

State of Utah

JON M. HUNTSMAN, JR. Governor

GARY HERBERT
Lieutenant Governor

Public Service Commission

RIC CAMPBELL Chairman TED BOYER Commissioner

RON ALLEN Commissioner

May 1, 2006

Re: Docket No. 05-057-T01 "In the Matter of the Joint Application of Questar Gas Company, the Division of Public Utilities, and Utah Clean Energy for the Approval of the Conservation Enabling Tariff Adjustment Option and Accounting Order"

To all Parties:

Given the only scheduled technical conference in this matter was converted, at the request of the parties, into a settlement conference, the Commission hereby raises an issue for review and investigation by the Division. One component in the Joint Application is to include ongoing and deferred pipeline integrity management costs in rates. It is our understanding the proposed method for allocating shared integrity management operating expenses between Questar Gas Company and Questar Pipeline Company is based upon the estimated ratio of each company's transmission pipeline mileage located in high consequence areas. It is also our understanding that there are several components of the integrity management rule¹ which require evaluation of, and data collection, management, and integration for the entire pipeline system – not just high consequence areas. As such, we request a review and investigation determining whether the allocation factor based only on a high consequence area mileage ratio appropriately reflects the costs Questar Gas Company incurs in complying with the detailed requirements of the rule.

Sincerely,

/s/ Julie Orchard Commission Secretary



¹ 49CFR192 – Integrity Management in High Consequence Areas at http://primis.phmsa.dot.gov/gasimp/