

- 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)))))	<u>DOCKET NO. 99-057-19</u> <u>INTERIM ORDER AND NOTICE OF HEARING</u>
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ISSUED: December 8, 1999

By The Commission:

On November 12, 1999, Questar Gas Company (the Company) submitted its semi-annual pass-through application in the above-entitled docket requesting an annualized gas cost increase of \$29,664,000 to become effective December 1, 1999. The effect of this proposed change would increase the annual bill for a typical GS-1 residential customer using 1150 therms of gas of gas per year by \$36.87, which is a 6.53% increase.

Included in the Company's application was funding for a portion of Gas Research Institute (GRI) costs. Effective January 1, 2000, the demand component of GRI charges in pipeline rates will decline by \$0.019/Dth and the commodity component will decline by \$0.0003/Dth. On an annual basis, this represents \$215,932 system-wide and \$208,000 on a Utah jurisdictional basis. The Company seeks to maintain the 1999 level of R&D funding by transferring to the DNG component of rates this amount which is approximately \$0.00213/Dth to the DNG component of rates for each sales rate class.

On November 23, 1999, the Division of Public Utilities ("DPU") submitted its memorandum to Commission recommending that the proposed increase in rates related to gas costs be approved on an interim basis effective December 1, 1999. However, the DPU recommended that the proposed move of \$208,000 GRI cost to the DNG costs be denied and that a prehearing be scheduled for purposes of setting up a briefing schedule so that this issue can be resolved.

On December 2, 1999, the Company responded to the Division's memorandum, stating that the Company's proposed DNG ratemaking for GRI funding is legal, has precedent in Utah, and requested that a hearing be held at the Commission's earliest convenience to consider this matter. However, the Company requested that the Commission grant interim approval of the Company's pass-through application, including GRI funding.

Therefore, based on the preceding filings of the Parties, the Commission makes the following Order.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

- The interim rates and charges applicable to Utah natural gas service shall reflect the increases included in the Company's Application except for the portion of GRI funding proposed to be included in DNG costs of \$208,000; and
- The Company is authorized to implement the adjusted rates effective

December 1, 1999; and

- Notice is hereby given that a hearing before the Commission will be held to determine appropriate interim ratemaking of GRI funding prior to a final hearing on this matter commencing at 10:00 a.m. on Tuesday, December 14, 1999, and continuing thereafter until completed, in Hearing Room #426, Heber M. Wells Building,

160 East 3rd South, Salt Lake City, Utah 84111.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during the hearing should notify Julie Orchard, Commission Secretary, at 160 East 300 South, Salt Lake City, Utah, (801) 530-6713, at least three working days prior to the proceeding.

DATED at Salt Lake City, Utah, this 8th day of December, 1999.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary