

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company to Amortize the Demand Side) DOCKET NO. 10-057-11
Management Deferred Account Balance) ORDER

ISSUED: March 14, 2011

By The Commission:

This matter is before the Commission on the Division of Public Utilities' (Division) recommendation to make permanent the interim order approved by the Commission in its July 2010 Order, regarding the amortization of the Demand Side Management (DSM) deferred account. In that order the Commission found as follows:

This application requests a decrease in the demand side management (DSM) amortization rate to amortize the \$36,000,000 DSM budget for 2010. The Division noted the actual May 2010 DSM balance is \$33,420,000. The Division noted that as of May 31, 2010, 41.8% of the \$36,000,000 budget had been spent. The Division also stated that on June 30, 2010, it notified the Commission that the ThermWise Appliance and ThermWise Builder programs have reached 55% of their budgeted amounts. The Division stated that it was reasonable to base the amortization rate on the 2010 *budget* rather than the *actual balance* in the DSM account, as in the past, because of this percentage.

The Division noted that the typical GS customer using 80 decatherms annually will see a decrease in their annual bill of \$5.98. The sales volumes used to calculate the DSM amortization rate are the same used in the 191 pass-through application in Docket No. 10-057-09. This application provides for a decrease from about \$.45/Dth to \$.038/Dth, a net decrease of about \$.07/Dth.

Report and Order, July 28, 2010, p.3-4. The Commission approved the application in the interim, pending an audit of Questar's actual DSM program expenditures through May 31, 2010.

The Division conducted the audit for a ten month period ending May 31, 2010.

The audit consisted of reviewing actual expenditure invoices for chosen expenditure types under various DSM projects identified in the *DSM Program Expenditure Report*, Ex. 1.2, page 2 of 2.

The Division conducted a sampling of actual costs listed in the *Expenditure Report*, from various expense categories. The Division raised a concern with a particular category of expense, travel costs related to the DSM. It noted that personnel responsible for the Wyoming DSM Program were the same that managed the Utah DSM program. It further noted that some of the travel costs associated with the Wyoming DSM program were assigned to the Utah DSM program. It found that there was no process for DSM Program Manager review of such travel costs to ensure they were properly assigned to the correct State's program. Questar implemented a review to ensure such expenses are properly categorized and assigned by the DSM Program Manager.

The Division also noted that Questar needed to improve its cost-sharing for indirect costs pertaining to the DSM program. For example, where training, software, and membership dues benefit both Utah and Wyoming rate-payers, Questar should ensure that allocation percentages are properly shared.

The Division also represented that Questar provided support for each expenses audited, and found no exceptions between supporting documentation and amounts reported by Questar.

It ultimately recommended approval of the interim order.

ORDER

The interim order issued in this Docket in July 2010 is made permanent.

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 14th day of March, 2011.

/s/ Ruben H. Arredondo
Administrative Law Judge

Approved and confirmed this 14th day of March, 2011, as the 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#71096