

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company to Include the Infrastructure) DOCKET NO. 12-057-15
Rate Adjustment)
)
In the Matter of the Application of Questar) DOCKET NO. 12-057-16
Gas Company to Amortize the Energy)
Efficiency Deferred Account Balance) REPORT AND ORDER
)

ISSUED: December 13, 2012

SYNOPSIS

The Commission approves uncontested rate applications of Questar Gas Company, on an interim basis, pending the completion of audits by the Division of Public Utilities. The combined effect of these applications is to lower the annual bill of a typical GS residential customer using 80 decatherms per year by about \$0.16.

By The Commission:

The above-captioned rate applications were filed by Questar Gas Company (“QGC”) on November 1, 2012. Each proposes a discreet rate change to be effective, on an interim basis, beginning December 1, 2012. In response to the Commission’s November 5, 2012, action request, on November 9, 2012, the Division of Public Utilities (“Division”) filed a memorandum (“Memorandum”) indicating it has conducted a preliminary review of the applications. The Division states if the two applications are approved, the annual gas bill of a typical GS residential customer using 80 decatherms of gas per year will decrease by approximately \$0.16.

On November 21, 2012, the Commission convened a hearing, under the direction of a designated presiding officer. Each of the applications was examined. At the hearing, QGC

testified to the truthfulness of the information presented in the applications. In addition, the Division adopted the Memorandum as its testimony in each docket and summarized pertinent portions. As stated in the Memorandum, the Division recommends the Commission approve the rate changes requested in each of the above-captioned applications, effective December 1, 2012, on an interim basis, pending completion of the Division's audits. The Division testifies the requested interim rates are just and reasonable.¹

The Office of Consumer Services ("Office") also participated in the hearing and noted it has no objection to the Commission approving the requested interim rate changes in these dockets.

At the conclusion of the hearing, the Commission authorized the administrative law judge to issue an order approving, on an interim basis, the rate changes requested in the above applications. This order memorializes that prior oral ruling. The evidence supporting each application is uncontested and is briefly summarized below.

DOCKET NO. 12-057-15

The Commission authorized QGC to establish the Infrastructure Tracker Pilot Program ("Tracker") in Docket No. 09-057-16.² In this docket, QGC requests to increase the current infrastructure rate adjustment component of the DNG rates of all rate schedules in its Utah Natural Gas Tariff. The Division states the 13 month average (December 2013) gross plant balance associated with the Tracker is \$139.839 million.³ The corresponding revenue

¹ See Transcript of Hearing, November 21, 2012.

² See the June 3, 2010, Report and Order in Docket No. 09-057-16, *In the Matter of Application of Questar Gas Company to Increase Distribution Non-Gas Rate and Charges and Make Tariff Modifications*.

³ This amount takes into account correction of an error the Division discovered during its preliminary review.

requirement is \$15.91 million, an increase of \$5.15 million over the amount currently being collected in rates. The effect of this increase on rates will raise the annual gas bill of a typical GS residential customer using 80 decatherms per year by about \$4.50 or 0.67 percent.

DOCKET NO. 12-057-10

In Docket No. 11-057-15 the Commission approved a three year amortization of \$39 million of energy efficiency program costs. QGC now seeks to reduce the amortization amount to \$24.4 million. QGC explains this request is due to lower program expenditures, and the Division adds the request is due to lower ongoing program participation which can be attributed to lower-than-anticipated natural gas prices. QGC estimates the proposed amortization amount will still draw the balance in the account down to \$0 within the three year time frame. As a result of this change, a typical GS residential customer using 80 decatherms per year will see a decrease in their annual bill of about \$4.62 per year or 0.69 percent.

ORDER

Based on the QGC applications, the recommendations of the Division, and the testimony presented at the hearing, the Commission hereby approves the above applications on an interim basis, pending the final results of the Division's audits. The rate changes are effective December 1, 2012. Within seven days from today, QGC shall file for review and approval updated tariff pages reflecting the effects of this Report and Order.

DATED at Salt Lake City, Utah, this 13th day of December, 2012.

/s/Melanie A. Reif
Administrative Law Judge

DOCKET NOS. 12-057-15 and 12-057-16

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Approved and Confirmed this 13th day of December, 2012, as the Report and Order of the Public Service Commission of Utah.

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
D#240157

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 13th day of December, 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
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant