

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RP97-250-001]

NorAm Gas Transmission Company; Notice of Proposed Changes in FERC Gas Tariff

May 20, 1997.

Take notice that on May 15, 1997, NorAm Gas Transmission Company (NGT) tendered for filing as part of its FERC Gas Tariff, Fourth Revised Volume No. 1, the following revised tariff sheets to be effective May 1, 1997:

Second Revised Sheet No. 282
Substitute Original Sheet No. 282A

NGT states that the purpose of this filing is to comply with the order issued in this docket on April 30, 1997.

Any person desiring to protest said filing should file a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Section 385.211 of the Commission's Rules of Practice and Procedure. All such protests must be filed as provided in Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

Lois D. Cashell,
Secretary.

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. IN97-1-000]

Questar Pipeline Company; Order Instituting Proceeding

Issued May 9, 1997.

Before Commissioners: Elizabeth Anne Moler, Chair; Vicky A. Bailey, James J.

Hoecker, William L. Massey, and Donald F. Santa, Jr.

After completing a preliminary investigation under the Commission's Rules Relating to Investigations, 18 CFR Part 1b, the Enforcement Section, Office of the General Counsel (Enforcement), has reported to the Commission that from November 1, 1988 through September 30, 1992, Questar Pipeline Company (Questar) may have collected gathering rates from Mountain Fuel Supply Company (Mountain Fuel) that violate section 4(d) of the Natural Gas Act (NGA), 15 U.S.C. § 717c(d) (1994), and Questar's Federal Energy Regulatory Commission (FERC) tariff. The instant order establishes a proceeding, pursuant to sections 4, 5 and 16 of the NGA, 15 U.S.C. §§ 717c, 717d and 717o (1994).

As discussed below, the Commission is ordering Questar to show: (a) Why it has not violated section 4(d) of the NGA and its FERC tariff as a result of its gathering charges to Mountain Fuel from November 1, 1988 through September 30, 1992; and (b) why it should not refund (with interest running through the refund date) the portion of those gathering charges that exceeded the one-part gathering rates contained in the revisions to Sheet No. 8, Volume 3, of Questar's tariff that were in effect during that period.

A. Background

For a period including November 1, 1988 through September 30, 1992, Questar was an interstate pipeline engaged in the transportation and sale of natural gas in interstate commerce, and was located in Salt Lake City, Utah. Mountain Fuel was a local distribution company also located in Salt Lake City. Questar and Mountain Fuel were corporate affiliates.

Questar gathered and transported gas for Mountain Fuel. Volume No. 3 of Questar's FERC tariff contained Rate Schedule No. X-33 (RS X-33), which governed Questar's transportation for Mountain Fuel, and Sheet No. 8, which governed the transportation rates Questar charged under RS X-33. Questar periodically filed revisions to Sheet No. 8 with the Commission.

On September 9, 1988, Questar filed two tariff sheets with the Commission that included gathering rates. One of these was Tenth Revised Sheet No. 8, which set out a gathering rate of \$0.28941 per decatherm (Dth), to become effective November 1, 1988. The Commission accepted these sheets for filing on December 1, 1988. 45 FERC ¶ 61,447 (1988).

On April 17, 1989, Questar filed an offer of settlement in Docket No. RP88-93. Questar's offer included Substitute Tenth and Eleventh Revised Sheets No. 8, effective November 1, 1988 and January 1, 1989, respectively, both of which contained a gathering rate of \$0.23095/Dth. On October 6, 1989, the Commission approved Questar's settlement offer in Docket No. RP88-93, with modifications not relevant here. 49 FERC ¶ 61,018 (1989).¹ The settlement gathering rate of \$0.23095/Dth remained in effect through October 1991.

On July 24, 1992, Questar submitted a settlement offer in Docket No. RP91-140. The settlement offer included Third Substitute Seventh Revised Sheet No. 8 and Second Substitute Eighth Revised Sheet No. 8, effective November 1, 1991 and January 1, 1992, respectively, both of which included a "one-part" (commodity only, as opposed to demand and commodity) gathering rate of \$0.18296/Dth. The offer also included Ninth Revised Sheet No. 8, effective October 1, 1992, which contained a one-part gathering rate of \$0.32693/Dth.² The Utah Division of Public Utilities (UDPU), which regulated Mountain Fuel's retail rates in Utah, intervened in this docket and filed comments supporting the settlement. On November 3, 1992, the Commission approved the settlement. 61 FERC ¶ 61,180 (1992).

B. The Alleged Overcharges

Based on the information gathered in its investigation, Enforcement alleges that during the period from November 1, 1988 through September 30, 1992:

1. Questar's gathering rates to Mountain Fuel exceeded the gathering rates set out in the revisions to Sheet No. 8. The excessive rates, per decatherm, were as follows:

Months	Tariff rate	Charged rate	Excess rate
11-12/88	\$0.23095	\$0.27840	\$0.04745
01-12/8923095	.24580	.01485
01-12/9023095	.27940	.04845
01-10/9123095	.28064	.04969

¹ All citations to the FERC Reports are captioned *Questar Pipeline Co.* unless otherwise indicated.

² On August 12, 1992, Questar amended its settlement offer in ways not relevant here.