

**Division of Public Utilities  
QGC Results of Operations December 2002  
Revenues - New Customers**

Exhibit No. DPU 4.1  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

	<b>Utah</b>
<b>Adjustment to Revenues:</b>	<u>(000)</u>
DNG Revenues	148

**Description of Adjustment:**

This adjustment includes revenues from three new 2002 customers which were not included in the original filing.

Source Information: CCS Data Request No. 17.15



	<b>Utah</b> <u>(000)</u>
<b>Adjustment to Revenues:</b>	
DNG Revenues	944

**Description of Adjustment:**

Based on recent information, this adjustment restores Geneva Steel revenues on the basis of average Dths (12.8 million) for the years 1999 and 2000 as a Schedule FT-1 customer.

**Division of Public Utilities**  
**QGC Results of Operations December 2002**  
**Revenues - Change in Rate Schedules**

Exhibit No. DPU 4.4  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

**Adjustment to Revenues:**

**Utah**  
(000)

DNG Revenues

88

**Description of Adjustment:**

This adjustment reflects a change in rate schedules for certain transportation customers (Schedule FT2) who no longer satisfy the 50% load factor requirement.

Source Information: DPU Data Request No. 22.1

**Division of Public Utilities**  
**QGC Results of Operations December 2002**  
**Revenues - Net gains on Property Sales**

Exhibit No. DPU 4.5  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

**Utah**  
**(000)**

**Adjustment to Revenues:**

Other Revenues 310

**Adjustment to Expenses:**

Depreciation (158)

**Adjustment to Expenses:**

Plant in Service (4,218)

<b>Summary of Net Gains 2001/2002</b>	
Richfield Office	23,200
GN Vernal	(38,776)
Cedar City Service Center	(334,620)
Silver Creek - Park City	719,913
Backhoe Dispositions	476,815
Other	83,637
<b>DPU Adjustment - Net Gains</b>	<b>930,169/3yrs = 310,056</b>

**Description of Adjustments:**

This adjustment includes the net gains from the sale of various properties and equipment in the 2001 and 2002 time frame. The Division proposes that the gains be amortized over three years. In addition, the adjustments related to depreciation expense and year-end rate base relate to prior property sales that were still being depreciated and included in year-end 2001 rate base.

Source Information: DPU Data Requests Nos. 10.15U, 13.2

**Division of Public Utilities**  
**QGC Results of Operations December 2002**  
**Expenses - Uncollectible Accounts**

Exhibit No. DPU 4.6  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

**Utah**  
**(000)**

Acct.

**Adjustment to Expenses:**

Customer Accounts

904

(425)

**Uncollectible Accounts Calculation**

Utah DNG Revenues 207,453,997

Revenue Factor	<u>.007</u>
DPU Uncollectible Accounts - 2002	1,452,178
QGC Uncollectible Accounts - 2002	<u>1,876,569</u>
<b>DPU Adjustment</b>	<b>424,391</b>

**Description of Adjustment:**

This adjustment lowers QGC's 0.9% of revenues for uncollectible accounts to 0.7% of revenues, which is more in line with the other major utility providing service in Utah to generally the same customers.

**Division of Public Utilities  
QGC Results of Operations December 2002  
Income Taxes - Section 29 Tax Credits**

Exhibit No. DPU 4.7  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

**System  
Total  
(000)**

**Adjustment to Income Taxes:**

Section 29 Tax Credits

(1,735)

**Description of Adjustment:**

This adjustment restores the Section 29 Tax Credits removed by QGC. Although the credit does expire at the end of 2002, Congress is currently considering a possible extension. If Congress does extend the credit it may be modified to some degree. In any event, whatever Congress may come up with by the end of 2002 should be reflected in the current case in place of the above adjustment. If Congress does nothing by year-end 2002, then the above adjustment should be eliminated.

