- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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| In the Matter of the Application of QUESTAR GAS COMPANY to adjust rates for natural gas service in Utah | DOCKET NOS. 01-057-14<br>AND 98-057-12<br>ORDER |

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ISSUED: August 14, 2002

By The Commission:

This docket is a consolidated docket of Docket No. 01-057-14 and No. 98-057-12. With respect to matters that arose in Docket No. 01-057-14, the parties have resolved them and there is no opposition to making final the interim rate reduction which was granted in our December 31, 2001 Order issued in the docket. Questar Gas Company (Questar or Company), the Division of Public Utilities (Division) and the Committee of Consumer Services (Committee) have presented a stipulation making limited tariff rate changes and adding language to Questar's tariff provisions concerning Account 191. The parties also propose modifications to some of the account descriptions associated with the regulatory accounting practices which Questar is to follow in the Account 191 process.

With respect to issues in Docket 98-057-12, one remains for our determination. Questar sought to recover, through the 191 Account procedure, costs associated with the operation of a Questar affiliate's plant which removed $CO_2$ from natural gas supplies delivered to Questar's distribution system. In a December 3, 1999 Order issued in Docket 98-057-12, we denied 191 Account recovery of such expenses, believing that they could not be recovered through the 191 Account process. We had always treated Account 191 through the statutory pass-through provision, U.C.A. §54-7-12(3)(d). We concluded that these costs should be recovered through either a general rate proceeding or what the Utah Supreme Court has identified as an "abbreviated proceeding." *See, Utah Dept. of Business Reg. v. Public Service Commission of Utah*, 614 P.2d 242 (1980).

Questar appealed our December 3, 1999 Order to the Utah Supreme Court. Pending that appeal, Questar filed a general rate case on December 22, 1999, Docket No. 99-057-20, seeking a revenue increase based on a number of causes, including recovery of the $CO_2$ plant expenses. In the general rate proceeding, we granted an interim rate increase of $7.065 million, effective January 1, 2000. In the general rate proceeding we also approved a stipulation ($CO_2$ Cost Stipulation), offered by Questar and the Division, but opposed by the Committee, which allowed recovery in general rates of up to $5 million of $CO_2$ plant expenses, each twelve months beginning June 1, 1999. Questar, the Division and industrial customers participating in the general rate proceeding also submitted a second stipulation (Rate Design Stipulation) that resolved numerous rate design issues arising in the general rate case. Parts of the Rate Design Stipulation resolved how $CO_2$ expenses would be recovered in the rates charged to various customer classes. Our final order in the general rate proceeding approved the two stipulations and became effective August 11, 2000. The Committee appealed the Commission decision allowing recovery and that appeal is still pending.

On October 23, 2001, the Utah Supreme Court issued its decision in the appeal of our December 3, 1999 Order in Docket No. 98-057-12. The Court set aside our order and remanded the case to us. The Court concluded that we erred in denying $CO_2$ plant expense recovery through the 191 Account process. The Court concluded that our 191 Account process and procedures are not constrained by the Utah pass-through statutory provisions, but represent "a separate rate-changing mechanism through which the Commission can set rates that are just, reasonable, and sufficient." *Questar Gas Co. v. Utah Public Service Commission*, 34 P.3d 218, 222 (Utah 2001). The Court's decision places our authority to change rates through the 191 Account process, in addition to changing rates in general rate proceedings and abbreviated proceedings, on our "ample general power to fix rates and establish accounting procedures." *Id.* We were directed to

consider recovery of $CO_2$ plant expenses through the 191 Account mechanism.

## STIPULATION CONCERNING TARIFF CHANGES

In the course of the parties' discussions/negotiations in these proceedings, they reached agreement on making adjustments for bad debt expense recovery in the portion of rates set through the 191 Account process and the portion set through the general rate case process. All parties agree that it is appropriate to use the 191 Account mechanism to recover the portion of bad debt that relates to commodity and supplier non-gas costs. They represent that the approach reflects a better match of the actual revenues and those costs. The parties maintain that as the 191 Account deals with commodity and supplier non-gas components, it is appropriate that the bad debt costs associated with these components be dealt with in the 191 Account as well, rather than the current practice of having all bad debt costs recovered through the general rate portion. The parties have proposed a reduction in general rates, equal to the commodity and supplier non-gas bad debt amounts, with a concomitant increase in the 191 Account portion of rates. Their stipulation provides the mechanism on how this change would be implemented and followed on a going-forward basis.

