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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE PETITION OF INTEGRATED WATER MANAGEMENT LLC FOR A DECLARATORY ORDER	Docket No. 11-999-08 QUESTAR GAS COMPANY'S RESPONSE TO THE PETITION FOR DECLARATORY ORDER
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Questar Gas Company (Questar Gas or Company) respectfully submits this Response to the Petition for Declaratory Order in the above-referenced case.

FACTUAL AND PROCEDURAL HISTORY

1. In the fall of 2010, Integrated Water Management LLC (IWM) approached Questar Gas seeking natural gas service. Questar Gas does not currently have facilities in the vicinity of IWM's proposed service address. Indeed, Questar Gas estimated that the nearest Questar Gas -owned facilities are approximately seven (7) miles away. Questar Gas provided IWM with some preliminary information about costs associated with building natural gas

facilities from Questar Gas' existing infrastructure to IWM's location. IWM declined to pursue such service.

2. Sometime thereafter, IWM again approached Questar Gas and proposed that Questar Gas provide IWM with natural gas service by connecting directly to a nearer gathering and processing system owned by Paso Midstream Investment Company's (El Paso), rather than extending the existing Questar Gas system. Questar Gas declined to do so. Questar Gas believes that doing so could be a detriment to Questar Gas and its other customers. Questar Gas has no reason to believe that supplies will be available from the El Paso system on a reliable basis, or at a reasonable cost. Installing facilities required by applicable regulations, such as odorization facilities and pressure regulation facilities, could be costly. If IWM became a Questar Gas customer on a Tariff-based rate schedule, some of those costs may ultimately be borne by other customers. Moreover, upon information and belief, El Paso has declined to provide natural gas supplies pursuant to such a scheme.

3. On July 18, 2011, IWM filed a Petition for Declaratory Order in this matter (Petition). In the Petition, IWM posed a hypothetical circumstance under which Questar Gas would purchase natural gas from El Paso's nearby network, transport it to IWM, and sell the gas to IWM. IWM suggests that Questar Gas work as an "intermediary" to effect the transportation of natural gas from the system to IWM's facilities.

4. IWM seeks a declaration that, under such a hypothetical, "El Paso Midstream Investment Company would not be a statutory 'gas corporation' subject to Commission regulation as a Public Utility if Questar Gas Company buys natural gas from it and in turn sells the gas to Integrated Water Management, LLC." Petition at p. 4.

5. The Petition *does not* seek any declaration relating to Questar Gas' obligation to provide service under the hypothetical circumstances it outlines and, therefore, Questar Gas does not address that question here.

RESPONSE

The Commission should deny the relief sought in the Petition because such relief is premised upon hypothetical facts that neither exist now nor are likely to occur in the future. The Utah Supreme Court determined that, “[a]s a matter of sound jurisprudential policy, courts refrain from adjudicating legal issues when the underlying case is moot.” Matrix Funding Corporation v. Auditing Division of the Utah State Tax Commission, 912 P.32d 960 (Utah 1996). This Commission, too, has declined to act on petitions that call hypothetical facts into question. In its Order Approving Service Agreement, In the Matter of the Application of PacifiCorp for Approval of a Backup, Maintenance, and Supplementary Power Supply Agreement with Kennecott, Docket No. 01-035-30, the Commission said that “issues associated with a possible, future [event] are better addressed if, and when, that situation is presented. We need not address such matters in this Order, based upon what would essentially be hypothetical scenarios that may or may not apply to circumstances which may or may not occur” However, when the hypothetical facts raise a genuine controversy about how similar circumstances should be treated in the future, judicial review (or in this case, administrative review) may be appropriate. Matrix Funding at 960.

Here, the underlying case is moot and there is no controversy about how similar situations should be treated in the future. A case is considered moot when the requested judicial relief cannot affect the rights of the parties. Id. (citations omitted). Issuing the declaratory order sought by IWM would not change any of the rights or obligations of any the parties to this

docket. It would have no impact on IWM's rights to receive service or the terms under which Questar Gas' could, or should, provide such service. El Paso would still have no obligation to provide natural gas supplies to either Questar Gas or IWM. There is no underlying controversy and therefore this matter is moot.

Additionally, the Petition does not raise a genuine controversy about how such factual circumstances should be treated in the future. As noted above, even if the Commission issues the requested declaratory order, El Paso will have no obligation to provide natural gas supplies, and the laws, rules and regulations governing Questar Gas' obligations will not change. Should the parties reach some agreement for service in the future, it would occur either pursuant to an existing Tariff provision, or the parties would have to approach the Commission for further guidance or approval.

The Petition is moot because it is premised upon hypothetical facts that neither exist, nor will exist, and because it does not raise any genuine controversy requiring a decision. The Commission should, therefore, decline to grant the declaratory relief requested.

Dated this 30th day of September, 2011.

Jenniffer R. Nelson
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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of Questar Gas Company's Response to the Petition for Declaratory Order was served upon the following persons by email on September 30, 2011:

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