

**QUESTAR GAS CO₂-REMOVAL CASE
EXPANDED TIMELINE**

- 1990s
Questar Gas Company (Questar Gas) experiences a gradual decline in Btu content of gas delivered from interstate pipelines.
- 1997-1998
It became apparent that Price area coal-seam gas production will increase to the point that blending limit will be exceeded. Questar Gas must decide how to deal with customer safety.
- January 1998
First meeting between Questar Gas, the Utah Public Service Commission (Commission), Division of Public Utilities (Division) and Committee of Consumer Services (Committee), discussing declining Btu problem and discussing necessity to have appliances adjusted. CO₂ removal solution had not yet been tested and proven.
- March-August 1998
Series of meetings between Questar Gas and Commission, Division and Committee to discuss the CO₂ removal option that had been proven.
- May 1, 1998
Commission approves revised heat-content range.
- November 25, 1998
Questar Gas and Questar Transportation Services Company sign CO₂ Processing Agreement. Questar Gas files Account 191 application (Docket No. 98-057-12) seeking approval of CO₂ Processing Agreement and inclusion of costs in Account 191.
- Fall 1998-June 1999
CO₂ plant built and placed in service in time to deal with rising volume of coal-seam gas.
- December 3, 1999
Commission denies recovery of processing costs in the 191 Account in Docket No. 98-057-12. The Commission indicates other mechanisms for cost recovery such as a general rate case. The Commission did not decide prudence of costs incurred under the CO₂ Processing Agreement.
- December 17, 1999
Questar Gas files a general rate case (Docket No. 99-057-20) and an emergency motion for interim relief.
- January 25, 2000
Commission grants motion for interim relief in Docket No. 99-057-20.

- **December 1999-January 2000**
Questar Gas requests rehearing of Commission order in Docket No. 98-057-12 and appeals the decision to not allow pass through coverage to Utah Supreme Court.
- **June 2, 2000**
Stipulation filed between Division and Questar Gas allowing \$5 million per year of CO₂ removal costs in rates set in Docket No. 99-057-20 and up to \$5 million per year for five years.
- **June 6, 2000**
Division, Questar Gas, Large Customer Group and Industrial Gas Users file Rate Design Stipulation in Docket No. 99-057-20. Based on Rate Design Stipulation Large Customer Group and Industrial Gas Users withdraw opposition to CO₂ removal cost recovery.
- **August 11, 2000**
Commission issues decision in Docket No. 99-057-20 accepting the CO₂ Stipulation without ruling on prudence of costs incurred under the CO₂ Processing Agreement.
- **October 7, 2000**
Committee appeals Commission order in Docket No. 99-057-20 approving the CO₂ Stipulation.
- **October 23, 2001**
Utah Supreme Court reverses Commission Order in Docket No. 98-057-12 allowing for potential recovery of CO₂ removal costs in the 191 account.
- **December 14, 2001**
Questar Gas files Account 191 application (Docket No. 01-057-14) seeking, among other things, recovery of CO₂ removal costs. Case later consolidated with Docket No. 98-057-12 on remand.
- **May 3, 2002**
Questar Gas files general rate case (Docket No. 02-057-02).
- **August 14, 2002**
Commission issues order in Docket Nos. 01-057-14 and 98-057-12 granting recovery of \$3.76 million of CO₂ removal costs incurred before the effective date of the order in Docket No. 99-057-20 (August 11, 2000) and not recovered in interim rates.
- **October 7, 2002**
Committee appeals order in Docket Nos. 01-057-14 and 98-057-12. The appeal is later consolidated with the appeal of order in Docket No. 99-057-20.
- **December 30, 2002**
Commission issues order in Docket No. 02-057-02. A stipulation (joined in by the Committee) is accepted allowing future recovery of CO₂ removal costs through Account 191. No party appealed order.

- **May 30, 2003**
Questar Gas files Account 191 application (Docket No. 03-057-05) using a test period from July '03 – June '04 that asked for, among other things, recovery of \$5 million in CO₂ removal costs.
- **July 1, 2003**
Commission issues order in Docket No. 03-057-05 allowing Questar Gas application to take effect on an interim basis
- **August 1, 2003**
Utah Supreme Court reverses the Commission's Order in Docket No. 99-057-20 that approved the CO₂ Stipulation allowing recovery of \$5 million a year of CO₂ removal costs.
- **August 8, 2003**
Committee files petition in Docket No. 03-057-05 seeking reduction in rates and refund of CO₂ removal costs collected to date.
- **August 26, 2003**
Commission issues Scheduling Order in Docket Nos. 98-057-12, 99-057-20, 01-057-14 and 03-057-05 setting schedule for briefs on the issue of whether the Commission has jurisdiction to address recovery of CO₂ removal costs or must immediately order a rate change and refund after the August 1, 2003 Utah Supreme Court decision.
- **September 4, 2003**
Questar Gas files Account 191 application (Docket No. 03-057-10) seeking, among other things, full recovery of ongoing CO₂ removal costs, but leaving amount at \$5 million on an interim basis.
- **September 25, 2003**
Questar Gas, Division and Committee file Stipulation allowing for inclusion of \$5 million in rates pending the resolution of this issue by the Commission.
- **December 11, 2003**
Parties presented oral argument in support of their positions on whether the Commission has or has yet to determine prudence and responded to questions from the Commission.
- **December 17, 2003**
Commission issues its Order (2003 Order), concluding that it “ha[d] not yet put Questar [Gas] to its burden of proof that its decisions were prudent and rates including some, if any, recovery of processing costs are just and reasonable.”
- **January 21, 2004**
Committee petitions the Utah Supreme Court for Extraordinary Relief.
- **March 22, 2004**
Court denies the Committee's petition.
- **May 27, 2004**
The parties marshal the evidence and present further argument and citations to evidence and respond to questions at a Commission hearing.

- **August 30, 2004**
Commission determines Questar Gas failed to meet its burden of proving it acted prudently. Commission rejects the CO₂ Stipulation and denies recovery of CO₂ removal costs.
- September 1, 2004
Questar Gas stops collecting from customers any CO₂ removal costs.
- September 20, 2004
Commission issues Order directing the Company to refund past CO₂ removal costs to customers over a 12-month period.
- October 1, 2004
Company begins refunding \$29,000,000 (total collected in rates plus interest).
- October 13, 2004
Technical Conference on Gas Quality, Interchangeability and Safety.
- **October 20, 2004**
Commission clarifies its August 2004 Order stating that Questar is not precluded from seeking recovery of CO₂ removal costs in other dockets ... whether incurred pre- or post-May 2004, in whatever dockets Questar may raise the issue.
- October 21, 2004
Technical Conference on Gas Quality Issues at the FERC and the Decision Making Process.
- November 12, 2004
Technical Conference discussing 14 alternatives for managing the heat content of gas.
- November 23, 2004
Technical Conference on the Green Sticker Program.
- December 3, 2004
Technical Conference narrowing the alternatives for managing the heat content of gas to three preferred alternatives.
- January 19, 2005
Technical Conference providing an in-depth analysis of the three preferred alternatives.
- **January 31, 2005**
Questar Gas files Docket No. 05-057-01 seeking ongoing cost coverage for managing heat content of gas to customers and seeks a hearing to recover certain past costs for managing the heat content of gas.
- February 1, 2005
Technical conference discussing the pending Green Sticker, Btu/Altitude Adjustment Accord.