

APPLICATION OF QUESTAR GAS) Docket No. 10-057-11
COMPANY TO AMORTIZE THE)
DEMAND SIDE MANAGEMENT)
DEFERRED ACCOUNT BALANCE) APPLICATION

All communications with respect to
these documents should be served upon:

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APPLICATION
AND
EXHIBITS

June 24, 2010

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF QUESTAR GAS)	Docket No. 10-057-11
COMPANY TO AMORTIZE THE)	
DEMAND SIDE MANAGEMENT)	APPLICATION
DEFERRED ACCOUNT BALANCE)	

Questar Gas Company (Questar Gas or the Company) respectfully submits this application to the Utah Public Service Commission (Commission) for approval of an amortization of the Demand Side Management (DSM) deferred account balance and an adjustment to the distribution non-gas (DNG) cost portions of its Utah GS natural gas rates.

If the Commission grants this application, typical residential customers using 80 decatherms per year will see a decrease in their yearly bills of \$5.98 (or 0.88%). The Company proposes to implement this request by charging the new rates effective August 1, 2010.

In support of this application, Questar Gas states:

1. Questar Gas' Operations. Questar Gas, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's rates, charges, and general conditions for natural gas service in Utah are set forth in the Questar Gas Company Utah Natural Gas Tariff PSCU 400 (Tariff). Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves customers in the Preston, Idaho area. Under the terms of agreement between the Commission and the Idaho Public Utilities Commission, the rates for these Idaho customers are determined by the Utah Commission. Volumes for these customers have been included in the Utah volumes.

2. DSM Order. In the order dated October 5, 2006, approving the Settlement Stipulation in Docket No. 05-057-T01 (Order), the Commission authorized Questar Gas to establish a deferred expense account, Account 182.4 of the Uniform System of Accounts, in which to record the costs associated with the approved DSM programs and market transformation initiative. (Order at 15.) This filing is made under §2.09 of the Tariff, which sets forth procedures for recovering the deferred DSM related expenses by means of periodic adjustments to rates and amortizations of this account.

3. Test Year. The test year for this application is the 12 months ending July 2011.

4. Amortization of Account No. 182.4 Balance. Attached as Exhibit 1.1 is a summary of the DSM deferred expenses accounting entries for the period from July 2009 through May 2010. In the order dated January 16, 2007, in Docket 05-057-T01 approving the DSM programs, the Commission required that “Questar shall keep detailed records of all DSM expenditures and shall track them by each separate DSM program or marketing initiative, and by expenditure type. Summary statements prepared from these records shall be presented to the Commission as part of the Account 182.4 approval process.” (Order at 9.) Attached as Exhibit 1.2 is a summary of the deferred DSM related expenditures by DSM program (page 1) and by DSM program and expenditure type (page 2) since the program’s inception. The balance, as of the end of May 2010, is \$33,419,715 (Exhibit 1.1, column F, line 12). Although the balance is \$33,419,715, the Company is proposing to amortize \$36,000,000 because this is representative of the amount the Company plans to spend in 2010 (See Exhibit 4.11 in Docket No. 09-057-15). Based on summer usage and previous years’ experience, the Company will incur more costs than it amortizes during the summer months causing the balance in the deferral account to increase. Using an amortization amount of \$36,000,000 now should help to stabilize the amortization rate and reduce fluctuations in the rate change in the next filing.

Using \$36,000,000 as the balance to be amortized reduces the amortization rate from \$0.44996 to \$0.37525 which is a decrease of \$0.07471 per Dth on the GS DNG rates as shown in Exhibit 1.3, column D.

5. Proposed Tariff Sheet. Exhibit 1.4 shows the proposed GS rate schedule that reflects the amortization of the balance in Account 182.4 as explained in paragraph 4.

6. Change in Typical Customer's Bill. The annualized change in rates calculated in this application is a 0.88% decrease or a reduction of \$5.98 per year for a typical GS residential customer using 80 decatherms per year. The projected month-by-month changes in bills are shown in Exhibit 1.5.

7. Exhibits. Questar Gas submits the following Exhibits in support of its request to amortize the DSM balance:

Exhibit 1.1	DSM Deferred Expense Account Entries in Account 182.4
Exhibit 1.2	DSM Program Expenditure Report by DSM Program and Expenditure Type
Exhibit 1.3	Calculation of Proposed Rates
Exhibit 1.4	Proposed Tariff Sheet
Exhibit 1.5	Effect on GS Typical Customer

WHEREFORE, Questar Gas respectfully requests that the Commission, in accordance with the Order approving the DSM Stipulation and the Company's Tariff:

1. Enter an order authorizing Questar Gas to implement rates and charges applicable to its Utah natural gas service that reflect an amortization in GS DNG rates, as more fully set out in this Application; and
2. Authorize Questar Gas to implement its rates effective August 1, 2010.

DATED this 24th day of June 2010.

Respectfully submitted,

QUESTAR GAS COMPANY

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PROPOSED RATE SCHEDULES

P.S.C. Utah No. 400
Affecting All Firm Sales Rate Schedules
and Classes of Service in
Questar Gas Company's
Utah Service Area

Date Issued: June 24, 2010
To Become Effective: August 1, 2010