

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)	<u>DOCKET NO. 05-057-11</u>
QUESTAR GAS COMPANY)	
to Adjust Rates for Natural Gas Service)	
in Utah)	<u>INTERIM ORDER</u>

ISSUED: October 28, 2005

SYNOPSIS

Based upon recent significant increases in the price of purchased gas in the Rocky Mountain region, the Commission approves on an interim basis the Amended Application of Questar Gas Company to implement rates and charges reflecting an increase in Utah gas costs of \$196,481,000 effective November 1, 2005, and authorizes the Company to record system-wide gathering costs in the Supplier Non-Gas portion of the 191 Account.

By The Commission:

On September 8, 2005, Questar Gas Company (the "Company") submitted a pass-through Application in the above-entitled docket requesting a net annualized gas cost increase of \$96,133,000 effective October 1, 2005. The proposed increase was primarily driven by significant increases in purchased gas prices in the Rocky Mountain region since the Company's May 6, 2005, pass-through filing. The Application indicates the Company's intention to move the gathering charges for its Company-owned production volumes from the distribution non-gas ("DNG") portion of rates to the Supplier Non-Gas ("SNG") portion of rates. The Application also seeks full adjudication of the Company's costs to manage the heat content of its gas supplies from December 30, 2002, forward in conjunction with Docket No. 04-057-09.

On September 29, 2005, the Company filed a Motion to Delay Implementation of Rates until November 1, 2005, indicating that volatile market swings in gas costs due to

Hurricanes Katrina and Rita since September 8, 2005, had caused the Company to reconsider the level of adjustment that should be reflected in the gas-cost portion of its rates. On October 3, 2005, the Commission issued an Order Granting Motion to Delay Implementation of Rates indicating that any rate change authorized through this docket may be delayed to November 1, 2005.

On October 25, 2005, the Company filed an Amended Application seeking a net annualized gas cost increase of \$196,481,000 effective November 1, 2005. The effect of this proposed change would increase the bill for a typical GS-1 residential customer using 115 decatherms of gas per year by \$18.11 per month, which is a 20.31% increase.

On October 28, 2005, the Division of Public Utilities ("Division") submitted its Memorandum to the Commission recommending the proposed increase in rates be approved on an interim basis effective November 1, 2005. No other comments have been filed with respect to the Company's Application.

The Company's proposal to move gathering costs from the DNG to SNG portion of rates was previously discussed with the Division, Committee of Consumer Services, and Commission Staff during monthly gas market update meetings on July 12 and August 9, 2005. The Company's analysis of the effect of this move indicates that it is revenue neutral to the total rate proposed by the Company in this docket. Actual gathering expenses, however, will now flow through the 191 Account and recovery of these expenses will occur in pass-through cases.

The Commission approves, on an interim basis, the requested rate increase and use of the proposed rates pending final resolution of issues in Docket Nos. 04-057-04, 04-057-11, 04-057-13, 04-057-09, 05-057-01 relating to the Company's cost recovery for management of the heat content of its gas supplies. The interim rates may become effective

November 1, 2005. The Commission also authorizes the Company to record system-wide gathering costs in the Supplier Non-Gas portion of the 191 Account.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that the proposed rate increases, to recover the projected increase of \$196,481,000, requested by Questar Gas Company be placed in effect on an interim basis as of November 1, 2005

DATED, at Salt Lake City, Utah, this 28st day of October, 2005.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#46321