

For Immediate Release

Contact: Julie Orchard
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PRESS RELEASE

The Public Service Commission issued an order today in Questar Gas Company's general rate case approving a \$13.5 million rate increase. On January 25, 2000, as part of the rate case, the Commission granted an interim increase of \$7 million, which Questar's customers are paying in their rates already. The net effect on customers of today's order, therefore, is the remaining \$6.5 million increase. As a result, a typical residential customer's bill will increase approximately \$8.50 annually or 1.4 percent. Since January, with today's changes, the typical customer's annual bill will have increased about \$19 or 3.15 percent.

The parties settled many of the issues during the proceeding and offered three stipulations, all of which the Commission adopted. The stipulation that was contested at hearing addressed the CO₂ processing plant that an affiliate of Questar Gas constructed to treat gas from coal seam wells near Price, Utah. The Committee of Consumer Services argued against including any of the plant expenses in rates because they contend Questar Gas's customers did not cause the problem. Questar Gas maintained that the plant was necessary to meet the unique requirements of their system to ensure the safety of their customers. The Division of Public Utilities and the Company ultimately stipulated that Questar Gas customers should pay \$5 million annually, of the requested \$7.4 million, over five years to defray the costs of the processing plant. That amount could be less if, after an audit, the actual expenses prove to be less than \$5 million per year. The Commission accepted the stipulation on grounds that the processing plant was necessary to ensure the safety of Questar Gas's customers.

In the order, the Commission established an 11 percent return on equity. The Commission determined this was a reasonable return for Questar's shareholders. The Commission also approved a weatherization program to encourage conservation of resources. The program will make approximately \$250,000 available to the Department of Community and Economic Development (DCED) to help low income customers weatherize their homes. The program will also promote safety when DCED checks customers' furnaces to make sure they are properly operating and ventilated.

Parties to the case have 20 days in which to petition the Commission to reconsider any of its decisions in the order. If the Commission does not grant any request within 20 days after filing, the request is deemed denied. Thereafter, any party can appeal the Commission's order to the Utah State Supreme Court 30 days after denial.

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