The parties' stipulation also includes their agreement concerning tariff language changes which are intended to reflect past Commission orders and actual 191 Account practice.

We will approve the stipulation with respect to recovery of bad debt. Since the 191 Account is not governed by the pass-through statute, we expect that the Division will continue to analyze the reasonableness of bad debt and propose normalization or other regulatory adjustments if necessary. We also approve the change in tariff language as an attempt to reflect regulatory practice. As we have stated before, accounting practice does not dictate regulatory policy. To that end, additional language should be added to the tariff changes. We have learned that while an expense or revenue item may be recorded in a Uniform System account, regulatory and public interest goals may require specific expense or revenue items to be alternatively recorded in other accounts associated with the 191 Account or general rate making processes or some combination of the two. The parties' proposed tariff language revisions attempt to capture this, but the effort is incomplete. On page 22 of Exhibit 1 attached to the stipulation, the parties have proposed language under a "191 Account Entries" heading which is intended to provide an opportunity for the regulatory process to accommodate new or unusual items accounted for in the 191 Account process. For the tariff language to accurately reflect the process, language should be added to note that all entries are essentially provisional until their inclusion and rate impact have been approved by the Commission. This is not limited to the two accounts identified in the proposed language change, nor to new accounts or first-time inclusion of "material" items. It is clear that the provisional nature applies to newly created accounts or items never before encountered. Until the Commission has reviewed and decided their regulatory treatment, consistent with the public interest, they may or may not be included in the 191 Account process, nor contribute to a rate change from that process, regardless of their accounting treatment. But this regulatory examination is not static. Circumstances may require that while a certain item or category of expenses or revenues was previously treated in one manner, a different regulatory treatment is subsequently required. Additional language should be added to the tariff to reflect that all entries are provisional and subject to Commission approval, prior to their inclusion in any rate change made through the 191 Account process. We will order that Questar make tariff revisions to reflect the stipulated changes and those indicated by our discussion herein.

We accept the parties' proposal to alter account descriptions associated with the 191 Account. We note, however, that the proposed account descriptions may not be consistent with our current rule relating to the Uniform System of Accounts to be used by natural gas utilities operating in Utah. *See,* Rule 746-320-7. The parties should review the proposed descriptions' consistency with the existing Uniform System. To the extent that our rule needs to be modified to permit use of the proposed descriptions, we direct Questar to propose rule amendments to implement the new account descriptions.

## RECOVERY OF $CO_2$ PLANT EXPENSES

### APPLICATION OF DOCKET NO. 99-057-20 TO $CO_2$ PLANT EXPENSES

As noted, the $CO_2$ Cost Stipulation and the Rate Design Stipulation submitted in the general rate case Docket No. 99-057-20, and our incorporation of their terms and conditions in our final order, allows recovery, through general rates, of

up to $5 million of $CO_2$ plant expenses during a twelve month June through May period. Pursuant to the stipulations and the general rate case's final order, Questar has clearly recovered the approved level of $CO_2$ expenses since August 11, 2000.[(1)] The question remains what recovery Questar may have for $CO_2$ plant expenses prior to August 11, 2000. Consistent with its position taken earlier in Docket No. 98-057-12 and No. 99-057-20, the Committee continues to advocate that no recovery for $CO_2$ plant expenses be allowed. We have not changed our conclusion that the terms of the rate case stipulations and our final order in that case represent a reasonable resolution of the issues associated with the recovery of these expenses. We will not reverse our prior determination and will continue to apply those terms to the recovery of $CO_2$ expenses incurred prior to August 11, 2000.

The Committee advances an additional rationale to disallow any additional recovery for $CO_2$ plant expenses by arguing that the $CO_2$ Cost Stipulation presented in Docket No. 99-027-20 should be construed as a compromise of past and future $CO_2$ plant expenses. From the Committee's view, the stipulation represents an agreement to accept a certain, future recovery of a $5 million capped amount for future $CO_2$ plant expenses in place of continued dispute and litigation for recovery of any actual past and future $CO_2$ plant expenses. Hence, the Committee argues that Questar has waived recovery for the time period prior to August 11, 2000.

