121 FERC ¶ 61,137
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

November 7, 2007

In Reply Refer To:
Questar Pipeline Company
Docket Nos. RP07-606-000
RP07-606-001

Questar Pipeline Company
180 East 100 South
P.O. Box 45360
Salt Lake City, Utah 84145

Attention: L. Bradley Burton - Manager, Federal Regulatory Affairs

Reference: Stipulation, Petition, and Revised Tariff Sheets

Dear Mr. Burton:

1. On August 23, 2007, as amended on August 31, 2007,[1] Questar Pipeline Company (Questar) filed revisions to its FERC Gas Tariff relating to fuel gas reimbursement for storage and gas conditioning services at Questar's Clay Basin Storage Reservoir (Clay Basin).[2] In addition, Questar submitted a *Stipulation and Agreement* (Stipulation) and the *Joint Petition of Questar Pipeline Company and Firm Customers for Approval of*

[1] Questar states that the tariff sheets filed August 23 under Docket No. RP07-606-000 were erroneously submitted as *pro forma* tariff sheets, and subsequently re-filed actual tariff sheets on August 31 in Docket No. RP07-606-001.

[2] Questar states that this filing reflects revisions to section 16 of Part 3 of the General Terms and Conditions to Questar's FERC Gas Tariff, First Revised Volume No. 1.

Stipulation and Agreement and Request for Expeditious Action (Petition). Questar's Stipulation and Petition are approved as fair and reasonable, and the tariff revisions are accepted effective January 1, 2008, in accordance with the terms of the Stipulation.

2. Questar's revised tariff sheets set out the methodology and provisions necessary to enable Questar to be reimbursed for its costs of conditioning natural gas to resolve the disparity between the cricondentherm hydrocarbon dew point (CHDP) of gas withdrawn at the Clay Basin and the CHDP requirements of those interstate pipelines either directly connected to or immediately downstream of Clay Basin. The gas conditioning costs arise from the re-functionalization of existing facilities, installation of new facilities and the operation of those facilities, as well as those costs associated with acquiring third-party conditioning services required to meet the CHDP requirements. Questar's revised tariff sheets provide for Questar to retain the net revenue from the sale of natural gas liquids resulting from the conditioning activities equal to the costs of the conditioning. Further, Questar states that costs would be recovered over a 20-year period extending to 2028, as set forth in section 16.4 of the proposed tariff sheets.

3. Questar states that Clay Basin was designed to receive gas from and deliver gas to Questar's and Northwest Pipeline Corporation's (Northwest) transmission systems. Questar states that currently Clay Basin shares the same CHDP standards with Questar's transmission system, which equates to a CHDP level of 35-degrees Fahrenheit. However, Questar asserts that Northwest and downstream pipelines operate with CHDP specifications currently at 15-degrees Fahrenheit, well below Clay Basin's specifications, and this impacts Clay Basin's ability to deliver gas to those pipelines.

4. In response to the changing CHDP standards, Questar states that it will utilize its existing Kastler Plant (Kastler) to condition 200 MDth to a 15-degree Fahrenheit CHDP. Questar notes, however, that this amount is still insufficient to meet the demand of 320 MDth per day. Thus, Questar states that additional conditioning and processing capacity is needed at Clay Basin and on Questar's transmission system.

5. Questar's Stipulation sets forth the terms and conditions negotiated by Questar and its firm storage customers (Firm Customers). Specifically: Article I provides for the refunctionalization of the existing Kastler processing plant, the construction of additional facilities, and the acquisition of additional processing, as necessary, to enable Questar to redeliver gas volumes with a 15-degree CHDP level beginning January 1, 2008. Article II provides for the recovery of the facilities, additional conditioning and operations costs through its storage rates. Article III provides the settlement rate structure will continue in future Questar rate proceedings; and Article IV provides for a January 1, 2008 effective date for implementing the tariff sheets. Further, the Stipulation will expire on April 30, 2028.

6. Notices of the subject filing and of the amended filing were issued on August 24, 2007 and September 5, 2007, respectively, with interventions and protests due on or before September 12, 2007. No comments were filed.

7. The Commission approves the subject Stipulation and Petition as fair and reasonable. The revised tariff sheets submitted in Docket No. RP07-606-001 are accepted effective January 1, 2008, as requested.

By direction of the Commission.

Kimberly D. Bose,
Secretary.