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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: The Public Service Commission of Utah

From: The Office of Consumer Services
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Copies To: Questar Gas Company
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The Division of Public Utilities
Philip Powlick, Director
Artie Powell, Energy Section Manager

Date: July 8, 2010

Subject: Office of Consumer Services' Comments on Questar Gas' Application for Implementation of a Low-Income Assistance Program. Docket No. 10-057-08

In response to the Public Service Commission's (Commission) June 3, 2010 Order approving the Settlement Stipulation in Questar Gas' General Rate Case (Docket No. 09-057-16) which authorized the implementation of a low-income assistance program, on June 15, 2010 Questar Gas Company (Company) submitted its Application for Implementation of a Low-Income Assistance Program (Program).

The Office of Consumer Services (Office) has been involved from the outset in developing a low-income assistance program for Questar Gas' customers, as participants in the original low-income task force, signatories to the above referenced Stipulation, and participants in meetings to develop details of the Program. The Office has reviewed the Company's proposed Program as well as the calculations supporting the results shown in exhibit 1.3 of the Application. The Program is consistent with our objective to provide assistance to low-income customers balanced against the cost to other customers.

The Company proposes to review and adjust the surcharge and benefit amount each year to ensure that the \$1.5 million targeted funding is realized. The Office recommends that the Commission require QGC to present any proposed change in the Energy Assistance charge or credit to the Low-Income Task Force (LTIF) for its input prior to filing for Commission approval of a change. The Office further recommends that if the credits

paid exceed the approved \$1.5 million by 20% (\$300,000) the Company should notify the LITF to consider if a tariff adjustment should be requested.

Finally, since the conclusion of the meetings discussing program design, the Office has become concerned that all of Questar's customers are properly notified of the new surcharge that will appear on their bills. We have discussed with Questar their intentions for such notification and anticipate seeing the draft communication soon. We may have additional information on this issue to present at the time of the hearing.

Recommendation

The Office recommends that the Commission approve the Program with the following conditions:

- 1) Require QGC to present any proposed change in the Energy Assistance charge or credit to the Low-Income Task Force for its input prior to filing for Commission approval of the change;
- 2) Require the Company to notify the LITF if the credits paid exceed the approved \$1.5 million by 20% (\$300,000) to consider a potential tariff adjustment.