

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Analysis of an) DOCKET NO. 06-057-04
Integrated Resource Plan for Questar Gas)
Company) ORDER ON QUESTAR
) GAS COMPANY'S
) INTEGRATED RESOURCE PLAN
) DATED MAY 1, 2006 AND NOTICE
) OF TECHNICAL CONFERENCE.

ISSUED: October 17, 2006

By The Commission:

Questar Gas Company (“Questar Gas” or “Company”) submitted its Integrated Resource Plan (“IRP”) on May 1, 2006, in accordance with IRP guidelines it proposed and submitted for approval on April 17, 1998, in Docket No. 97-057-06. The proposed guidelines were developed by the Company, the Division of Public Utilities (“Division”) and the Committee of Consumer Services (“Committee”) to replace the IRP guidelines approved by the Commission on September 26, 1994, in Docket No. 91-057-09 (“1994 Order”). The Commission has not issued an order on the IRP guidelines proposed in Docket No. 97-057-06. That docket remains open as we consider practical means to achieve the requirements of our 1994 Order for Questar Gas’ IRP process.

On May 2, 2006, the Commission issued an action request to the Division to review the Company’s IRP. On August 28, 2006, the Division filed a memorandum recommending the Company file an updated IRP to reflect historical natural gas per customer use that is slightly higher in early 2006 than assumed in the IRP. On September 7, 2006, the Company filed a memorandum responding to the Division’s recommendation. It stated that IRP sensitivity analysis provides adequate results to address the implications of a higher per customer use scenario. Further, the Company agreed to work directly with the Division to extract any IRP

data from the filed plan as needed by the Division. The Company also agreed to reconsider the IRP variables subject to sensitivity analysis, and their associated bandwidths of time, in the next IRP when such changes can be more meaningfully incorporated into the planning process. On September 22, 2006, the Division filed responsive comments, concluding weather variation is the dominant factor influencing usage patterns. The Division concurs with the Company that the IRP contains a sensitivity analysis of weather variation that adequately addresses the implications of higher per customer use on supply decisions. Therefore, the Division recommends the Commission acknowledge the 2006-2007 IRP as filed.

We note that both the approved IRP guidelines and the proposed IRP guidelines require a process in which resources are evaluated on a uniform basis. Our 1994 Order explicitly requires the IRP evaluate supply-side and demand-side resources on a consistent and comparable basis. Indeed, a particular weakness of the proposed guidelines is the lack of explicit discussion regarding demand-side resource analysis. We note demand-side resource analysis is provided in the Company's prior IRP dated May 2, 2005, and therefore we understand the Company's model can perform the requisite analysis. However, the Company's 2006 IRP fails to provide any demand-side resource results and therefore we decline to acknowledge it. In light of our recent Order dated October 5, 2006, establishing the Conservation Enabling Tariff, analysis of the magnitude and type of economic demand-side resources in the context of the IRP is now paramount. We direct the Company to modify and refile its IRP to provide demand-side resource analysis. We also order a technical conference to discuss IRP standards and guidelines for Questar Gas.

Based on the foregoing, the Commission issues the following Order:

ORDER

NOW, THEREFORE, IT IS ORDERED that:

1. The IRP filed May 1, 2006, is not acknowledged.
2. Questar Gas Company is ordered to modify and refile its IRP to include demand-side resource analysis.
3. A technical conference is scheduled for Tuesday, October 24, 2006, at 9:30 am MDT, in room 401, Heber Wells Building, 160 East, 300 South, Salt Lake City, Utah.. The purpose of the technical conference is to discuss IRP standards and guidelines for Questar Gas.

DATED at Salt Lake City, Utah, this 17th day of October, 2006.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#50992