

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of QUESTAR GAS )  
COMPANY to Adjust Rates )  
For Natural Gas Service in Utah )

Docket No. 98-057-13

INTERIM ORDER

ISSUED: January 6, 1999

By the Commission:

On December 16, 1998, Questar Gas Company ("the Company") submitted its semi-annual pass through application in the above entitled docket requesting an annualized gas cost decrease of \$31,664,000 to become effective January 1, 1999. This effect of the proposed changes would reduce the annual bill for a typical GS-1 residential customer using 1150 therms of gas per year by \$38.67, which is a 6.54% decrease.

Included in that application was an increase in costs of \$7,983,000 for a to-be-built CO<sub>2</sub> processing plant that is the subject of Docket No. 98-057-12. On December 23, 1998, the Division of Public Utilities submitted a memorandum to the Commission recommending that the CO<sub>2</sub> processing costs of \$7,983,000 be subtracted from the proposed interim rates. The effect of removing those costs would cause a total reduction to a typical GS-1 customer of \$48.03, or 8.12%.

On December 29, 1998, the Company filed a Response and Motion to the Division's December 23<sup>rd</sup> memo supporting the inclusion of the annualized CO<sub>2</sub> processing costs in the current pass-through. On December 31, 1998, the Division of Public Utilities and the Committee of Consumer Services filed a joint memorandum opposing inclusion of the annualized CO<sub>2</sub> processing costs in the current pass-through.

A hearing was held on January 4, 1999. Lauri Noda appeared for the Division of Public Utilities. Doug Tingey appeared for the Committee of Consumer Services. Jonathan Duke

appeared for Questar Gas Company. At that time the Commission heard the arguments of the parties. At the conclusion of the hearing the Commission ordered that the CO<sub>2</sub> processing costs should not be included in the costs in this Application.

Therefore, based upon the file in this matter, and on argument presented at the hearing, the Commission makes the following

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that

1. The interim rates and charges applicable to Utah natural gas service shall reflect the costs included in the Application with the exception of the CO<sub>2</sub> processing costs of \$7,983,000; and,
2. The Company is authorized to implement the adjusted rates effective January 1, 1999.

DATED at Salt Lake City, Utah, this 6th day of January, 1999.

/s/ Stephen F. Mecham, Chairman

(SEAL) /s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary