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*Attorneys for Questar Gas Company*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Joint Application of Questar Gas Company, the Division of Public Utilities, and Utah Clean Energy for the Approval of the Conservation Enabling Tariff Adjustment Option and Accounting Orders

Docket No. 05-057-T01

**RESPONSE OF QUESTAR GAS IN  
OPPOSITION TO REQUEST OF ROGER  
BALL FOR INTERIM RATE RELIEF**

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Questar Gas Company (“Questar Gas” or the “Company”), pursuant to the Second Amended Scheduling Order issued by the Commission in this matter on March 2, 2006 (“Scheduling Order”), hereby responds to the “Argument of Roger Ball in Support of His Request for an Interim Rate Decrease” (“Ball Argument”) dated March 31, 2006.<sup>1</sup> The Ball

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<sup>1</sup> The Committee of Consumer Services (“Committee”) filed the “Utah Committee of Consumer Services Request to Amend Response and Memorandum in Support of Rate Decrease” (“Committee

Argument does not meet the burden necessary for the Commission to order an interim rate reduction.

## I. INTRODUCTION

### A. PROCEDURAL BACKGROUND

The “Joint Application of Questar Gas Company, the Division of Public Utilities and Utah Clean Energy for the Approval of the Conservation Enabling Tariff Adjustment Option and Accounting Orders” (“Application”) was filed in this docket on December 16, 2005. The Application seeks approval of the Conservation Enabling Tariff and Demand Side Management during a three-year pilot program (“Pilot Program”) and an associated \$10.2 million rate reduction and issuance of related accounting orders. The Application was the culmination of three years of work on these issues by task forces established in Docket No. 02-057-02 involving Questar Gas, the Utah Division of Public Utilities (“Division”) and Utah Clean Energy (collectively “Joint Applicants”), the Committee, industrial customers and other interested persons. The primary purposes of the Application were to align the interests of the Company, its customers, regulators and other interested persons in promoting effective energy efficiency programs to save energy and reduce customer costs and to allow customers to realize a modest rate decrease made possible as a result of this alignment at a time of unprecedented high gas prices.

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Memorandum”) and “Direct Testimony of Jacob Pous for Committee of Consumer Services” (“Pous Testimony”), and Salt Lake Community Action Program (“SLCAP”) filed the Direct Testimony of Elizabeth Wolf (“Wolf Testimony”) on the same day the Ball Argument was filed. Although Questar Gas did not understand the Committee Memorandum to seek interim rate relief and thus does not believe a response to the Committee Memorandum would have been required at this time in any event, in light of productive settlement discussions the Company, the Committee and SLCAP, among others, have held, Questar Gas does not think it necessary or appropriate to respond to the Committee Memorandum or the Wolf Testimony at this time. In the event a response to the Committee Memorandum or Wolf Testimony becomes necessary in the future, the Company will work with the Committee, SLCAP and the Commission to determine an appropriate response timeframe.

On January 3, 2006 pursuant to notice, a scheduling conference was held at which a technical conference and testimony filing were scheduled for January 13 and a hearing was scheduled for January 18.

On January 12, 2006, in response to questions from the Committee and other interested persons, a workshop was held. Based on that workshop, the Joint Applicants determined that an additional technical conference would be of assistance in increasing the understanding of the Application by parties and interested persons. Accordingly, on January 13, 2006, the Joint Applicants requested and the Commission ordered a change in the schedule to permit an additional technical conference on January 20 and to set testimony filing dates for January 23 and January 31 and a hearing for February 3.

Technical conferences were held on January 13 on Demand Side Management and on January 20 on the Conservation Enabling Tariff, the proposed rate reduction and other aspects of the Application. Joint Applicants filed testimony on January 23. Beginning with the Application and continuing through the workshop, the technical conferences and the testimony filed, Joint Applicants have made it clear that the rate reduction proposed in the Application is contingent on approval of the tariff changes and issuance of the accounting orders requested in the Application.

