



Questar Gas Company  
180 East 100 South  
P.O. Box 45360  
Salt Lake City, UT 84145-0360  
Fax 801 324 5935

Legal Department

UTAH PUBLIC  
SERVICE COMMISSION

2007 OCT -2 P 4: 53

1452931

RECEIVED September 27, 2007

RECEIVED  
OCT 01 2007  
O.O.C.

Ms. Julie Orchard  
Commission Secretary  
Public Service Commission of Utah  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, Utah 84134

Dear Ms. Orchard:

*Re: Letter of Understanding between Utah Division of Public Utilities and  
Questar Gas Company regarding the Division's Request for Agency  
Action Against Questar Gas Company; Docket No. 07-057-04*

Enclosed please find a courtesy copy of the Letter of Understanding between the Utah Division of Public Utilities and Questar Gas Company in Docket No. 07-057-04.

Should you have any questions, please contact me. Thank you.

Very truly yours,

Colleen Larkin Bell

CLB/gj  
Enclosure

cc: Patricia Schmid

OrchardTransmittal9-27-07.doc



Questar Gas Company  
180 East 100 South  
P.O. Box 45360  
Salt Lake City, UT 84145-0360  
Fax 801 324 5935

September 25, 2007

Legal Department

**HAND-DELIVERED**

Patricia Schmid  
Assistant Attorneys General  
160 East 300 South  
P.O. Box 140857  
Salt Lake City, UT 84114-0857

*Re: Letter of Understanding between Utah Division of Public Utilities and Questar Gas Company regarding the Division's Request for Agency Action Against Questar Gas Company; Docket No. 07-057-04*

Dear Ms. Schmid:

This letter is to confirm the understanding reached between Questar Gas Company and the Utah Division of Public Utilities (Parties) pursuant to discussions held in your offices on September 6, 2007 regarding the Division's Request for Agency Action in Docket No. 07-057-04 (Request).

On August 6, 2007, a "Notice of Probable Violations, Proposed Civil Penalties, and Notice of Forthcoming Request for Agency Action" (Notice) was hand-delivered to Ronald W. Jibson, Vice President, Operations for Questar Gas Company. On August 8, 2007, Questar Gas was served a copy of the Request that referenced the four probable violations provided in the Notice. Prior to the filing of the Notice and the Request, Questar Gas Company was served on May 15, 2007, with a Complaint and Jury Demand in Third Judicial District Court, in a matter captioned Greg Roper, individually and on behalf of the estate and heirs of April L. Roper, deceased, Plaintiff, v. Questar Gas Company; S&E Cable, Inc.; Angilau Communications & Construction LLC; Niels Fugal Sons Company, LLC; and Qwest Communications Corp., Defendants (Lawsuit). Discovery in the Lawsuit is currently ongoing. Depositions of non-expert witnesses relevant to the Lawsuit are scheduled through the coming months. Discovery cut off, including depositions of experts, is scheduled through July 2008. Some of the allegations in the Lawsuit are similar to the allegations in the Request.

Pursuant to our discussions on September 6, 2007, the Parties agreed that because the discovery and depositions of witnesses that are scheduled in the Lawsuit are material to determining the facts that are the basis for the allegations and defenses in the Request, it would be reasonable to continue the Request proceeding until February 1, 2008. During the first week of February, 2008, the Parties agreed to request a scheduling conference to set a procedural schedule for the Request. The Parties agreed that Questar Gas should file its answer to the Request no later than September 28, 2007. On September 7, 2007, Questar Gas filed its 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 a motion.

Patricia Schmid  
September 25, 2007  
Page Two

The Parties also agreed that during the interim time period prior to February 1, 2008, (Interim), Questar Gas will inform the Division of the discovery schedule in the Lawsuit, including the schedule for depositions, and will provide the Division copies of "Questar-controlled" discovery from the Lawsuit within 10 days of receipt of such discovery by Questar. "Questar-controlled" discovery means discovery of facts and information within Questar's control, including but not limited to, transcripts of depositions of Questar Gas employees, production of Questar Gas documents, and Questar Gas' answers to interrogatories. If required, "Questar-controlled" discovery will be provided under the terms of the Protective Order issued in Docket No. 07-057-04. To the extent that discovery related to third parties or matters outside of Questar's control is made available publicly, Questar Gas will also provide that discovery to the Division. However, the Division understands that it will have to obtain discovery that is not within Questar's control and is considered confidential by the parties to the lawsuit, which may include transcripts of depositions of non employees, production of documents by third parties, and answers to interrogatories by third parties, from the other parties to the Lawsuit. In that instance, the Division also understands that it may be required to sign the Protective Order entered into by the parties to the Lawsuit.

Discovery between Questar Gas and the Division may also take place during the Interim and the Parties agreed that discovery between them will be answered within 15 days.

The Parties also agreed that the Division would submit a status report of the Request to the Commission no later than December 14, 2007.

Either Party may amend its pleading, or file motions or other relevant pleadings relevant to the Request at any time during the Interim.

The parties understand that the Utah Public Service Commission has jurisdiction over this matter.

The Parties have reached this understanding in good faith and with representation of counsel. By signing below the Parties indicate their agreement with the representations made in this letter of understanding.

Dated this 25<sup>th</sup> day of September, 2007.

QUESTAR GAS COMPANY

UTAH DIVISION OF PUBLIC UTILITIES

By Colleen Larkin Bell  
Colleen Larkin Bell

By Patricia Schmid  
Patricia Schmid

cc: Utah Public Service Commission