We do not believe that the stipulation's language can be construed as a waiver of past $CO_2$ plant expenses. The language of the stipulation does not clearly represent a waiver on behalf of Questar. Witnesses for Questar and the Division testify that they participated in the negotiations leading to the rate case stipulation dealing with $CO_2$ plant expense recovery and the Committee's position is not consistent with the parties' intent. They note that the stipulation's terms begin application starting with June 1, 1999 when the $CO_2$ plant began operations. They also testify that questions concerning the application of the terms to $CO_2$ plant operations prior to the hearing on the stipulation were raised at the hearing. Testimony was then given that the stipulation's terms were to be applied to $CO_2$ plant expenses incurred prior to Commission acceptance of the stipulation. We reject the Committee's argument. The position taken by the Committee is not consistent with the intent of the parties to the stipulation. It is also inconsistent with the Commission's understanding in accepting the stipulation's resolution of the controversy concerning $CO_2$ plant expenses. We construe the stipulation as allowing recovery of a capped level of $CO_2$ plant expenses, beginning June 1, 1999, rather than as a compromise forgoing recovery of expenses incurred prior to the Commission's acceptance of the stipulation. This construction is consistent with our intended application of the terms when we incorporated them into our general rate case final order.

## IMPACT OF DOCKET NO. 99-057-20 INTERIM RATE INCREASE

In setting the amount of any additional $CO_2$ plant expense Questar may receive, beyond that already included in general rates, we must address the interplay of the $5 million cap and the interim rate increase which we granted in Docket No. 99-057-20. Evidence presented in these proceedings shows that Questar's actual $CO_2$ plant expenses incurred were $3.42 million from June 1, 1999 through December 31, 1999; $2.82 million from January 1, 2000 through May 31, 2000; and $1.44 million from June 1, 2000 through August 10, 2000. Questar argues that all of the $3.42 million for the June 1, 1999, through December 31, 1999 period should be recovered. To reflect the $5 million cap, Questar proposes to reduce the amount to be recovered for the January 1, 2000 through May 31, 2000 period from $2.82 million to $1.58 million ($3.42 plus $1.58 equals $5 million). Questar proposes to adjust the $1.44 million incurred June 1, 2000 through August 10, 2000 to $0.35 million, stating that the remaining $4.65 million balance of the $5 million cap ($5 minus $0.35 equals $4.65 million) was applied and recorded in the August 11, 2000 through May 31, 2001 period. Questar argues that none of the $7.065 million interim rate increase ordered in Docket No. 99-057-20 should be assumed to have recovered $CO_2$ plant expense during the period the interim rate increase was effective. Questar argues that there were sufficient, other bases accepted by the Commission in the final revenue increase determination, beyond the amount allowed for $CO_2$ plant expenses, that allow the interim increase to be completely attributed to these other bases. Questar's final calculation for additional $CO_2$ plant expense recovery is then $3.42 million for June 1, 1999 through December 31, 1999, $1.58 million for January 1, 2000 through May 31, 2000, and $0.35 million for June 1, 2000

through August 10, 2000, totaling $5.35 million.

In contrast to Questar's position, the Committee makes a completely opposite argument, resulting in a much more limited recovery of $2.9 million. The Committee argues, as an alternative if its arguments against any recovery are rejected, that Questar's motion and argument in support of the interim rate increase were predicated upon the recovery of an amount necessary to recoup $CO_2$ plant expenses. The Committee maintains that Questar has received interim revenues which completely cover the allowed $CO_2$ plant expenses incurred during the interim rate increase time period. The Committee essentially argues that since the $7.065 million interim rate increase exceeds the $5 million capped amount for $CO_2$ plant expenses, the interim award has fully compensated Questar for $CO_2$ plant expenses during the interim rate period from January 1, 2000 through August 10, 2000. The Committee then applies the $5 million cap for the June 1, 1999 through December 31, 1999 time period through a straight line, equal amortization, to allow recovery of $2.9 million (7 months from June through December divided by 12 months per capped recovery period times $5 million per capped recovery period equals $2.9 million).

The Division approaches the issue between the two extremes of Questar and the Committee. Relative to whether the interim rate increase contributed to any recovery of $CO_2$ plant expenses during the interim rate period, the Division witness believes that some recovery has occurred. He acknowledges that the two interpretations of Questar and the Committee are possible, but states that the ultimate determination of what recovery has occurred under the interim rate increase must be made by the Commission.

