

In the Matter of the Application of)
QUESTAR GAS COMPANY for)
Approval of Terms of Gas Service)
to Customers in Fayette)

DOCKET NO. 99-057-03

REPORT AND ORDER

ISSUED: April 21, 1999

SYNOPSIS

The Commission, for good cause shown, grants Mountain Fuel's application for approval of an extension area charge for application to customers of Fayette.

By The Commission:

PROCEDURAL HISTORY

On February 19, 1999, Questar Gas Company filed its application for approval of an extension area charge (EAC) for customers in the community of Fayette, Utah. Mountain Fuel requested informal adjudication and expeditious treatment of its application. The Administrative Law Judge, having been fully advised in the matter, now enters the following Report, containing proposed Findings of Fact, Conclusions of Law, and the Order based thereon.

FINDINGS OF FACT

1. Questar Gas Company ("Questar"), a Utah corporation, is a public utility engaged in the distribution of natural gas to customers in the states of Utah, Wyoming, and Idaho. Its Utah public utility activities are regulated by this Commission and conducted in accordance with Title 54 of the Utah Code Annotated and Tariff PSC Utah No. 200, which tariff this Commission has approved. A copy of the Company's Articles of Incorporation are on file with the Commission.
2. The residents and businesses of Fayette desire that Questar bring natural gas to their community.
3. Questar's total project costs of constructing a natural gas transmission line and distribution facilities required to bring natural gas to Fayette are estimated to be approximately \$192,000. Under Questar's current EAC tariff provisions, and using the projected capital costs with the results of the actual sign-up, the required EAC for residential customers in Fayette would be \$28.00 for a projected 15-year period. The EAC for commercial customers in Fayette would be \$28.00, plus \$2.9000 per decatherm for usage in excess of 45 Dth per month.
4. Under Questar's EAC provisions, in new service extension areas where the non-refundable payment cannot otherwise be collected, the Company offers customers, at its option, a monthly EAC in lieu of the non-refundable payment. The EAC is an estimate calculated to provide sufficient revenue to recoup the total non-refundable payment that would otherwise be collected in a new service extension area and the allowed return over the duration of the repayment term. The EAC may be used in conjunction with regular (GS-1) or extension tariff (GSS) rates.
5. Questar's proposed tariff changes are just and reasonable.
6. Questar has sent a copy of its application to all interested persons, which persons include representatives of the Division of Public Utilities, the Committee of Consumer Services, and the Mayor of Fayette. Questar represents that its application would not likely be contested or opposed by any persons affected by the application.

7. The Division of Public Utilities, by memorandum dated March 16, 1999, recommended that the EAC for Fayette be approved as requested. The Division noted that the EAC application is similar to the New Harmony and Ogden Valley expansions previously approved by the Commission.

8. The Commission notes that Questar's application does not request an increase or decrease in rates, but merely seeks application of its currently tariffed EAC provisions to customers in a new service territory, and that the application is uncontested.

9. We find Questar's proposal just and reasonable and in the public interest of extending natural gas service to outlying areas in the state of Utah.

FINDINGS AND CONCLUSIONS

1. The Commission has proper jurisdiction over the applicant and the subject matter of the application.

2. Questar has shown that its EAC for Fayette is a just and reasonable charge. The Commission finds that the EAC will effectively bring natural gas service to the citizens of Fayette, which might not otherwise be economically feasible.

3. The Commission grants Questar's application under Utah Code Annotated § 63-46(b)-5 and Commission Rule 746-110-1, which allows for matters unlikely to be opposed or contested to be adjudicated informally and allows the Commission, for good cause shown, to enter a final order without a formal hearing.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that QUESTAR GAS COMPANY's application of an extension area charge for Fayette is granted. Any interested person may file a protest to this order within 20 days of the issuance date. If the Commission finds such protest to be meritorious, the Commission will suspend this order pending further proceedings. Absent meritorious protest, this order shall become final 20 days from the date of issuance without further action.

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

/s/ A. Robert Thurman
Administrative Law Judge

Approved and Confirmed this 21st day of April, 1999, as the Report and Order of the Public Service Commission of Utah.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary