

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
QUESTAR GAS COMPANY to Adjust)
Rates for Natural Gas Service in Utah)

DOCKET NO. 98-057-07
REPORT AND ORDER

ISSUED: March 18, 1999

By The Commission:

In this matter, Questar Gas Company (QGC or the Company) filed with the Commission an Application on June 12, 1998, requesting approval of a composite unit decrease of \$0.10016/Dth in the commodity portion and an increase of \$6,845,837 (or 9.6%) in the supplier non-gas portion of QGC's rates, resulting in an annual decrease of \$3.14 (or .5%) for a typical Utah GS-1 residential customer using 1150 therms of gas per year. The rate changes proposed in the Company's application would result in an annualized revenue decrease of approximately \$1,085,000 per year.

In its application, the Company states that its Utah (gas) costs for the period is \$256,665,820. When this amount is adjusted for F-3, I-2, I-4, IS-2 and IS-4 commodity credits, the resulting commodity cost is \$246,395,187. The unit gas cost for the commodity portion of this amount is \$1.81095/Dth. The application also states that test-year supplier non-gas costs total \$78,541,326 while current rates would recover \$71,695,489.

Questar Gas Company therefore proposes applying a uniform percentage increase of about 9.6% to the supplier non-gas cost component of its rates.

On June 26, 1998, the Commission granted Questar Gas Company's application on an interim basis effective July 1, 1998.

On October 21, 1998, the Division of Public Utilities (Division) submitted a Memorandum to the Commission stating that it had not discovered anything in its audit to warrant keeping the docket open. Accordingly, the Division recommended that the decrease called for in the Application be made final.

Based on the Division's recommendation that the interim approval of the application be made final, the Commission finds that final implementation of the above-entitled docket is in the public interest and is just and reasonable.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that the application of Questar Gas Company in Docket No. 98-057-07 made effective on an interim basis by our June 26, 1998, Interim Order is hereby approved and the rate reduction requested in the application is made final.

DATED at Salt Lake City, Utah, this 18th day of March, 1999.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

Attest: /s/ Clark D. Jones, Commissioner

/s/ Julie Orchard