The Division's witness argues for a different cap on $CO_2$ plant expenses prior to the effective date of the interim rate increase. The Division presents two alternative limitations, applicable for the June 1 through December 31, 1999 period. First, the Division notes that the $5 million cap was justified, by the Division, as representing a 68 percent recovery of the $CO_2$ plant expenses originally requested by Questar. The Division views the operative aspect of the stipulation as being a 68 percent recovery, as opposed to a $5 million limitation. The Division witness argues that the 68 percent represents the "sharing percentage" to which the parties agreed and can be applied to the expenses incurred in the June 1 through December 31, 1999, time period. This results in a recoverable amount of approximately $2.3 million ($3.42 times 65 percent). Alternatively, the Division notes that the $5 million amount represents 80 percent of the actual expenses incurred. Again the Division states that a percentage limitation can be applied, rather than a strict dollar amount, and 80 percent of the June 1 through December 31, 1999 expenses, approximately $2.74, could be recovered.

In resolving the dispute, we must determine what the appropriate cap is on $CO_2$ plant expenses, how that cap is to be applied during a given period, and what, if any, $CO_2$ plant expenses were recovered during the interim rate period. We believe that the appropriate cap is not a percentage of $CO_2$ plant expenses, but an actual dollar cap. The language used in the stipulation describes dollar amounts, not percentages. Our acceptance of the stipulation terms and our understanding of them in incorporating the terms into our general rate case orders was based on a $5 million dollar cap per twelve month recovery period, to June 1, 2004.

We conclude that it is reasonable and appropriate, in resolving the controversy surrounding recovery of $CO_2$ plant expenses in this case, to apply the $5 million cap on an equal monthly basis through a 12 month recovery period. Questar provides limited explanation of the approach by which it applied the cap to its calculations. It simply modifies certain expense levels in order that they sum to a $5 million total, without further rationale on why the particular expenses in a given portion of the period should be modified.[(2)] We have rejected the Division's "shared percentage" cap, but implicit in the Division's position is an even distribution of a cap through a twelve month recovery period. The Committee's argument is also premised upon an equal distribution throughout a twelve month recovery period. The Commission has previously followed a simple, equal distribution through recovery periods when it has had to treat other expenses in this way for utilities under its jurisdiction. Applying the $5 million cap in equal monthly amounts results in the following distributions: $2.92 million for the June 1 through December 31, 1999 period; $2.08 million for the January 1 through May 31, 2000 period; and $0.97 million for the June 1, through August 10, 2000 period.

We must, however, modify the cap that this application makes for the June 1 through August 10, 2000, time period. Questar's witness testified that in Questar's application of the $5 million cap, Questar has already recorded and

recovered $4.65 million for $CO_2$ plant expenses during the August 11, 2000 through May 31, 2001 time period. Only $0.35 million can now be recorded during the June 1, 2000 through May 31, 2001 period without exceeding the $5 million twelve month cap. If we do not reduce the $0.97 million our methodology attributes for the June 1 to August 10, 2000 period to $0.35 million, Questar's $CO_2$ expense recovery would exceed the $5 million cap ($0.97 plus $4.65 million is greater than $5 million). Thus, we will limit $CO_2$ plant expenses recoverable during June 1 through December 31, 1999 to $2.92 million and January 1 through August 10, 2000 to $2.43 million ($2.08 plus $0.35 million equals $2.43 million).

We reject both Questar's and the Committee's arguments that the interim rate increase is, respectively, entirely unattributable or wholly attributable to $CO_2$ plant expenses. Our approach in granting the interim increase was to consider the then-existing situation of the Company. The deliberations for an interim rate change are not a mini-rate case. We do not parse the merits of individual expense or revenue areas of a utility's operations. Our consideration is based on the overall circumstances of the utility, not the individual specific issues which contribute to warrant the general rate proceeding.

