

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of QUESTAR)
GAS COMPANY for Approval of Terms of)
Gas Service to Customers in Joseph and)
Sevier.)

DOCKET NO. 98-057-06

REPORT AND ORDER

ISSUED: June 17, 1998

SYNOPSIS

On May 27, 1998, Questar Gas Company (QGC or Company) filed an application requesting Commission approval of a specific Extension Area Charge (EAC) to extend natural gas service to customers in Joseph and Sevier, in accordance with its New Service Extension Area Tariff § 7.01. The Commission finds that QGC has met the requirements established by its tariff and grants approval of its application for an EAC for Joseph and Sevier, Utah.

By the Commission:

FINDINGS OF FACT

QGC is a public utility engaged in the distribution of natural gas to customers in the State of Utah. Its Utah public utility activities are regulated by this Commission and conducted in accordance with the Company's tariff which is on file with this Commission.

QGC applied to this Commission for approval of a specific EAC for customers in Joseph and Sevier, Utah, in accordance with its New Service Extension Area Tariff § 7.01.

QGC projects that the cost of constructing a natural gas transmission line and distribution facilities required to bring natural gas to Joseph and Sevier would be approximately \$364,000. Under QGC's New Service Extension Area Tariff, Section 7.01, using GS-1 rates, this project would require an up-front non-refundable payment of \$238,000.

QGC states that in May 1998 it canvassed prospective customers in the Joseph and Sevier area and found that approximately 85% desired to receive natural gas service and would agree to pay a \$20 EAC in conjunction with GS-1 rates.

The Company states in its application that with an EAC of \$20 per month the construction costs of extending natural gas service to Joseph and Sevier will be recouped.

To facilitate bringing natural gas to Joseph and Sevier, QGC proposes adding Joseph and Sevier to the EAC provision in its tariff Section 8.03. QGC proposes a monthly EAC of \$20 for both residential and commercial customers with an additional \$2.087 per decatherm charge for commercial customers for decatherm usage above 45 per month. QGC projects that these charges will apply for 15 years, which would recoup on a present value basis approximately \$238,000. When the present value of the EAC equals this amount, QGC will cease collecting the EAC for Joseph and Sevier.

CONCLUSIONS OF LAW

Based on the Company's Application and its supporting documentation, the Commission concludes that the Application should be approved. We find that the proposed EAC for Joseph and Sevier is just and reasonable and in the public

interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that Questar Gas Company's Application for Approval of an Extension Area Charge for Joseph and Sevier, Utah, is approved.

DATED at Salt Lake City, Utah, this 17th day of June, 1998.

/s/ Stephen F. Mecham, Chairman

(SEAL) /s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary