

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company for an Adjustment to the 191.1) DOCKET NO. 12-057-05
Balancing Account by Means of a Special)
One-Time Refund) REPORT AND ORDER
)

ISSUED: May 8, 2012

By The Commission:

This matter is before the Commission on the verified application filed by Questar Gas Company (“Questar”) on April 10, 2012, for approval of a one-time adjustment to the commodity cost portion of its Utah natural gas 191.1 Account. The application seeks approval for Questar to refund a commodity cost over-collection balance of \$41,987,890 to current GS & FS customers on their May 2012 bills. According to Questar, a typical residential customer using 80 decatherms per year would see a decrease in their May bill of \$34.50.

The Commission’s designated presiding officer convened a hearing on this application on April 25, 2012. The Division of Public Utilities (“Division”) was the only party to comment on the application, either in writing or through testimony at the hearing. The application is unopposed.

As Questar notes in its application, the Commission has authorized Questar to implement the 191 Account of the Uniform System of Accounts to balance its gas costs with revenues. Questar files this application under §2.06 of the applicable Tariff, PSCU 400 (pages 2-08 through 2-13), which sets forth procedures for recovering gas costs shown in the 191 Account by means of periodic and special adjustments to rates, and an annual amortization of that account. Questar’s application states at page 2: “The driving force behind the proposed special

DOCKET NO. 12-057-05

- 2 -

refund is the reduction in natural gas prices, which has resulted in an over-collected commodity balance in the 191.1 Account.”

Questar proposes that for purposes of calculating the credit per decatherm, the test year for this application will be the 5 months ending April 2012. This period was chosen based on accounting data which shows that during the month of December 2011, the 191.1 Account commodity balance changed from under-collected to over-collected. The costs and usage from December 2011 through April 2012 created the current over-collected balance. As shown in Exhibit 1.1 of the application, the commodity balance at November 30, 2011 has changed from an under-collection of \$6,491,908 to the April 30, 2012 forecasted over-collection balance of \$41,987,890 (line 68, column H). Questar proposes to return this balance to current GS & FS customers through a one-time credit on their May 2012 bills. This proposal will refund the April 2012 commodity balance to customers sooner than if it were amortized over a one-year period and will eliminate a future rate increase, when a credit amortization would normally drop off customer bills.

The Division reviewed this application and filed a memorandum on April 19, 2012, corroborating the material presented in the application and recommending approval. The memorandum notes that for those customers whose total credit due, based on their actual usage, exceeds their May 2012 actual bill, the remaining credit due will be applied to their following monthly bills until the total credit due has been realized. A Division technical consultant testified at the hearing adopting the memorandum as his testimony and expressing the Division’s support for the one-time refund.

DOCKET NO. 12-057-05

- 3 -

In light of the evidence presented, the Commission authorized the presiding officer to issue an order at the conclusion of the hearing approving the application, so that the customer refunds could begin on May 1, 2012, as requested. This Report and Order memorializes that order.

ORDER

Questar's application to provide a one-time refund of \$41,987,890 is approved as filed.

DATED at Salt Lake City, Utah, this 8th day of May, 2012.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary

D#224824

DOCKET NO. 12-057-05

- 4 -

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the 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 fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 8th day of May, 2012, a true and correct copy of the foregoing Report and Order was served upon the following as indicated below:

By Electronic-Mail:

Colleen Larkin Bell (colleen.bell@questar.com)
Jenniffer Nelson Clark (jenniffer.clark@questar.com)
Questar Gas Company

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Office of Consumer Services
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Administrative Assistant