Here, for perhaps the first time, we are asked to go back in time and determine the apportionment of interim rate changes to specific factors which contributed to the general rate proceeding, after interim rates have been granted. In this case, we conclude that it is appropriate to apportion the interim change in the same proportion which individual factors made to the final revenue requirement determination in the general rate case. The interim change is based on the overall circumstances of the utility and the final revenue requirement determination is also based on the overall circumstances of the utility, given the allowed factors determined to be appropriately included in setting a utility's revenue requirement. We will allocate the interim rate increase to $CO_2$ plant expenses in the same proportion which $CO_2$ plant expenses contributed to the increase ultimately determined appropriate in the general rate case. In Docket No. 99-057-20, we determined that Questar's revenue requirement should be increased by $13.5 million. Of that $13.5 million, we included $5 million for recovery of $CO_2$ plant expenses. Since the $CO_2$ plant expenses' proportion of the final award was 5/13.5, the $CO_2$ plant expenses' proper portion of the interim rate increase is 5/13.5 of the $7.065 interim increase awarded.

The $7.065 million amount for the interim increase was an annual amount. The interim increase, however, was not in place for an entire year. As Questar benefitted from the interim rate increase from January 1 through August 10, 2000, or seven and one-third months of the twelve months that would be included in an annual period, we calculate that it received 7.33/12 of the $7.065 million annual amount, or $4.3 million during the period interim rates were effective. Of the $4.3 million we deem Questar received during the interim period, 5/13.5, or $1.59 million, is for $CO_2$ plant expenses. The $1.59 million is less than the $2.43 million cap for the January 1 through August 10, 2000 interim period. Questar may recover an additional $0.84 million for $CO_2$ plant expenses incurred during the interim rate period ($2.43 million cap less $1.59 recovered in interim rates equals $0.84 million). The $0.84 million remaining to be recovered from the interim rate period is to be added to the amount recoverable prior to the interim rate period. We have previously concluded that $2.92 million of $CO_2$ plant expenses could be recovered under the cap for the June 1 through December 31, 1999 period. Questar's total amount of $CO_2$ plant expenses not previously recovered in interim rates and prior to their recovery through general rates, and consistent with the general rate case stipulation and orders, is then $3.76 million ($0.84 plus $2.92 million).

The parties presented the Rate Design Stipulation of the general rate proceeding, Docket No. 99-057-20, as a just and reasonable rate design by which Questar would have the opportunity to recover $CO_2$ plant expenses. It was approved and incorporated by the Commission in the general rate case's final order, which, but for the Committee's appeal, has been accepted by the parties and the Commission as establishing just and reasonable rates for customers of Questar. In this docket, we have submitted questions to the parties inquiring how 191 Account treatment of the additional $CO_2$ plant expenses we have determined herein to be recoverable, would be consistent with the Rate Design Stipulation and our rate design decisions made in the general rate case. Our questions are prompted by the fact that inclusion of these additional $CO_2$ plant expenses in the 191 Account would effect a recovery of these additional expenses in a different manner and with different contribution levels from the classes of customers which are currently providing for the

recovery of $CO_2$ plant expenses.

The Committee's response acknowledges that there is a conflict between 191 Account recovery and the current recovery method. The Division and Questar maintain that the Rate Design Stipulation did not directly address $CO_2$ plant expenses prior to those of the general rate case. They do not venture a persuasive explanation of how the potentially differing recovery mechanisms can be reconciled. Troubling is Questar's response that "[i]n view of the Supreme Court's opinion on the issue, [Questar] does not perceive any impediment to the use of the 191 Account; indeed, it appears to be required by that opinion." The Supreme Court's rationale, however, for its stated view of our rate making and rate changing ability is that of our "ample general power" and specifically notes that in setting any rates in any rate making proceedings, we are to follow the just and reasonable standard of Utah's utility law. *See, Questar Gas Co. v. Utah Public Service Commission, supra,* 34 P.3d, at 222-23.

In the general rate case, we exercised our ample general power, to recover $CO_2$ plant expenses, and set just and reasonable rates through a specific formula adjustment to general rates applicable to specific classes of customers. The parties argued and we concluded that the specified rate adjustments made in the general rate case were just and reasonable. In this case, it will be necessary to set a recovery mechanism for the additional $CO_2$ plant expenses as well. In relation to the $CO_2$ plant expenses involved in the general rate case and those of this case, there seemingly is no difference in the nature of the expenses, why they are incurred, nor how they are incurred by Questar under the same affiliate contract. To establish a means of recovering $CO_2$ plant expenses, in each case, we are called upon to exercise our general rate making power consistent with the just and reasonable standard of Utah law.

