

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of
QUESTAR GAS COMPANY
to Adjust Rates for Natural Gas Service
in Utah

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DOCKET NO. 03-057-05

FINAL ORDER

ISSUED: July 12, 2006

By The Commission:

PROCEDURAL HISTORY

On May 30, 2003, Questar Gas Company (“Questar”) filed a 191 Account application in the above-entitled docket requesting an annualized gas cost increase of \$146,357,000 to become effective July 1, 2003. On June 17, 2003, the Division of Public Utilities (“Division”) filed a Memorandum of its investigation recommending the proposed increase be approved on an interim basis effective July 1, 2003. On June 20, 2003, the Commission issued its Interim Order making the proposed decrease effective as of July 1, 2003, on an interim basis. The Interim Order noted three individual Questar customers had submitted comments which would be considered when entering our final order on the application.

On May 26, 2006, the Division filed a memorandum noting it had completed its review and recommending that the interim rates be made final. No objection to that recommendation has been made.

On June 29, 2006, hearing was held before the Administrative Law Judge. Questar was represented by Colleen Bell. Barrie McKay, Manager of State Regulatory Affairs, testified on behalf of Questar. The Division was represented by Michael Ginsberg, Assistant Attorney General. Marlin Barrow, Utility Analyst, testified on behalf of the Division. Paul

Proctor, Assistant Attorney General, represented the Committee of Consumer Services (“Committee”). Eric Orton, Utility Analyst, testified on behalf of the Committee.

BACKGROUND, DISCUSSION, FINDINGS AND CONCLUSIONS

The Division’s memorandum of May 24, 2006, recommended the Commission issue final orders in Docket Nos. 01-057-10, 01-057-14, 02-057-13, 03-057-05, 03-057-10, 04-057-04, 04-057-09, and 04-057-11, noting the Division’s audit of 191 accounts and reports has not disclosed any additional information that warrants keeping these dockets open on an interim basis. However, while testifying that issuance of final orders in each of these dockets is in the public interest, the Division recommends final orders not be issued in Docket Nos. 04-057-04, 04-057-09, and 04-057-11 pending Division receipt and review of the Wexpro monitor audit report expected within the next thirty days.¹

Questar testified in support of the Division’s recommendation to close all above-referenced dockets by issuance of a final order. However, Questar does not object to the Division’s recommendation to delay issuance of final orders Docket Nos. 04-057-04, 04-057-09, and 04-057-11 pending Division receipt and review of the Wexpro monitor audit report.

The Committee does not object to closure of Docket Nos. 01-057-10, 01-057-14, 02-057-13, 03-057-05, and 03-057-10 by final order and concurs with the Division’s recommendation to delay issuance of final orders in Docket Nos. 04-057-04, 04-057-09, and 04-057-11 pending the parties’ review of the Wexpro audit report.

¹The Division believes closure of these three dockets by final order is in the public interest based on the information currently in its possession, but desires to review the Wexpro audit report before finalizing its recommendation.

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At hearing, the Administrative Law Judge noted the Commission has previously issued a final order in Docket No. 01-057-10. Likewise, a final order is not necessary to close Docket No. 04-057-09 because the Commission's order requiring Questar to pay a \$29,000,000 refund had effectively closed that docket. Therefore, these two dockets were not noticed for hearing and the Commission will take no further action in these dockets. Regarding Docket Nos. 04-057-04 and 04-057-11, the parties agreed at hearing that, based on the information currently in their possession, closure of these dockets by final order is in the public interest. The parties agreed that, upon review of the pending Wexpro audit report, the Division will file comments with the Commission regarding whether the Wexpro audit report changes its recommendation to close Docket Nos. 04-057-04 and 04-057-11. Questar and the Committee will then have two weeks to file their own comments. Based on the testimony elicited at hearing on June 29, 2006, and the parties' additional comments filed in response to the Wexpro audit report, the Commission may then, if appropriate, issue a final order in Docket Nos. 04-057-04 and 04-057-11 without further hearing.

As noted above, on June 4, 2003, three Questar customers filed comments in response to Questar's application in this docket. In general, these written comments voiced opposition to the proposed rate increase and noted the effect said increase would have on the poor. None of these customers appeared at hearing on June 29, 2006.

Having reviewed the record before us and considered the testimony offered by the parties at hearing, we find and conclude the interim rates made effective in this docket on July 1, 2003, are just and reasonable.

Wherefore, based upon the foregoing information, and for good cause appearing, the Administrative Law Judge enters the following proposed

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

The interim rates made effective July 1, 2003, are made final.

Pursuant to Utah Code §§ 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code §§ 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 12th day of July, 2006.

/s/ Steven F. Goodwill
Administrative Law Judge

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Approved and Confirmed this 12th day of July, 2006, as the Report and Order of
the Public Service Commission of Utah.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#49710