING A LOW-INCOME ASSISTANCE PROGRAM	Docket No. 10-057-08
	APPLICATION FOR IMPLEMENTATION OF A LOW-INCOME ASSISTANCE PROGRAM

I. INTRODUCTION

1. Pursuant to Utah Code Ann. § 54-7-13.6 and the Utah Public Service Commission’s (Commission) Report and Order dated June 3, 2010 (the June 3rd Order) in The Matter of the Application of Questar Gas Company (Questar Gas or Company) to Increase Distribution Non-Gas Rate and Charges and Make Tariff Modifications, Docket No. 09-057-16 (the General Rate Case), Questar Gas Company respectfully submits this Application for Implementation of a Low-Income Assistance Program (Application).

II. BACKGROUND

2. On December 3, 2009, Questar Gas filed its Application in the General Rate Case. On March 18, 2010, Questar Gas filed a Motion for Approval of the Settlement Stipulation along with a Settlement Stipulation and associated exhibits. On April 8, 2010, a hearing was held and the Settlement Stipulation was approved by a bench order. The Settlement Stipulation provided, among other things, that a

proposed low-income assistance program would be submitted to the Commission by June 15, 2010. The Commission issued its written Order approving the Settlement Stipulation on June 3rd.

3. As set forth in the June 3rd Order and the Settlement Stipulation, interested parties met to develop implementation details of the low-income rate assistance program described in Paragraphs 22 and 23 of the Settlement Stipulation. Specifically, Company representatives met with representatives of the Division of Public Utilities (Division), the Office of Consumer Services (Office), UAE Intervention Group, AARP, Salt Lake Community Action Program (SLCAP) and the Utah Department of Community and Culture (DCC) on April 29 and on May 12, 2010. The Company sent Notice of the meetings to all parties to Docket 09-057-16, and to the members of the Low-Income Task Force that had previously been convened at the Commission's direction. Meeting attendees discussed and developed implementation details, more specifically outlined herein.

III. LOW-INCOME ASSISTANCE PROGRAM.

4. Questar Gas has attached, as QGC Exhibit 1.1, proposed Tariff sheets setting forth the terms and conditions of the proposed low-income assistance program (the Program). Legislative draft forms of the Tariff sheets are attached as QGC Exhibit 1.2. The proposed program provides that eligible customers will receive a one-time credit on their monthly bill after the Company receives notification of the customer's qualification. As outlined in the Settlement Stipulation, customers will be eligible for assistance under the low-income assistance program if they are certified by the DCC as eligible for the Utah Home Energy Assistance Target (HEAT) Program. Customers' eligibility will be renewed annually. Questar Gas proposes that eligible customers will receive a one-time bill credit of \$37 during the first year of the Program.

5. The Program will be funded through a surcharge assessed to all customers on all rate schedules except qualified customers receiving energy assistance under the program. No customer will be assessed more than \$50 per month for the program. Questar Gas estimates that the impact on a typical GS customer will be approximately \$1.22 for the first year of the Program.

6. Attached as QGC Exhibit 1.3, page 1 is the calculation of the Energy Assistance rate for each class of customer. The rate is calculated as a dollar-per-Dth rate, spread across all customer classes on a uniform percent of total revenue. Pursuant to Utah Code Ann. § 54-7-13.6, those customers qualifying for program benefits are not charged the surcharge and, therefore, volumes attributable to program participants have been removed from the calculation. The rate calculation also takes into account the program and statutory requirement that no individual customer will be assessed more than \$50 per month for the program.

7. Page 2 of QGC Exhibit 1.3 contains the calculation of the energy assistance benefit for qualifying customers. The benefit amount is calculated by reducing the annual target funding level by the projected administration cost, and dividing the result by the estimated number of annual participants. The administrative cost included in the attached Tariff sheets is based, in part, upon estimated costs for DCC to administer the qualification process, and for the Company to implement and administer the Program.

8. The Program is designed consistent with Utah Code Ann. § 54-7-13.6 and, under the terms set forth in the proposed Tariff sheets, the surcharge and benefit amount will be reviewed and adjusted each year to ensure that the \$1.5 million funding level is achieved. To the extent the Company collects or pays out more or less than \$1.5 million, the differences will be carried over to the next year and included in the filing. Simple interest will accrue on the account balance at an annual rate of 6%.

9. Though the benefits offered under the Program are consistent with the Low Income Task Force Report submitted to the Commission on December 1, 2009, there are a few minor deviations. The Low-Income Task Force Report indicated support for a benefit to be paid over the five winter months, and for the benefit to be tiered based on the qualifying customer's income level. However, through the course of developing implementation details, the parties determined that certain administrative limitations prevented the implementation of these two recommendations at this time.

IV. PRAYER FOR RELIEF

- 10. Questar Gas respectfully requests an Order from the Commission, effective as of August 1, 2010, and to remain in effect on an ongoing basis, granting approval of the proposed Low-Income Assistance Program.
- 11. Questar Gas also respectfully requests the approval of the attached Tariff sheets.
- 12. Questar Gas also respectfully requests that the dollars collected and the costs associated with the Low-Income Assistance Program be recorded in account number 191.8, and be subject to adjustment at least annually to ensure that the target funding level of \$1.5 million is maintained, as more fully set forth herein.

DATED this 15th day of June, 2010.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copies of the Application for Implementation of a Low-Income Assistance Program was served upon the following persons by email on June 15, 2010:

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