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UTAH PUBLIC
SERVICE COMMISSION

MOUNTAIN FUEL SUPPLY COMPANY
180 EAST FIRST SOUTH • P.O. BOX 11368 • SALT LAKE CITY, UTAH 84139 • (801) 534-5284

JAMES L. BALTHASER
MANAGER
RATES AND GAS SUPPLY

January 15, 1986

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

Attention: Georgia Peterson

Gentlemen:

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 twenty copies of a form showing Mountain Fuel Supply Company's intercompany loan activity in December. It shows that Mountain Fuel has loaned Questar $38 million as of December 31, 1985. Also enclosed is a sheet showing the computation of the intercompany interest rate for January.

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

Sincerely,

James L. Balthaser

JLB/tj

Enclosures

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MOUNTAIN FUEL SUPPLY COMPANY

'86 INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

DATE OF LOAN	LENGTH OF NOTE	DATE OF REPAYMENT	INITIAL INTERCOMPANY INTEREST RATE	AMOUNT OF LOAN	CURRENT BALANCE
10/3/85	90 - days	12/24/85 - (11) 12/31/85 - (4)	8.23	15,000,000	15,000,000
10/10	90 days		8.23	28,000,000	43,000,000
10/30	90 days		8.23	6,000,000	49,000,000
12/24	Partial Payment of 10/3/85 Note			<11,000,000>	38,000,000
12/31	Partial Payment of 10/3/85 Note			<4,000,000>	34,000,000
12/31	90 - days		8.25	4,000,000	38,000,000

MOUNTAIN FUEL SUPPLY COMPANY
INTERCOMPANY INTEREST RATE

For Transactions Initiated During the Month of January, 1986

Market Borrowing Rate (60 days)	8.25
Market Investment Rate (60 days)	7.95
	16.20
Intercompany Interest Rate (Average)	8.10%