When applying our general rate making power, whether in a general rate case or in the 191 Account process, we are required to set rates to determine which classes of Questar customers should contribute revenues to provide an opportunity to recovery expenses and what level of contribution each class of customers should make toward the recovery of expenses. For the $CO_2$ plant expenses we have found to be recoverable in this docket, we are inclined to apply the same rate formula previously used in the general rate case. Although we believe we should follow our past rate making decision to recover the additional $CO_2$ plant expenses discussed in this order, we recognize that some interested parties have not had an opportunity to articulate why we should not follow past precedent. *See, Reaveley v. Public Service Commission,* 436 P.2d 797, 800 (Utah 1968). If an interested party wants to be heard, we will require it to contact the Commission Secretary to schedule a hearing. At the hear, parties may try to establish a record upon which we could conclude that the present just and reasonable rate structure, set to allow recovery of $CO_2$ plant expenses, should not be followed to allow recovery of the additional $CO_2$ plant expenses. If a request for a hearing is not made within twenty days from the date of this order, we will allow Questar to recover the additional $3.76 million of $CO_2$ plant expenses from the same classes of customers and in the same proportion as the rate design set in the general rate case Docket No. 99-057-20. For the classes of customers who are currently affected by the 191 Account process (GS, F1 and NGV rate schedules) we will permit Questar to recover these customers proportionate share through the 191 Account mechanism. For those customers who have not already contributed their additional share through the 191 Account mechanism, their proportionate share will be recovered through the rate changes which may be made in the current Questar general rate case, Docket No. 02-057-02. We anticipate that we will set a limited time period surcharge for these customers to recover their proportionate share of the additional $3.76 million of $CO_2$ plant expenses, but will provide parties an opportunity to explore alternative mechanisms at the hearings in that docket.

## ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. Questar shall file revised tariffs to reflect the proposed tariff changes required by our approval of the parties' stipulation. The Division shall review the proposed tariff changes for compliance with this order. The Division shall continue to analyze Questar's bad debt to ensure its reasonableness and propose normalization or any other regulatory adjustments, as necessary to ensure that rates are just and reasonable. After the Commission's review of Account 191, to begin August 20. 2002, further tariff changes may be required.

2. Questar shall submit a proposed amendment to Rule 746-320-7, to the extent the rule needs modification, to implement the accepted account descriptions.

3. Questar may recover $3.76 million for $CO_2$ plant expenses incurred for the June 1, 1999 through August 10, 2000 time period.

4. As discussed in this order, unless further hearing is requested by an interested party within twenty days from the date of issuance of this order, Questar may recover the proportionate share of additional $CO_2$ plant expenses from customers served on the GS, F1 and NGV schedules through the revenues these customer classes have already contributed through the 191 Account. Any other customer class(es) shall contribute a proportionate share through future rates set in Docket 02-057-02.

5. Questar shall submit to the Commission and provide to other parties a calculation of, with explanatory and supporting material, the total amount of the additional $CO_2$ plant expenses, including interest, and the proportionate share of this total amount for each class, consistent with our discussion in this order. The Division shall, and other parties may, review Questar's calculations and submit comments thereon to the Commission within 20 days from submission of the calculations. If no objections are received by the Commission, Questar's calculations will be accepted as the final, correct calculations and Questar may reflect appropriate adjustments in the 191 Account without further order from the Commission.

DATED at Salt Lake City, Utah, this 14th day of August, 2002.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner Attest:

/s/ Julie Orchard
Commission Secretary

G#30465 (Docket No. 01-057-14)

G#30464(Docket No. 98-057-12)

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1. We acknowledge the Committee's dispute with and appeal of our conclusion that the terms represent an appropriate resolution of Questar's incurrence and recovery of $CO_2$ plant expenses. Until the Utah Supreme Court concludes that this resolution is in error, we will continue to follow our prior determination.

2. Questar modifies the expenses incurred during the later half of the June 1999 through May 2000 time period, simply to sum the full twelve month period to $5 million, given the expenses noted for the first seven months. In the next time period, Questar modifies the expenses incurred during the first two and one third months of that period, rather than making an adjustment during the later portion of the period, stating simply that this modification is needed to sum the expenses to $5 million for this twelve month time period. It provides no explanation of why an adjustment is appropriate during the first part of one period, but adjusting the first part of another period is not similarly appropriate. Nor, does it explain why it is appropriate to adjust the later portion of one period, but not make an adjustment in the later portion of another period.