

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Request of the)
Division of Public Utilities for) DOCKET NO. 07-057-04
Enforcement Action Under the Natural)
Gas Pipeline Safety Act against Questar)
Gas Company) ORDER APPROVING
) SETTLEMENT STIPULATION
)

ISSUED: November 20, 2008

SYNOPSIS

The Commission approves a stipulation which would result in the settlement of the Matter of the Request of the Division of Public Utilities for Enforcement Action under the Natural Gas Pipeline Safety Act Against Questar Gas Company, Docket No. 07-057-04.

By The Commission:

PROCEDURAL BACKGROUND

1. A Notice of Probable Violations, Proposed Civil Penalties, and Notice of Forthcoming Request for Agency Action, (“Notice”) was sent to Ronald W. Jibson, Vice President, Operations for Questar Gas Company (Questar Gas or Company) on August 6, 2007. The Notice referenced four probable violations the Division of Public Utilities (Division) claimed to have been committed by Questar Gas as a result of a natural gas explosion that occurred in Saratoga Springs, Utah on February 6, 2007.

2. On August 8, 2007, a Request for Agency Action (“Request”) was then filed in this docket. The Request referenced the four probable violations described in the Notice.

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3. On September 6, 2007, Questar Gas and the Division (collectively the “Parties”) met at the offices of the Division to discuss a procedural schedule for this matter.

4. As a result of the September 6, 2007, meeting, a Letter of Understanding between the Utah Division of Public Utilities and Questar Gas regarding the Division’s Request for Agency Action Against Questar Gas Docket No. 07-057-04 (“Letter”) was signed by both of the Parties on September 25, 2007.

5. The Parties agreed that because a civil lawsuit regarding this matter was pending in the Third Judicial District State Court, it would be reasonable to continue the Request proceeding until February 1, 2008. The Parties also agreed they would seek a scheduling conference to set a procedural schedule for the Request during the first week of February, 2008. The Parties further agreed that Questar Gas would file its answer to the Request no later than September 28, 2007.

6. The Parties agreed that during the time period between September 6, 2007, and February 1, 2008, Questar Gas would inform the Division of the discovery schedule in the civil lawsuit, including the schedule for depositions, and would provide the Division copies of “Questar controlled” discovery in the civil lawsuit within 10 days of the receipt of such discovery by Questar Gas.

7. The Parties agreed that discovery in this docket could take place during the period between September 6, 2007 and February 1, 2008, and that such discovery would be answered by the opposing party within 15 days. In addition, December 14,

2007, was the date the parties agreed the Division would submit a status report to the Public Service Commission on this matter.

8. On or about February 28, 2008, the civil lawsuit was settled and on March 3, 2008, the claims against Questar Gas raised in the civil lawsuit were dismissed.

9. On September 7, 2007, Questar Gas filed a Motion for Enlargement of Time to Respond to Request until September 28, 2007, in which it indicated, with the Division's permission, that the Division was not opposed to such Motion.

10. The Company filed its response to the Request on September 28, 2007.

11. Over the course of the last several months, the Parties have reviewed new and additional evidence that has come forward in discovery in the civil lawsuit. Based upon this additional discovery and upon actions taken by the Company to review and revise its own internal safety policies and the Division's review of such policies, the Parties have determined that it is in the best interest to resolve this matter as provided in their stipulation.

12. On September 24, 2008, the Commission issued a Notice of Request for Comments on Settlement Stipulation in this docket. No comments were received and the time in which to comment has passed.

STANDARD FOR APPROVAL OF STIPULATIONS

Utah Code Ann. § 54-7-1(1) provides that “[i]nformal resolution, by agreement of the parties, of matters before the commission is encouraged as a means to: (a) resolve disputes while minimizing the time and expense that is expended by: (i) public

utilities; (ii) the state; and (iii) consumers; (b) enhance administrative efficiency; or (c) enhance the regulatory process by allowing the commission to concentrate on those issues that adverse parties cannot otherwise resolve.” The Commission “may adopt a settlement proposal if: (A) the commission finds the settlement proposal is just and reasonable in result; and (B) the evidence, contained in the record, supports a finding that the settlement proposal is just and reasonable as a result.” Utah Code Ann. § 54-7-1(3)(d)(i).

Accordingly, we must determine whether the Settlement Stipulation in this case is just and reasonable and in the public interest.

DESCRIPTION OF THE SETTLEMENT STIPULATION

Without in any way amending or altering the terms of the Settlement Stipulation, the following description of the Settlement Stipulation is provided:

- The Settlement Stipulation provides that Questar Gas will provide the Division an amount not to exceed \$40,000 to hire a natural gas industry expert to audit Questar Gas’ current policies and procedures relating to five specific areas: (1) emergency call processing and response procedures; (2) emergency evacuation procedures; (3) scene control; (4) gas migration; and (5) operator’s training and qualification for employees performing these tasks;
- Questar Gas will provide input to the expert and, to the extent that the expert’s recommendations are reasonable in cost and consistent with industry

standards and practices of similarly situated natural gas companies in the Western United States, Questar Gas will implement those recommendations.

- Questar Gas will also provide the Division with information about the safety training it conducted in 2006, and will increase the total number of safety training hours for employees by ten percent in 2008;
- Questar Gas will provide the Division with information on training conducted for third-party excavators in conjunction with the Blue Stakes Center of Utah for 2006 and will increase the number of volunteer training hours to the Blue Stakes Center of Utah by ten percent in 2008;
- Questar Gas will create a laminated hang tag to be distributed to all third-party excavators that provides information in both English and Spanish that explains what to do in the event a natural gas line is damaged; and
- Questar Gas will provide semi annual reports to the Commission within 60 days of June 30 and December 31 explaining the type and hours of training conducted both in-house at Questar Gas and in conjunction with the Blue Stakes Center of Utah.

**DISCUSSION, FINDINGS AND CONCLUSION ON SETTLEMENT
STIPULATION**

Based upon the statements of the parties, the evidence presented, and the record, the Commission finds and concludes that the adoption and approval of the Settlement Stipulation is just and reasonable and in the public interest.

ORDER

Wherefore, pursuant to our discussion, findings and conclusions made herein, we order that the Settlement Stipulation is approved and adopted by the Commission as a reasonable resolution of the issues raised by the Request.

DATED at Salt Lake City, Utah this 20th day of November, 2008.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#59883