No party filed responsive testimony on January 31. However, on January 31, the Committee filed a memorandum requesting that further proceedings in the matter be stayed and that the hearing on February 3 be changed from an evidentiary hearing on the Application to a scheduling conference to provide additional time for the Committee to study the issues presented by the Application. The Committee memorandum also suggested that the \$10.2 million rate reduction proposed as part of the Application be implemented on an interim basis without

approval of the other aspects of the Application. On the same day, the Utah Association of Energy Users (“UAE”) petitioned to intervene in the docket.

On February 2, 2006, Joint Applicants filed a response to the January 31 memorandum of the Committee and the petition of UAE to intervene. Joint Applicants did not oppose the request of the Committee that the hearing on February 3 be changed from an evidentiary hearing to a scheduling conference, but opposed the suggestion of the Committee that an interim rate reduction be imposed. Joint Applicants did not oppose the intervention of UAE.

Also on February 2, 2006, the Committee filed a response to the Application (“Committee Response”), the Utah Industrial Gas Users (“IGU”) filed comments and Roger Ball filed a “Request to Intervene” and “Request for a Stay of Proceedings, an Interim Rate Decrease, Conversion to a General Rate Case, and a Disclosure Order” (“Ball Request”). The Committee Response (1) reasserted the Committee’s request for an interim rate reduction, but noted that it was limited to the portion of the rate change that would result from adoption of the new depreciation methodology proposed in the Application,<sup>2</sup> (2) requested that the Commission order the parties to design and implement a three-year pilot program adopting utility-sponsored demand-side management and conservation programs<sup>3</sup> and (3) requested that the Commission order further examination of mechanisms for removing the link between the Company’s retail sales and its non-gas distribution expenses and revenues.<sup>4</sup> In addition, the Committee Response raised procedural objections to the Application to preserve objections based on the Committee’s understanding that the February 3 hearing would still be an evidentiary hearing on the

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<sup>2</sup> Committee Response at 4, 6.

<sup>3</sup> *Id.* at 8.

<sup>4</sup> *Id.* at 10.

Application.<sup>5</sup> Among the procedural objections raised, the Committee argued that the Application was not proper because it was not made in the context of a general rate case.<sup>6</sup>

The Ball Request commented on various aspects of the Application and technical conferences and supported what it characterized as the Committee's request that the Commission stay further proceedings, implement a \$10.2 million rate reduction on an interim basis and convert the February 3 hearing to a scheduling conference for a general rate case.<sup>7</sup> The Ball Request also requested "that the Commission order Questar [Gas] to provide all parties to [the docket] with all the actual and projected data they will require to conduct a comprehensive review of the [] Company's expenses, investments and revenues, and access to all of its books and records" ("Disclosure Order").<sup>8</sup>

At the scheduling conference on February 3, 2006, the parties agreed on a schedule and procedures to govern proceedings in this matter. The schedule and procedures were memorialized in the Scheduling Order. Among other things, the Scheduling Order provided that parties advocating an interim rate reduction would file testimony and argument in support of their request by March 31, 2006, that rebuttal testimony and argument would be filed by April 21,<sup>9</sup> that surrebuttal testimony and argument would be filed by May 5 and that a hearing on the

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<sup>5</sup> *Id.* at 11.

<sup>6</sup> *Id.* at 17.

<sup>7</sup> Request at 5 ¶ 16.

<sup>8</sup> *Id.* at ¶ 18.

<sup>9</sup> In order to facilitate settlement discussions, the parties reached a consensus agreement that it was not necessary to file legal argument in response to the March 31 filings regarding interim relief. This agreement was memorialized in a letter submitted by the Committee to the Commission Secretary on April 20, 2006. Thereafter, in a settlement meeting on April 24, Mr. Ball asked what would happen if agreement was not reached with regard to responding to his filing. The parties agreed that if agreement had not been reached by April 28, responses would be filed by that date. Although the majority of parties have reached an agreement that is in the process of documentation, this response is submitted consistent with the parties' consensus agreement.

requests for interim rate relief would be held on May 17. With respect to the Application, the Scheduling Order provides that rebuttal testimony would be filed by May 15, surrebuttal testimony would be filed by June 16 and hearings would be held on June 26-28.

The Commission entered its Order Granting Intervention to Mr. Ball on February 21, 2006. On March 8, 2006, Questar Gas filed its “Response of Questar Gas Company in Opposition to February 2, 2006 Request of Roger J. Ball.” This filing noted that much of the relief sought in the Ball Request was moot in light of the conversion of the hearing on February 3 from an evidentiary hearing on the Application to a scheduling conference. It also noted that although Mr. Ball misunderstood the Committee’s position, Questar Gas was not required to respond to his request for interim rate relief until April 21. Finally, to the extent the Ball Request sought conversion of this proceeding to a general rate case, the response noted that Mr. Ball had provided no basis for the Commission to grant this relief and that the request for the Disclosure Order is contrary to statutes and the public interest.

On March 31, Mr. Ball filed the Ball Argument seeking interim rate relief. The Ball Argument consists of selections from various pleadings and testimony in an argument seeking to demonstrate that the evidence already filed by Joint Applicants establishes that the \$10.2 million rate decrease included as part of the Application is just and reasonable without the accompanying tariff changes and accounting orders.

On the same day, the Committee filed the Committee Memorandum and the Pous Testimony. The Committee Memorandum amends the Committee Response to seek a permanent rate reduction of from \$7.8 to \$9.7 million based on adoption of new depreciation rates as provided in the Pous Testimony. The Pous Testimony criticizes the Company’s depreciation study and recommends different depreciation rates, but does not address the overall

reasonableness of the Company's rates and charges or the Company's current earnings. As noted above, Questar does not understand the Committee Memorandum to continue to seek an interim rate reduction. Also, as noted above, the Company does not substantively respond to the Committee Memorandum or the Pous Testimony herein.

Also on March 31, SLCAP filed the Wolf Testimony. The Wolf Testimony consists of policy argument in favor a rate decrease, either permanent or interim. It does not, however, attempt to address or satisfy the standard for obtaining an interim rate decrease. As noted above, in light of settlement discussions, the Company does not substantively respond to the Wolf Testimony herein.

On April 6, 2006, Questar Gas filed its Results of Operations Report for 2005. The Report showed that the Company's rate of return on equity for 2005, adjusted based on regulatory adjustments ordered by the Commission in the Company's last general rate case, was 10.6 percent, compared to the authorized rate of 11.2 percent.

On April 24, 2006 the Commission granted intervention to US Magnesium LLC, and on April 26, 2006, the IGU and Utah Ratepayers Alliance petitioned for intervention.

In connection with settlement discussions, an agreement was reached to delay the deadline for filing responses to the March 31, 2006 filings of the Committee, Mr. Ball and SLCAP and to convert the technical conference scheduled for April 26 to a settlement conference. On April 20, the Committee sent a letter to the Commission memorializing that agreement and notifying the Commission that the parties had reached agreement in principle that would obviate the need for the May 17 hearing on interim rate relief. All parties were notified that an additional settlement conference would be held on April 24. At the settlement conference

on April 24, Mr. Ball asked when parties would respond to the Ball Argument if agreement were not reached. The parties agreed that in that unlikely event, responses would be filed by April 28.

On April 26, 2006, Mr. Ball made a filing notifying the Commission that he did not intend to agree to modify the schedule, and on April 27, the Division filed the Testimony of Charles King supporting a change in depreciation rates that would result in a reduction in depreciation expense.

The parties have had further settlement discussions, including the depreciation experts retained by Questar Gas, the Division and the Committee, and the majority of parties have reached agreement on a rate reduction to be implemented effective June 1, 2006 and an agreement that the Pilot Program should be heard and decided on its merits in accordance with the schedule established for testimony filing and hearing on the Joint Application. That agreement is now in the process of being documented. However, in light of Mr. Ball's April 26 filing, Questar Gas files this response.

## **B. OVERVIEW OF ARGUMENT**

The Ball Argument does not provide any evidentiary basis to grant an interim rate decrease. It attempts to rely on the testimony submitted on January 23, 2006 by Questar Gas and the Division in support of the Application, but disregards the fundamental premise of that testimony that the voluntary rate reduction is justified only if the Pilot Program is implemented and the accounting orders are entered.

The Ball Argument misperceives the nature of this proceeding, which is simply a stipulated proposal for the Commission to adopt the Pilot Program accompanied by a voluntary rate reduction dependant on the Pilot Program and adoption of various accounting orders. None of the Joint Applicants has ever contended, much less presented evidence, that the Company's current rates and charges are unjust or unreasonable or that any rate change is necessary. Rather,



the Joint Applicants have negotiated a package proposal under which they would support adoption of the Pilot Program for a trial period accompanied by a voluntary \$10.2 million rate reduction, assuming various accounting orders were entered. While it is entirely appropriate for Mr. Ball (having been granted intervention) to oppose the Application if he opposes the Pilot Program or the accounting orders, it is not appropriate for Mr. Ball to seek interim rate relief divorced from the Pilot Program and accounting orders that justify it. This is particularly the case where he has provided no evidence that a general rate case should be initiated, let alone that an interim rate decrease is justified.

Nothing in the Application bars any appropriate party from initiating a general rate case if the evidence justifies it, but no one has done so. Mr. Ball opposes adoption of the Pilot Program and various aspects of the rate change proposed as a package by the Application on the ground that such relief cannot be granted outside of a general rate case. However, he makes the inconsistent argument that certain portions of the Application can be granted in an abbreviated rate proceeding. He cannot have it both ways.

It is ironic that Mr. Ball, purporting to be acting in the interests of residential customers, opposes a stipulated package that promotes an energy conservation Pilot Program that would encourage customers to reduce consumption (and, therefore, their gas bills) and involves a voluntary rate reduction while not foreclosing any effort to seek further rate reductions or adjustments to the Pilot Program. It is apparent that his efforts to seek interim or permanent rate relief divorced from the other aspects of the Application are simply an attempt to justify this irony. The Commission should reject his argument.

## II. ARGUMENT

The Ball Argument falls significantly short of justifying an interim rate reduction. Interim rate relief, other than under the Gas Cost Balancing Account (“Account 191”) or the fuel or energy cost pass-through statute, has occurred only in the context of a general rate case in which either the public utility or a party such as the Division authorized to seek initiation of a general rate case makes a showing that the current rates and charges of the public utility are not just and reasonable. Interim relief has been granted in such cases only in extraordinary circumstances where evidence is provided that the public utility is being financially harmed, in the case of a request for an interim increase, or is consistently earning in excess of its previously authorized rate of return, in the case of an interim decrease. The evidence presented by the party seeking interim relief must make at least a prima facie showing that the interim rate increase or decrease is justified.

Notwithstanding the fact that an interim rate decrease would only be appropriate in a general rate case, Mr. Ball has provided no evidence that would justify a general rate case or established a prima facie showing that Questar Gas is consistently earning in excess of its authorized rate of return or that interim relief is justified. Therefore, the Commission should deny the request of Mr. Ball for interim rate relief.

### **A. INTERIM RATE RELIEF, OTHER THAN FOR ACCOUNT 191 OR FUEL COST PASS-THROUGH CASES, HAS BEEN GRANTED ONLY IN THE CONTEXT OF A GENERAL RATE CASE.**

Section 54-7-12(3) authorizes the Commission to grant interim rate relief in the context of rate cases, including cases for rate changes based on increased fuel or energy costs. Although the subsection does not expressly refer to “general” rate cases, it does refer to the 240-day period

within which the Commission enters an order on revenue requirement in certain rate cases<sup>10</sup> and increased fuel and energy costs in others,<sup>11</sup> and it anticipates further hearing and review after interim action in “a rate case hearing.”<sup>12</sup> Cases in which the Commission determines the revenue requirement of a public utility and in which the 240-day period is applicable are general rate cases.

Consistent with the statute, the Commission has only granted interim rate relief, outside the context of an Account 191 or fuel or energy cost increase pass-through, in the context of general rate cases. For example, in Docket No. 99-057-20, a Questar Gas general rate case, the Commission discussed the standards for interim rate increases,<sup>13</sup> and in Docket No. 90-049-06, a U S WEST Communications, Inc. general rate case, the Commission discussed the standards for interim rate decreases.<sup>14</sup> Questar Gas is not aware of any case other than a general rate case, Account 191 case or a fuel cost increase pass-through case in which the Commission has even considered interim rate relief.

