

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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| In the Matter of the Request of) | <u>DOCKET NO. 99-057-02</u> |
| Trillium USA regarding) | |
| QUESTAR GAS COMPANY and) | <u>NOTICE OF FURTHER</u> |
| Compressed Natural Gas (CNG)) | <u>AGENCY ACTION</u> |
| Fueling Operations) | |

ISSUED: June 21, 1999

By the Commission:

On November 24, 1998, Trillium U.S.A., submitted or formal request to the Commission requesting that the Commission require Questar Gas Corporation:

1. To produce, within six months, a plan for divesting in the near term its CNG stations serving any users other than Questar Gas Corporation for anything but clearly occasional CNG supply.
2. To develop, concurrent with the divestment plan, a schedule for raising its CNG prices to a commercial level.
3. To immediately cease to build any new or expanded CNG stations for use by anyone but itself.

The Commission has informally received information from Trillium and from Questar Gas Corporation. After review of information received from Questar Gas Corporation, the Division of Public Utilities submitted a May 20, 1999, memorandum on the issues raised in Trillium's request.

The Commission has determined that matters relating to Trillium's request dealing with CNG pricing must be addressed in a general rate proceeding. Increasing the price of a utility's services or products must occur after a hearing to determine whether the change is just and reasonable. U.C.A. 54-7-12. Repricing of a utility's services and products occurs in a general rate proceeding to ensure that the overall tariff provisions, which include the rates for all services and products, are just and reasonable. To the extent that Trillium deems necessary, it may seek to intervene and participate in any rate proceedings to advocate its position on a just and reasonable rate for CNG.

With respect to Trillium's requested action relating to divestiture of existing CNG stations and the cessation of construction of new or expanded CNG stations, the Commission has determined that further proceedings are necessary to determine whether the Commission has authority to grant the relief requested and whether the requested action is in the public interest. We direct Trillium, to the extent it desires the Commission to address these two aspects of its request, that it supplement its original request with a supporting filing addressing the authority and basis for the Commission to grant the relief requested. Trillium's supporting filing should be filed within 60 days following receipt of this Notice of Agency Action. Should Trillium require additional time in which to prepare and submit its filing, it may seek and extension of the filing date. Trillium shall serve a copy of its supporting filing upon Questar Gas Corporation, which shall respond within 30 days. Other interested persons may also submit responses to Trillium's filing within 30 days after Trillium's filing with the Commission.

These proceedings shall be formal proceedings, pursuant to the Utah Administrative Procedures Act, U.C.A. 63-46b-1 et seq., Pursuant to Title 54 of the Utah Code, these proceedings shall be before the Public Service Commission, Stephen Mecham, Chairman, 160 East 300 South, Salt Lake City, Utah 84111, telephone 801/530-6716.

DATED at Salt Lake City, Utah this 21st day of June, 1999.

/s/ Julie Orchard
Commission Secretary