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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Questar
Gas Company for Approval of a Natural Gas
Processing Agreement

Docket No. 98-057-12

In the Matter of the Application of Questar
Gas to Adjust Rates for Natural Gas Service
in Utah

Docket No. 01-057-14

SPECIAL APPEARANCE AND
POSITION STATEMENT OF THE UAE
INTERVENTION GROUP

The UAE Intervention Group hereby files its Special Appearance and Position Statement in response to the Commission Order dated August 14, 2002 (“Order”) in these dockets.

The UAE Intervention Group (“UAE”) did not intervene in the above-referenced dockets, which involve Account 191 pass-through costs for sales customers of Questar Gas. UAE makes this special appearance in these dockets, without intervening or acknowledging jurisdiction, for the limited purpose of respectfully expressing its view that the Commission cannot properly or lawfully make decisions in these dockets that will affect the rates of transportation customers. The UAE submits that, before transportation customers’ rights or rates may properly be put at issue, reasonable notice must be provided, correct procedures must be followed, and affected parties must be given a

reasonable opportunity to participate from the start.

The Order purports to apportion to transportation customers some of the CO₂ removal costs incurred by Questar Gas between June 1999 and August 2000, which were at issue in these dockets and which were the subject of the Supreme Court remand. Transportation customers, however, were not parties to these dockets and the rates of transportation customers are not affected by adjustments to the 191 account. Moreover, nothing in the Supreme Court's remand order purports to give the Commission the right to affect rates other than through the 191 Account.

Perhaps in recognition of the due process and other significant concerns stemming from a retroactive allocation of costs to customers who are not affected by the 191 account and who are not parties to these dockets, the Order gives any "interested party" twenty days to schedule a hearing to try to "articulate why" the Commission "should not follow past precedent" and to "try to establish a record" to convince the Commission to change its mind. [Order at 15-16]. Also presumably in recognition of the fact that there is no mechanism in these two dockets to adjust transportation rates, the Order proposes to impose a surcharge on transportation rates in the context of the pending Questar Gas general rate case, Docket No. 02-057-02 ("Pending General Rate Case") [Order at 16].

The UAE respectfully declines to intervene, request a hearing, or attempt to develop a record to change the Commission's mind in these dockets. UAE respectfully submits that transportation rates cannot lawfully be changed in or as a result of these dockets and the UAE should not be put to the expense of intervening at this late date. Moreover, due process violations are not cured by affording a party an opportunity to try to change the Commission's mind after the fact. The Commission's "ample general power to fix rates" (Order at 3) does not trump due process rights or permit retroactive ratemaking.

The UAE submits that decisions that impact the rates of transportation customers cannot

properly be made in an account 191 docket or other docket that does not put transportation customers on notice that their rates may be affected. The UAE submits that all issues relating to transportation rates, including the possibility of a surcharge for 1999-2000 CO₂ removal costs, can and must be addressed in the context of the Pending General Rate Case or in another docket in which such rates are properly at issue. The UAE respectfully asks the Commission to defer consideration or determination of any issues that may affect transportation rates to the Pending General Rate Case.

DATED this 3rd day of September, 2002.

HATCH, JAMES & DODGE

Gary A. Dodge
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this 3rd day of September, 2002, to the following:

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