

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application )  
of Questar Gas Company for )  
Approval Of a Firm Transportation )  
Agreement with PacifiCorp )

DOCKET NO. 05-057-02  
ORDER APPROVING AGREEMENT

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SYNOPSIS

The Commission finds the proposed firm transportation agreement between Questar Gas Company and PacifiCorp to be in the public interest and approves the same.

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ISSUED: May 24, 2005

By The Commission:

PROCEDURAL HISTORY

On March 4, 2005, Questar Gas Company (“Questar Gas”) submitted an Application seeking approval of its Agreement for Firm Transportation to PacifiCorp’s Lake Side Generating Facilities (“Agreement”) with PacifiCorp. Also on March 4, 2005, Questar Gas filed a Motion for Protective Order, said Order having been subsequently issued by the Commission on March 7, 2005. On March 16, 2005, Questar Gas filed the direct testimony of Barry L. McKay in support of the Agreement. On May 5, 2005, Questar Gas filed a First Addendum to the Prepared Testimony of Barry McKay, as well as a First Amendment to the Agreement. On May 6, 2005, following investigation, the Division of Public Utilities (“Division”) filed a memorandum recommending approval of the Agreement as amended. On May 17, 2005, the Committee of Consumer Services notified the Commission that it would not be filing comments on the Agreement and did not oppose its approval.

DISCUSSION

As a result of its investigation, the Division discovered several areas of concern, such as potential customer impacts caused by PacifiCorp exercising an early buy-out clause in the Agreement, and noted several areas where the terms of the Agreement differ from the Questar Gas QGC FT-1 tariff. In response to the Division’s concerns,

Questar Gas and PacifiCorp renegotiated portions of the Agreement, resulting in the First Amendment to the Agreement filed on May 5, 2005. After reviewing this Amendment, the Division concluded the existing customer base of Questar Gas will not be subsidizing the costs of this project and PacifiCorp's minimum payment requirement, in lieu of an up-front contribution in aid of construction payment as required by the Questar Gas tariff, and also concluded that this amendment is in line with cost of service projections such that the Agreement as amended is in the public interest.

Based upon the foregoing information, and for good cause appearing, we conclude that the Agreement as amended will not harm the State of Utah, its citizens, or the Utah customers of Questar Gas, is in the public interest, and hereby approve the same.

Wherefore, we enter the following:

ORDER

Approving the Agreement for Firm Transportation to PacifiCorp's Lake Side Generating Facilities as amended.

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 23<sup>rd</sup> day of May, 2005.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary

G#44585