

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company for a Tariff Change) DOCKET NO. 10-057-08
Implementing a Low-Income Assistance)
Program) REPORT AND ORDER
)

ISSUED: July 29, 2010

By The Commission:

This matter is before the Commission on Questar Gas Company's (Questar) Application of Questar Gas Company for a Tariff Change Implementing a Low-income Assistance Program. Questar filed its Application on June 15, 2010.

In 2007, in Docket No. 07-057-13, the Commission directed Questar to convene a task force to explore options for enabling low-income customers to maintain service with Questar. The Commission directed the task force be co-chaired by a representative of AARP and filled with representatives from the Division and other interested parties. Pursuant to a settlement stipulation approved by the Commission on June 3, 2010 in Docket No. 09-057-16, Questar prepared this Application in collaboration with AARP, SLCAP, and other parties on the task force. Utah Code §54-7-13.6 provides the Commission with the authority to approve a low-income funding program for low-income residential customers, and also provides the guidelines for development and implementation of such a program.

In its recommendation filed with the Commission, the Division noted the following:

- The level of funding for the low-income program is \$1.5 million annually, which is consistent with the Commission's June 3, 2010 order approving the settlement in Docket No. 09-057-16;

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- The \$1.5 million target amount may remain in effect until either the next general rate case or another time as determined by the Commission;
- The level of funding for each rate class does not exceed .183% of that class's retail revenues, below the .5% limit provided in Utah Code §54-7-13.6(5)(a)(i);
- There will be a surcharge per decatherm charged each rate class's customer. Each customer's monthly bill will detail the amount the customer is contributing to the low-income assistance fund as required by statute. For example, a typical GS customer using 80 Dths annually will contribute \$1.22 each year;
- No customer will pay more than \$50 each month;
- Eligible low-income customers will not be assessed the surcharge;
- Each eligible participant in the program will receive a one-time credit of \$37 annually. Each customer will need to recertify through the Department of Community and Culture (DCC).

The Division recommended approving the Application as filed.

The Office also submitted its recommendation to the Commission. It affirmed that it had been involved in developing the low-income program for Questar customers. It stated it had reviewed the proposed Application and aspects of the proposed program and calculations supporting the results in the Application. It opined that the program was consistent with the objective to provide low-income customers balanced against the cost to other customers. The Office did discuss with Questar the company's notice to its customers of the pending addition of the surcharge on their bill for the contributions to the low-income program. The Office noted that it would work with Questar in reviewing that communication. The Office recommended the

Commission approve the Application with two conditions: 1) require Questar 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 such change; 2) require Questar to notify the Task Force if the credits paid exceed the approved \$1.5 million by 20% (\$300,000), for consideration of a possible tariff adjustment. Otherwise, the Office recommended approving the Application.

The Commission contacted the company regarding a slight change in the language of the tariff. Section 2.02 of the Company's tariff reads: "Energy Assistance Credit \$37.00/yr. See § 8.03." The Commission proposed this replacement language: "Annual Energy Assistance Credit for qualified low income customers: \$37.00 For a description of the Low Income Program see § 8.03 – Energy Assistance Fund."

AARP and SLCAP also submitted comments supporting the Application, and recommended the Commission approve it. It stated that the program was a result of negotiations by interested parties and adequately met the needs of Questar's low-income Utah customers. It recommended re-evaluating the program as the need arose.

The administrative law judge of the Commission held a duly noticed hearing on July 22, 2010 on this docket. Jennifer Nelson was counsel for Questar. Steven Bateson testified for Questar. Patricia Schmid, assistant attorney general, represented the Division of Public Utilities (Division). Marlin Barrow testified for the Division. Paul Proctor, assistant attorney general, represented the Office of Consumer Services (Office). Cheryl Murray testified for the Office. Bruce Plenk appeared telephonically for Salt Lake Community Action Program

(SLCAP) and the Association for the Advancement of Retired Persons (AARP). Charles Johnson also appeared telephonically but did not testify. Besty Wolf testified for SLCAP.

No one opposed the Application and all parties recommended granting the Application. The Company did not oppose the Offices conditions nor did it oppose the Commission's re-wording as detailed above.

Based on the evidence filed with the Commission—including the Application and recommendations submitted by the parties, and also the testimony presented at the hearing, the Commission finds the granting of the Application providing for the implementation of the low-income program is just and reasonable and in the public interest. Therefore,

ORDER

1. The Application is granted;
2. Questar shall amend Section 2.02 of the Company's tariff currently reading: "Energy Assistance Credit \$37.00/yr. See § 8.03" to read: "Annual Energy Assistance Credit for qualified low income customers: \$37.00 For a description of the Low Income Program see § 8.03 – Energy Assistance Fund";
3. Questar shall 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 such change;
4. Questar shall notify the Task Force if the credits paid exceed the approved \$1.5 million by 20% (\$300,000), for consideration of a possible tariff adjustment.

Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the

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Commission within 30 days after the issuance of this 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 the request, 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 with the requirements of Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 29th day of July, 2010.

/s/ Ruben H. Arredondo
Administrative Law Judge

Approved and confirmed this 29th day of July, 2010, 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#67819