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

'85 DEC 13 P12:45
UTAH PUBLIC
SERVICE COMMISSION

December 13, 1985

Utah Public Service Commission
Heber M. Wells State Office Building
160 East 300 South
Fourth Floor
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 no Mountain Fuel Supply Company intercompany loan activity in November. It shows that Mountain Fuel has loaned Questar $49 million as of October 30, 1985. Also enclosed are two sheets showing the computation of the intercompany interest rate for November and December.

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

Sincerely,

James L. Balthaser

JLB/tj

Enclosures

MOUNTAIN FUEL SUPPLY COMPANY

INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

'85 DEC 13 P12:44

DATE OF LOAN	LENGTH OF NOTE	DATE OF REPAYMENT	INITIAL INTERCOMPANY INTEREST RATE	AMOUNT OF LOAN	CURRENT BALANCE
10/3/85	90 days		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

MOUNTAIN FUEL SUPPLY COMPANY
INTERCOMPANY INTEREST RATE

Calculation of Intercompany Interest Rate
November, 1985

Market Borrowing Rate (60 days)	8.58
Market Investment Rate (60 days)	7.95
	16.53
Intercompany Interest Rate (Average)	8.27%

MOUNTAIN FUEL SUPPLY COMPANY
INTERCOMPANY INTEREST RATE

Calculation of Intercompany Interest Rate
December, 1985

Market Borrowing Rate (60 days)	8.45
Market Investment Rate (60 days)	8.05
	16.50
Intercompany Interest Rate (Average)	8.25%