

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeen G. Kelly.

Questar Pipeline Company

Docket Nos. RP04-91-000  
RP04-91-001  
RP04-91-002  
RP04-91-003  
RP04-91-004  
RP05-104-000  
RP05-104-001

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued July 26, 2005)

1. On June 17, 2005, Questar Pipeline Company (Questar) filed an uncontested offer of settlement to resolve all issues raised in the above referenced dockets concerning Questar's Fuel Gas Reimbursement Percentage (FGRP) filings in Docket Nos. RP04-91-000 and RP05-104-000. As discussed below, the Commission approves the settlement.

**Background**

2. On November 28, 2003, Questar filed tariff sheets in Docket No. RP04-91-000 to implement its FGRP adjustment for 2004. The filing was protested by Dominion Exploration & Production, Inc., and Dominion Reserves – Utah, Inc. (Dominion), ConocoPhillips Company (Conoco), Indicated Shippers,<sup>1</sup> Westport Oil and Gas Company, L.P. (Westport) and UAE Intervention Group.<sup>2</sup>

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<sup>1</sup> The Indicated Shippers are BP Energy Company, BP American Production Company, and Chevron Texaco Natural Gas, a division of Chevron U.S.A. Inc.

<sup>2</sup> The UAE Intervention Group members are Alliant Aerospace Propulsion Company, American Pacific Corporation, Central Valley Water Reclamation District, Chevron Texaco ERTC, Hexcel Corporation, IHC Health Service, Inc., S F Phosphates, Swift & Company – Utah, Corporation, and Utah Association of Energy Users.

3. On December 31, 2003, the Commission issued an order conditionally accepting the tariff sheets to be effective January 1, 2004, subject to Questar responding to the protests by filing detailed explanations with supporting work papers addressing: (1) the increases in FGRP; (2) the appropriateness of including Kastler Plant fuel use and shrinkage in FGRP; and (3) a copy of the 2000 Arthur Anderson audit report, which arose from a settlement of an earlier fuel tracker filing. Questar was also directed to provide detailed information to determine whether the dramatic increase in L&U gas volumes was due to a single event, and whether the L&U gas volumes could be reduced through a single charge or correction.<sup>3</sup> On January 30, 2004, Questar made its supplemental filing as directed in the December 2003 Order, which filing was protested by Dominion, Conoco and Westport. In an effort to better understand the issues, staff proposed a technical conference, which was held on July 29, 2004.

4. On November 26, 2004, the Commission issued its order following technical conference and on rehearing of the December 2003 Order.<sup>4</sup> The November 2004 Order, among other things, directed Questar to credit to transportation customers revenues from the liquids processed from their gas at the Kastler Plant. On December 27, 2004, Questar made a filing to comply with the November 2004 Order. Indicated Shippers, Dominion, and Conoco filed protests. On December 27, 2004, Questar, Dominion, Conoco and Indicated Shippers filed requests for rehearing or clarification of the Commission's November 2004 Order.

5. On November 30, 2004, Questar filed tariff sheets in Docket No. RP05-104-000, to implement its annual FGRP adjustment for 2005, which was also protested. On December 30, 2004, the Commission issued an order that accepted and suspended Questar's 2005 FGRP adjustment filing to become effective January 1, 2005, subject to refund and the outcome of the proceedings in Docket No. RP04-91-000.<sup>5</sup> On December 31, 2004, Indicated Shippers filed a request for clarification and rehearing.

6. On June 17, 2005, Questar submitted an offer of settlement to resolve all outstanding issues in both dockets. No party opposes the settlement, although Dominion filed comments stating that while it does not oppose the settlement, it believes that the settlement fails to address some issues which it reserves the right to raise again upon the expiration of the settlement. Questar filed reply comments stressing that regardless of Dominion's comments Dominion does not oppose the settlement.

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<sup>3</sup> *Questar Pipeline Co.*, 105 FERC ¶ 61,405 (2003) (December 2003 Order).

<sup>4</sup> *Questar Pipeline Co.*, 109 FERC ¶ 61,226 (2004) (November 2004 Order).

<sup>5</sup> *Questar Pipeline Company*, 109 FERC ¶ 61,380 (2004) (December 2004 Order)

## Settlement

7. Article I provides the FGRP and liquid revenue credits for the period prior to June 1, 2005. Article II provides the liquid revenue credits from the period from June 1, 2005 through December 31, 2007. Article III provides the timing for filing revised tariff sheets.

8. Article IV provides that the settlement shall become effective and binding on the first day after the Commission order approving the settlement, as to all its terms and conditions without material modification. Article IV also provides that the Commission's order approving the settlement shall constitute: (1) a waiver of the Commission's Rules and Regulations, including 18 C.F.R. Part 154, Subpart C, to the extent necessary to effectuate all of the provisions of the settlement; (2) approval of the *pro forma* tariff sheets submitted with the settlement; (3) the final disposition of all issues in Docket Nos. RP04-91-000, *et al.* and RP05-104-000, *et al.*; and (4) the resolution of the specified issues in FGRP proceedings to calculate the FGRP for calendar years 2006 and 2007 that are disposed of by the settlement.

9. Article V provides that the settlement represents a negotiated resolution of all issues in these dockets, and, except as specifically provided in the settlement, (1) no party shall be deemed to have waived any claim or right as to matters not resolved therein; (2) no party shall be deemed to have accepted or consented to any policy or principle purposed to underlie the provisions of the settlement; and (3) the parties shall have the same rights under the Natural Gas Act that they would have had absent approval of the settlement.

10. The settlement submitted by Questar, is supported or not opposed by all parties to this proceeding. Accordingly, the Commission approves the uncontested settlement as fair and reasonable and in the public interest. The Commission's approval of this settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

11. Within 10 days after the settlement becomes effective, Questar shall file actual tariff sheets implementing the agreement consistent with the *pro forma* tariff sheets submitted with the settlement.

12. This order terminates Dockets RP04-91-000, *et al.*, and RP05-104-000, *et al.*

By the Commission.

( S E A L )

Linda Mitry,  
Deputy Secretary.