

To: Questar Gas GSS EAC Task Force
From: Marlin Barrow, Utility Analyst, Division of Public Utilities
Date: August 17, 2006
Subject: Minutes of Meeting held August 17, 2006

Location: Room 401 Heber Wells Building Salt Lake City, Utah

Time: 10:00 AM

Attending:

Questar Gas Company; Colleen Larkin Bell, Carl Galbraith, Brad Markus, Gary Robinson.

Committee of Consumer Services; Chris Keyser, Eric Orton.

Division of Public Utilities; Marlin Barrow, Sam Liu, Artie Powell, Carolyn Roll.

Utah Counties Economic Development; Delynn Fielding (Carbon), Mike McCandless (Emery).

Purpose of Task Force: Develop best course of action to take concerning current GSS/EAC tariffs of QGC and develop new tariff language to deal with future expansion requests from communities desiring natural gas service.

Summary of Meeting:

The Task Force members in attendance reviewed initial proposed recommendations that were going to be put into the report. Staff of the CCS expressed the feeling that the CCS may not be able to support recommendations.

CCS Staff noted that it was the Company's decisions to initiate petitions with the Commission to extend service to the new areas covered in the GSS and EAC rates with the intent to expand Questar's business. When the business expansions became problematic, Questar petitioned to have the Commission order the Company's other customers to accept the financial burden. Presently these communities are encumbered to the point that they will take decades to pay off their debt to the Company and some may never repay their obligation.

In the first order from the Commission regarding expansion of Questar's system (86-2016-01, 86-057-03, 86-091-01,86-2019-01) The initial criteria established by the Commission included six elements. Questar provided testimony in support of the Company meeting all these six criteria. In subsequent orders these six are not mentioned. The Committee wondered if the Commission intentionally eliminated those six as being criteria. The objective in the initial order

was that the expansion be 'economically feasible' and the Company provided numbers to show that the expansion was economically feasible. However, in the second order, (93-057-03) the objective was to 'allow customers in new service areas to receive natural gas where it might otherwise be economically infeasible' even with Emery County providing an up-front contribution. The Committee again wondered if this change was intentional on the Commissions part.

Finally, in the Commission's order where the EAC was established (96-057-07) the Commission established its 'going forward' policy which, the Committee proposes, is still valid and supportable

After discussing some of their concerns, it was felt that the best approach to take was to state in the report to the PSC that a consensus on the recommendations could not be reached by all but by a majority and when the report is filed, those who have different concerns could also file those at the same time.

It was also noted that before any changes can be made, QGC will need to make a filing before the PSC requesting those changes and anyone can respond to that filing noting at that time there concerns or even requesting a hearing on the matter.

Future discussions dealing with rural infrastructure concerns will be handled in a rural infrastructure forum which has been on going since January 2006. The next meeting of that forum is August 17, 2006 at 1:30 PM here in the Heber Wells Bldg.

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The meeting ended at 10:45 AM.