

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company for a General Increase in Rates)
and Charges)

DOCKET NO. 02-057-02
ORDER ON TEST YEAR

ISSUED: May 31, 2002

By The Commission:

In this docket, Questar Gas Company (Questar or Company) has proposed a test year to be used in the consideration of Questar's Application. Questar's approach in developing data for its proposed test year varies from the historical test year approach used by the Commission in past general rate cases of Questar and other large utilities operating in Utah. In a prior docket, No. 95-057-02, we had indicated that we would address test year issues early on in general rate case proceedings. The Commission set a hearing for May 28, 2002, to address test year issues in this docket. At the May 28th hearing, Questar appeared through counsel Gary G. Sackett of the law firm JONES WALDO HOLBROOK & McDONOUGH PC, and Jon Duke and presented testimony of Alan Allred; the Division of Public Utilities appeared through counsel Michael Ginsberg, Assistant Attorney General, and presented testimony of Judith Johnson; and the Committee of Consumer Services appeared through counsel Reed Warnick, Assistant Attorney General, and presented testimony of Dan Gimble.

From the testimony presented at the May 28th hearing, it is clear that, with the possible exception of Questar, the parties (and other interested participants) have not had sufficient time to prepare adequate analysis comparing Questar's proposed test year with an historical test year. Nor are the parties in a position to present evidence to assist the Commission in selecting, at this time, a specific test year to be used in these proceedings, whether that be the test year proposed by Questar, some modified version of Questar's proposed test year, a historical test year based on 2001 operations, or some entirely different test year.

Although we still believe that there are benefits in resolving what is the appropriate test year to be used in a general rate case prior to hearings on revenue requirements and rate design, we conclude that we can't make that determination based on the record developed at the May 28th hearing. We will defer the determination of the appropriate test year to the October hearings in order to give the participants an opportunity to obtain evidence and develop their positions on what the appropriate test year and adjustments to it should be.

DATED at Salt Lake City, Utah, this 31st day of May, 2002.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

G#29654