

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
QUESTAR GAS COMPANY) DOCKET NO. 04-057-04
to Adjust Rates for Natural Gas Service)
in Utah) FINAL REPORT AND ORDER

ISSUED: October 12, 2006

By The Commission:

PROCEDURAL HISTORY

On May 6, 2004, Questar Gas Company (“Questar”) filed a 191 Account application in the above-entitled docket requesting an annualized gas cost increase of \$34,835,000 to become effective June 1, 2004. On May 24, 2004, the Division of Public Utilities (“Division”) filed a Memorandum of its investigation recommending the proposed increase be approved on an interim basis effective June 1, 2004. On June 2, 2004, the Commission issued its Interim Order making the proposed decrease effective as of June 1, 2004, on an interim basis.

On May 26, 2006, the Division filed a memorandum noting it had completed its review and recommending that the interim rates be made final. No objection to that recommendation has been made.

On June 29, 2006, hearing was held before the Administrative Law Judge. Questar was represented by Colleen Bell. Barrie McKay, Manager of State Regulatory Affairs, testified on behalf of Questar. The Division was represented by Michael Ginsberg, Assistant Attorney General. Marlin Barrow, Utility Analyst, testified on behalf of the Division. Paul

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Proctor, Assistant Attorney General, represented the Committee of Consumer Services (“Committee”). Eric Orton, Utility Analyst, testified on behalf of the Committee.

On September 19, 2006, the Division filed a memorandum indicating it had received and reviewed the WEXPRO Accounting Monitor’s final audit report for calendar year 2004 and determined that nothing in that report changes the Division’s prior recommendation to close Docket Nos. 04-057-04 and 04-057-11 by final order.

BACKGROUND, DISCUSSION, FINDINGS AND CONCLUSIONS

The Division’s memorandum of May 24, 2006, recommended the Commission issue final orders in Docket Nos. 01-057-10, 01-057-14, 02-057-13, 03-057-05, 03-057-10, 04-057-04, 04-057-09, and 04-057-11, noting the Division’s audit of 191 accounts and reports has not disclosed any additional information that warrants keeping these dockets open on an interim basis. However, while testifying that issuance of final orders in each of these dockets is in the public interest, the Division recommended final orders not be issued in Docket Nos. 04-057-04 and 04-057-11 pending Division receipt and review of the Wexpro monitor audit report expected within the next thirty days.

Questar testified in support of the Division’s recommendation to close all above-referenced dockets by issuance of a final order. However, Questar did not object to the Division’s recommendation to delay issuance of final orders Docket Nos. 04-057-04 and 04-057-11 pending Division receipt and review of the Wexpro monitor audit report.

The Committee voiced no objection to closure of Docket Nos. 01-057-10, 01-057-14, 02-057-13, 03-057-05, and 03-057-10 by final order and concurred with the Division’s

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recommendation to delay issuance of final orders in Docket Nos. 04-057-04 and 04-057-11 pending the parties' review of the Wexpro audit report.

Regarding Docket Nos. 04-057-04 and 04-057-11, the parties agreed at hearing that, based on the information currently in their possession, closure of these dockets by final order is in the public interest. The parties further agreed that, upon review of the pending Wexpro audit report, the Division would file comments with the Commission indicating whether the report effects its recommendation to close Docket Nos. 04-057-04 and 04-057-11. Questar and the Committee would then have two weeks to file their own comments. The parties suggested that, based on the testimony elicited at the June 29, 2006, hearing and any additional comments filed by the parties in response to the Wexpro audit report, the Commission may, if appropriate, issue a final order in Docket Nos. 04-057-04 and 04-057-11 without further hearing. No party has filed comments in response to the Division's recommendation of September 19, 2006.

Having reviewed the record before us and considered the testimony offered by the parties at hearing, we find and conclude the interim rates made effective in this docket on June 1, 2004, are just and reasonable.

Wherefore, based upon the foregoing information, and for good cause appearing, the Administrative Law Judge enters the following proposed

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

The interim rates made effective June 1, 2004, are made final.

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Pursuant to Utah Code §§ 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained 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 §§ 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 12th day of October, 2006.

/s/ Steven F. Goodwill
Administrative Law Judge

Approved and Confirmed this 12th day of October, 2006, as the Report and Order of the Public Service Commission of Utah.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

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