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Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: **Public Service Commission**

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Marlin H. Barrow, Technical Consultant
Artie Powell, Manager

Date: January 19, 2012

Subject: Questar Gas, Docket No. 12-057-02 (Removal of 191 Commodity Amortization Rate).

ISSUE:

On January 17, 2012, Questar Gas Company (Company) filed an application with the Public Service Commission (Commission) requesting permission to remove the 191 Commodity Amortization rate from the GS and FS rate schedules. On January 17, 2012, the Commission issued to the Division of Public Utilities (Division) an Action Request. This is the Division's response to that Action Request.

RECOMMEND APPROVAL:

After a preliminary review of the application, the Division recommends the Commission approve the requested rate change, effective February 1, 2012, on an interim basis, until the appropriate audit can be completed.

DISCUSSION:

As discussed in the application, the current amortization rate of \$0.12903/Dth for the GS and FS rate schedules was approved by the Commission in Docket No. 11-057-08 to amortize a July 2011 debit (under collection) balance of \$13.3 million by September 2012. However, due to a combination of actual gas prices and customer usage levels, the Company now estimates that under collected balance will be near zero as of December 2011. The Company is therefore requesting Commission approval to remove the \$0.12903/Dth amortization rate from the GS and FS rate schedules effective February 1, 2012.

Effect on a typical GS Customer

If approved by the Commission, a typical GS residential customer will realize a decrease in their annual bill of \$10.31, a 1.51% decrease in their annual gas costs when compared to rates approved in Docket No. 11-057-08. The Division recommends the Commission approve, on an interim basis, the requested removal of the amortization rate from the GS and FS rate schedules. After the completion of the 191 audit for 2011, the Division will issue a memo to the Commission with its recommendation on making the requested rate change in this docket permanent.

Cc: Barrie McKay, Questar Gas Company
 Kelly Mendenhall, Questar Gas Company
 John Kennedy, Questar Gas Company
 Judd Cook, Questar Gas Company
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