Source Information: DPU Data Request No. 5.4

**Division of Public Utilities**  
**QGC Results of Operations December 2002**  
**Rate Base - 2002 Capital Budget Revisions**  
**(New Customer Plant and Expenses)**

Exhibit No. DPU 4.8  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

	<u>Acct.</u>	<b>System Total</b> <u>(000)</u>
<b>Adjustment for Rate Base Reductions:</b>		
Accumulated Depreciation	108	41

Accumulated Deferred Taxes	282	378
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**Adjustment to Expenses:**

Depreciation Expense	403	(41)
Taxes Other	408	81
Office Supplies & Expenses	921	(458)

**Description of Adjustment:**

This adjustment relates to 2002 capital budget revisions (new customers plant) which were not included in the original filing. The above adjustments result from calculating the differences between Gary Robinson’s original Exhibit QGC 4.6 (Page 2B) and his updated exhibit. Testimony will be provided by Mr. Ron Burrup (DPU) in regards to the adjustment relating to Office Supplies & Expenses ( 12 new employees).

Source Information: DPU Data Request No. 10.3

**Division of Public Utilities**  
**QGC Results of Operations December 2002**  
**Rate Base - 2002 Capital Budget Revisions**  
**(Other Additional Plant and Expenses)**

Exhibit No. DPU 4.9  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

	<u>Acct.</u>	<b>System Total (000)</b>
<b>Adjustment for Rate Base Additions:</b>		
Gas Plant in Service	101	(17,669)



**Adjustment for Rate Base Reductions:**

Accumulated Depreciation	108	4,657
Accumulated Deferred Taxes	282	1,345

**Adjustment to Expenses:**

Depreciation Expense	403	461
Taxes Other	408	(81)

**Description of Adjustment:**

This adjustment relates to 2002 capital budget revisions (other plant) which were not included in the original filing. The above adjustments result from calculating the differences between Gary Robinson's original Exhibit QGC 4.6 (Page 4) and his updated exhibit.  
Source Information: DPU Data Request No. 10.3

**Division of Public Utilities  
QGC Results of Operations December 2002  
Rate Base - Depreciation Expense**

Exhibit No. DPU 4.10  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

	<u>Acct.</u>	<b>System Total</b> <u>(000)</u>
<b>Adjustment to Expenses:</b>		
Depreciation	403	(1,449)

**Adjustment to Rate Base:**

Accumulated Depreciation	108	1,449
Accumulated Deferred Taxes	282	(551)

**Description of Adjustment:**

This adjustment reduces depreciation expense from \$42.217 million to \$40.768 million. It is based on a composite rate of 3.5% applied to the year-end adjusted gas plant in service of \$1,164,803,000.

Source Information: DPU Data Request No. 10.3

**Division of Public Utilities  
QGC Results of Operations December 2002  
Revenues - Customer Usage**

Exhibit No. DPU 4.2.1  
PSCU Case No. 02-057-02  
Witness: Thomas F. Peel

**Pricing**

<u>Season Pct.</u>		<u>Units (Dth)</u>	<u>Rate \$</u>	<u>DPU</u>
<b>Winter</b>				
Blk #1	0.795	338,095	2.00986	\$679,523
Blk #2	0.205	<u>87,182</u>	0.87609	<u>76,379</u>
	0.704	425,277		\$755,902

<b>Summer</b>				
Blk #1	0.865	154,670	1.70401	\$263,560
Blk #2	0.135	<u>24,139</u>	0.67736	<u>16,351</u>
	0.296	178,809		\$279,911
	Total	604,086		\$1,035,813
			rounded	<b>\$1,036,000</b>

**Division of Public Utilities  
 QGC Results of Operations December 2002  
 Revenues - Gadsby/West Valley City  
 Usage Adjustments**

Exhibit No. DPU 4.11  
 PSCU Case No. 02-057-02  
 Witness: Thomas F. Peel

	<u>Acct.</u>	<b>Utah</b> <u>(000)</u>
<b>Adjustment to Revenues:</b>		
DNG Revenues		226

**Description of Adjustment:**

In the original filing, the 2002 Gadsby usage was over-estimated and the West Valley City usage was under-estimated. The net effect of the revised projections is an increase in revenues of \$226,415.

Source Information: CCS Data Request Nos. 17.13 and 17.14