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State of Utah  
DEPARTMENT OF COMMERCE  
Office of Consumer Services

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To: The Public Service Commission of Utah

From: The Office of Consumer Services  
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Division of Public Utilities  
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Date: September 16, 2013

Subject: Questar Gas Company's Application for a Tariff Change and  
Adjustment to the Low Income Assistance/Energy Assistance Rate  
– Docket No. 13-057-10

Background

On September 3, 2013, Questar Gas Company (Company) requested approval from the Public Service Commission of Utah (Commission) for an adjustment to the Low Income / Energy Assistance credit, and a modification to the distribution non-gas (DNG) cost portions of its Utah natural gas rates (Application).

If approved the bill for typical residential customers using 80 decatherms per year will decrease by about \$0.08. Whereas qualifying low-income customers will receive an annual credit in their bills of \$61.50. The Company proposes the new rates be implemented effective October 1, 2013.

On September 4, 2013, the Commission issued a Notice of Filing, Comment Period and Scheduling Conference allowing interested parties to submit comments on the Application on or before September 16, 2013.

### Discussion

The Company's request consists of two parts: 1) establishing the amount to be collected from customers; and 2) determining the credit amount to be paid to qualifying low income customers.

The Commission authorized Questar Gas to establish a balancing account in which to record the debits and credits associated with the approved Low Income / Energy Assistance Program.<sup>1</sup> A target funding level was set at \$1.5 million subject to adjustment at least annually to ensure that the target funding level is maintained.

Exhibit 1.1 provided with the Application is a summary of the accounting entries and monthly balances for the low income program. This accounting shows that the Company has over collected from customers \$51,434 during the period ending July 2013. To account for this over collection the Company proposes a reduction in the collection rate so that \$1,448,566 will be collected from customers during the test period Oct 1 – Sept 2014.

The Company met with representatives of the Division of Public Utilities (Division) and the Office of Consumer Services (Office) to exchange views on the potential participation level for the 2014 heating season<sup>2</sup>. Since the credit level must be determined based on the number of participating customers, establishing the level of participation is a critical first step. Parties agreed to set expected participation at 31,000 customers and the credit level at \$61.50.

In setting the participation level the Office acknowledges that an unknown factor is the extent of outreach that may be conducted by low-income advocates or other organizations in an effort to help qualifying customer apply for and receive these funds.

### Recommendation

The Office recommends that the Commission approve the Company's request for a tariff change and adjustment to the low income / energy assistance rate.

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<sup>1</sup> Report and Order dated July 29, 2010 in Docket 10-057-08.

<sup>2</sup> Other parties were also invited to attend this meeting.