

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

ISSUED: March 27, 2015

SYNOPSIS

Based on the February 19, 2015, memorandum of the Division of Public Utilities providing the results of its audit, and the March 11, 2015, letter filed by Questar Gas Company, the Commission makes final the rates and charges originally set as interim by previous order.

This matter is before the Public Service Commission of Utah (“Commission”) on the recommendation of the Division of Public Utilities (“Division”) to make final the interim rates ordered as just, reasonable, and in the public interest by the Commission in a prior order. These rates are set to recover costs associated with amortizing Questar Gas Company’s (“Questar”) Energy Efficiency Deferred Account Balance.

Based on Questar's application, the Division's recommendations, and the testimony presented at the hearing on November 25, 2014, the Commission approved Questar's request to increase the amortization rate for Questar's energy efficiency programs, with an effective date of December 1, 2014.¹ The Commission approved this rate on an interim basis pending the Division's audit of Questar's actual energy efficiency program expenditures.

On February 19, 2015, the Division filed its audit results of Questar's actual energy efficiency program expenditures for the fourteen-month period ending September 30, 2014. The Division notes it used a judgmental sample rather than a random sample for testing purposes.

¹ See Order Confirming Bench Rulings, February 3, 2015.

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The judgmental sample was based on the personal experience of the auditor and the auditor's familiarity with each energy efficiency program.

In its audit, the Division discovered Questar included certain items (event tickets) in market transformation program contracts and questioned whether such items are part of this program. The Division states Questar does not provide a value for the event tickets. The Division estimates a value for the event tickets and, based on Questar's response to data requests, the Division estimates half of the event tickets were either provided to Questar employees or used for purposes not related to the energy efficiency program. The Division notes event tickets used in Questar employee recognition plans have been allowed in rates but employee recognition plans are not part of the market transformation energy efficiency program. The Division recommends the Commission exclude half of the estimated value of the event tickets, or \$3,620, from the energy efficiency account and that Questar record this amount below the line as an unregulated expense. The Division requests Questar provide the Commission with a letter to verify the removal of this value and to explain any effect on the energy efficiency account amortization rate.

Except for this issue, the Division reports the actual energy efficiency expenditures through September 30, 2014, as presented in Questar Exhibit 1.2, page 2, filed in Questar's application, appear to be correctly stated. Based on the foregoing information, the Division recommends the Commission approve the rate changes requested in this docket as final rates, subject to Questar filing the aforementioned letter of verification and explanation.

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On March 11, 2015, Questar filed a letter in this docket stating it agrees with the Division that \$3,620 should be removed from the energy efficiency deferred account. Specifically, Questar states it will move \$3,620 from the energy efficiency account (182400) to the general and administrative account (921000) in March. Questar explains the event tickets in question were provided for employee recognition. Further, Questar states employee recognition expenses are allowed by the Commission in general rates. Questar commits to send journal line verification to the Division once the entries have been made. Questar notes that removing these costs will reduce the energy efficiency account balance but will have no measurable effect on the current amortization rate of \$0.24341 per decatherm.

FINDINGS AND CONCLUSIONS

Based on Questar's application, our November 25, 2014, bench ruling, the audit report and recommendation of the Division, and Questar's March 11, 2015, letter committing to move \$3,620 from the energy efficiency deferred account to the general and administrative account and stating the removal of these costs will have no measurable effect on the interim amortization rate of \$0.24341 per decatherm, we find the requested rate change for amortizing the Energy Efficiency Deferred Account Balance is just, reasonable, and in the public interest.

ORDER

The interim rate change requested by Questar Gas Company to amortize the Energy Efficiency Deferred Account Balance in this docket is now final.

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DATED at Salt Lake City, Utah, this 27th day of March, 2015.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#264934

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.

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CERTIFICATE OF SERVICE

I CERTIFY that on the 27th day of March, 2015, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

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