

- 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)

DOCKET NO. 04-057-04

INTERIM ORDER

ISSUED: June 2, 2004

By the Commission:

On May 5, 2004, Questar Gas Company (the Company) submitted a 191 Account application in the above-entitled docket requesting an annualized gas cost increase of \$34,835,000 to become effective June 1, 2004. The requested increase is due primarily to the increased cost of natural gas purchased by the Company. The effect of this proposed change would increase the annual bill for a typical GS-1 residential customer using 115 decatherms of gas per year by \$40.54, which is a 4.97% increase.

On May 24, 2004, the Division of Public Utilities (ADPU@) submitted its Memorandum to the Commission recommending that the proposed increase in rates be approved on an interim basis effective June 1, 2004. The Division of Public Utilities also recommends approval of Questar Gas Company's request to offer F-4, firm sales service, to customers qualifying under the terms of the F-4 rates schedule. This request allows qualifying customers to receive F-4 service with the conditions that these customers commit to a two year service contract, to prevent frequent rate class shifting. The Company and the Division analyzed the impact of the estimated shift to F-4 and have determined that providing F-4 service to qualifying transportation or IS customers should not materially impact the Company's ability to serve its existing customers. In fact, at current gas prices the increase in supplier non gas revenues from the additional volumes at the 80% required load factor will more than offset the increase in the commodity portion of gas cost charges. The Division of Public Utilities will continue to monitor this situation to make sure customers on all rate schedules are treated fairly as market conditions change in the future.

The Commission will approve the interim use of the proposed rates pending final resolution of issues raised by the application in this or other dockets. The interim rates may become effective June 1, 2004. The Company's request for approval to provide F-4 service to qualifying customers presently served under other schedules is also approved.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The proposed rate increase in the annualized amount of \$34,835,000 requested by Questar Gas Company be placed in effect on an interim basis as of June 1, 2004.
2. The Company's request to provide F-4 service to qualifying customers is approved.

DATED at Salt Lake City, Utah this 2nd day of June, 2004.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

G#38594