



US MAGNESIUM LLC

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UTAH PUBLIC
SERVICE COMMISSION

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August 14, 2008

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Utah Public Service Commission
160 East 300 South
Salt Lake City, UT 84114-6751


RE : Formal Complaint by US Magnesium LLC Against Questar Gas Company

To Whom It May Concern:

US Magnesium LLC requests a formal proceeding to investigate the matter of discriminatory treatment by Questar Gas Company in regards to transportation service.

US Magnesium LLC initiated an informal complaint with the Division of Public Utilities on July 14, 2008. US Magnesium LLC is not satisfied that the logic or information as supplied by the Division as a response to that request fully addresses this matter and that such information provided does not support the conclusions derived. Therefore US Magnesium LLC requests that the Commission schedule a hearing on this matter to develop a procedural schedule so that relevant information can be discovered and testimony developed and presented in regard to this matter.

Attached to this request is pertinent information with regards to a general description of the matter that is the subject of this complaint.


Lee R. Brown, Vice President
US Magnesium LLC

Attachment 1.

US Magnesium is a transportation customer of Questar Gas Company. US Magnesium has both firm transportation and non-firm transportation accounts. Questar Gas Company required US Magnesium LLC to have its gas delivered to a specific delivery point off of Kern River Pipeline and that requirement caused higher cost natural gas deliveries for US Magnesium in excess of \$87,000. The specific dates that the utility required such deliveries off of Kern River Pipeline were April 2, 2008 – April 11, 2008. US Magnesium discovered through discussion with its supplier that no other customers of the supplier had this same requirement.

When US Magnesium asked Questar Gas for specific information concerning the cause for their actions, we were simply told that the utility could impose whatever restrictions on deliveries it so chooses to impose. US Magnesium has not been provided any information as to the specific cause of such restrictions or if any other customers were required to take action. US Magnesium does not believe that it should be singled out for such actions and wants the Public Service Commission to find that such discriminatory actions against a single customer is not allowed within the frame work of the approved statutes, rules and approved company tariff.

US Magnesium contends that it is discriminatory and against regulations to single out US Magnesium for such actions rather than spreading such restrictions first to all interruptible and firm transport customers as well as interruptible and firm sales customers. The direct cause of the discriminatory action was allegedly work that will presumably benefit many more customers, both sales and transport customers. While the work allegedly did cause certain operational issues there were actions that the utility could have taken rather than penalize US Magnesium. Such actions include taking some deliveries off of Kern River Pipeline. The utility chose to have US Magnesium incur large increased costs rather than take such actions.

This behavior by Questar was discriminatory because all customers benefited from the work conducted to improve system integrity. All customers could have and should have shared in the cost of reacting to the system delivery restrictions.