Mountain Fuel
A QUESTAR COMPANY

180 EAST 100 SOUTH P.O. BOX 45360 SALT LAKE CITY, UTAH 84145-0360 PHONE (801) 534-5768

ALAN K. ALLRED
DIRECTOR, RATES

RECEIVED
JUL 14 9 09 AM '97
UTAH PUBLIC SERVICE COMMISSION

July 10, 1997

REVIEWED BY COMMISSIONERS
7/22/97
CBW 7/28
7/8/97

Ms. Julie Orchard
Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84110

Dear Ms. Orchard:

Re: Mountain Fuel's Monthly Report of Intercompany Loan Activity as Required by the Commission in its Order in Case No. 85-057-09

Enclosed for filing with the Commission are three copies of forms showing Mountain Fuel Supply Company's intercompany loan activity in May. The forms show that Mountain Fuel has loaned Questar $0.00 as of May 31, 1997. Also enclosed are three copies each of the computation of the intercompany interest rates for June 1997.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,

Alan K. Allred

AKA/edz
Enclosures

MOUNTAIN FUEL SUPPLY COMPANY

INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

DATE OF LOAN	LENGTH OF NOTE	DATE OF REPAYMENT	INITIAL INTERCOMPANY INTEREST RATE	AMOUNT OF LOAN	CURRENT BALANCE
6/15/95	90 day	6/19		(2,700,000)	3,600,000
6/16/95	90 day	6/19/95	6.11	200,000	3,800,000
6/19/95		6/19,16,14		(3,800,000)	0
6/23/95	90 day		6.11	1,000,000	1,000,000
6/27/95	90 day		6.11	1,300,000	2,300,000
6/28/95	90 day		6.11	300,000	2,600,000
6/29/95		6/23,27,28		(2,600,000)	0

The intercompany interest rate calculation for the month of June, 1997 is shown below:

Market Borrowing Rate (1 month)	5.88%
Market Investment Rate (1 month)	5.60%
	11.48%
Intercompany Interest Rate (Average)	5.74%