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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission
From: The Office of Consumer Services
Michele Beck, Director
Danny A.C. Martinez, Utility Analyst
Date: November 22, 2013
Subject: Docket 13-057-16, In the Matter of the Application of Questar Gas Company to Amortize the Conservation Enabling Tariff Balancing Account

Background

On November 1, 2013, Questar Gas Company ("Company") filed with the Public Service Commission of Utah ("Commission") two applications for rate adjustments. The applications are included in the following dockets:

- Docket 13-057-16, In the Matter of the Application of Questar Gas Company to Amortize the Conservation Enabling Tariff (CET) Balancing Account
- Docket 13-057-17, In the Matter of the Application of Questar Gas Company to Change the Infrastructure Rate Adjustment

The Division of Public Utilities filed comments with the Commission on November 18, 2013 and recommended that the Commission approve the Company's applications.

Discussion

The Office of Consumer Services ("Office") reviewed the application and the Division's comments on the issues. The Division's recommendation for approval of interim rates did not address the Company's stated reason for the increase. The Company stated the under collection as follows:

The current under collection has been caused by a decrease in usage per customer over the last couple of years. The usage for the last two years is as follows:

	GS Residential	GS Commercial
12 Months ended June 2012	83.0	464.2
12 Months ended June 2013	81.6	459.6
Year over Year Decrease	-1.4	-4.6

The drop in commercial usage is due in large part to a number of large commercial customers switching from the GS class to the TS rate class.

The Office is concerned that the design of the CET is having unintended consequences. In particular, the Office has questions regarding why the CET is picking up declining usage due to customers switching classes. To the extent that the Company continues to receive revenues from the same customers in another customer class, the Office has questions whether the CET is recovering the correct amount.

The Office has discussed its concerns with the Division. The Division agrees that these topics warrant additional evaluation and has represented to the Office that it will address our concerns in its ongoing investigation.