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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Questar)
Gas Company for an Order to Remove GSS) DOCKET No. 06-057-T04
And EAC Rates from the Company's)
Tariff) **PETITION TO INTERVENE**

Pursuant to Utah Code Ann. §63-46b-9 and Utah Admin. Code R746-100-7, the Town of Cedar Fort (“Cedar Fort”) by and through its counsel, respectfully petitions the Public Service Commission of Utah (the “Commission”) to intervene in the above-captioned matter. In support of its Petition, Cedar Fort states as follows:

1. Identity of Petitioner.

Cedar Fort is a town located in Utah County. Cedar Fort is considered a rural community and approximately 100 of its residents are serviced by Questar Gas Company (“QGC”) at the Extension Area Charge (“EAC”) premium rate, which is one of the subject rates of QGC’s application.

2. Petitioner’s Interests May be substantially Affected by the above described Proceeding.

A. Citizens, Tax base and Community Services are affected. Cedar Fort residents now connected to natural gas serviced by QGC number approximately 100

families. Other households have elected not to connect to the service based on a number of factors, one of which is the premium cost associated with the EAC rate structure. Pursuant to the Task Force Report (Docket No. 05-057-T01), Table 2, Cedar Fort is listed as one of the areas in which Cedar Fort and its citizens have been paying an EAC rate of \$30.00 This rate is \$360 per year more than a natural gas customer under the standard rate. Cedar Fort's tax base is affected both by the number of property owners and businesses that it can attract to its community. The availability and cost of utilities, including natural gas, are significant factors in providing an attractive infrastructure for the community's long-term ability to serve its current residents, businesses and community facilities, and attract additional residents and businesses.

B. Unfairness of the EAC charged by QGC to Cedar Fort users. The EAC “surcharge” billed to customers of QGC in the Cedar Fort jurisdiction and surrounding area is a charge to rural customers at a substantial premium over other customers in Utah. Even though the cost of the service infrastructure was undertaken solely to provide service to the Cedar Fort area, the charge includes elements which are unfair. These include interest rate charges at a substantial rate above long-term bond rates and a term of years which is substantially shorter than the expected life of the capital improvements. The rates are based on a “target” number of users and when that number of users is not obtained, the number of years over which the rate will be applied increases even though residents were told that the rate would terminate in fifteen years. This is unfair in terms of amount and the unpredictability of the time frame over which the “surcharge” is applied. Furthermore, the higher rates deter future businesses from coming to Cedar Fort because they are more easily enticed by nearby communities which offer much lower

natural gas costs. Thus, development funding provided to rural communities by state agencies favor those communities which can offer lower infrastructure costs to potential businesses.

C. Future Expansion Areas. Pursuant to the Task Force recommendations, regarding Future Expansion Areas, and pursuant to the application of QGC, future expansion communities will need to fund new expansion using their own resources or appeal for legislative relief. Because Cedar Fort may need further expansion of its gas supply line at relatively low capital requirements, it seems unreasonable to remove QGC as a potential source of funding. Cedar Fort has not been sufficiently informed as to what will be included and/or excluded as “expansion” with respect to its plans for future natural gas service.

3. **Notice.** Copies of all notices and filings should be served on the following:

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Mr. Howard Andersen, Mayor
Town of Cedar Fort
PO Box 389
Cedar Fort, UT 84013

4. **Prayer for Relief.** Cedar Fort respectfully requests that the Commission issue an Order authorizing Cedar Fort to intervene and fully participate in the above captioned

proceeding. A proposed form of Order is submitted herewith.

Dated this 1st day of December, 2006.

DUNBECK & GORDON

Duane W. Moss
Attorney for Cedar Fort