**B. MR. BALL IS NOT AUTHORIZED TO REQUEST INITIATION OF A GENERAL RATE CASE.**

Mr. Ball is the only party to demand the initiation of a general rate case, and he has no authority to do so. Rather, the authority to investigate the Company’s rates to determine whether

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<sup>10</sup> See Utah Code Ann. § 54-7-12(3)(b)(i) (“If the commission completes a hearing concerning a utility’s revenue requirement before the expiration of 240 days from the date the rate increase or decrease is filed . . .”).

<sup>11</sup> See *id.* § 54-7-12(3)(d) (“When a public utility files a proposed rate increase based upon an increased cost to the utility for fuel or energy purchased or obtained . . .”).

<sup>12</sup> See *id.* § 54-7-12(3)(a).

<sup>13</sup> *In re Questar Gas Company*, Docket No. 99-057-20, 2000 WL 270026 (Utah P.S.C. Jan. 25, 2000).

<sup>14</sup> *In re U S WEST Communications, Inc.*, Docket No. 90-049-06, 1990 WL 488876 (Utah P.S.C. Jun. 22, 1990). (using “ongoing, consistent overearning” as the basis for awarding an interim rate reduction).

they are unjust or unreasonable, or otherwise in violation of law, lies with the Commission.<sup>15</sup>

Individuals such as Mr. Ball have no right to force the Commission to apply its investigatory authority and require the Commission, the public utility, the Division, Committee and other interested parties to devote the substantial resources required for a general rate proceeding.<sup>16</sup>

### **C. MR. BALL HAS PROVIDED NO EVIDENCE JUSTIFYING INITIATION OF A GENERAL RATE CASE.**

Even if an authorized party had requested initiation of a general rate case, in order to justify a case the party would be required to establish that current rates are not just and reasonable. Such a showing would require at least some review of all revenues, expenses and investments of the public utility,<sup>17</sup> and, in order to state a claim in a complaint upon which relief can be granted, the requesting party must at least set forth sufficient information about the Company's revenues, expenses and investments that, if established after hearing, would warrant a general rate reduction.<sup>18</sup> No one has provided any evidence that would support initiation of a

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<sup>15</sup> See, e.g., Utah Code Ann. § 54-4-2 (Whenever the commission believes that in order to secure compliance with the provisions of this title or with the orders of the commission, or that it will be otherwise in the interest of the public, an investigation should be made of any . . . rate, price, charge, fare, [or] toll, . . . it shall investigate the same upon its own motion . . ."); *id.* at § 54-4-4(2) ("The commission may: (a) investigate: (i) one or more rates, fares, tolls, . . . [or] charges . . . of any public utility . . . and (b) establish, after hearing, new rates, fares, tolls, . . . [or] charges . . . in lieu of them.").

<sup>16</sup> See, e.g., *Williams v. Public Service Comm'n*, 645 P.2d 600, 602 (Utah 1982) ("[Section 54-4-2] gives no right of investigation to a complainant; rather, it gives broad discretion to the PSC in the employment of the investigatory process."); *cf.* Utah Code Ann. § 54-7-9(3)(b).

<sup>17</sup> See *Utah Dept. of Business Regulation v. Public Service Comm'n*, 614 P.2d 1242, 1250 (Utah 1980).

<sup>18</sup> See, e.g., Utah Code Ann. § 63-46b-1(4)(b) (allowing summary disposition of administrative proceedings under civil rules 12(b) and 56); *Wittstock v. Mark A. Van Sile, Inc.*, 330 F.3d 899, 902 (6th Cir. 2003) ("To avoid dismissal under Rule 12(b)(6), a complaint must contain either direct or inferential allegations with respect to all the material elements of the claim.") (citation omitted); 5B Charles Alan Wright and Arthur R. Miller, *Federal Practice and Procedure*, § 1357 (3d ed. 2004) ("[T]he pleader must set forth sufficient information to outline the legal elements of a viable claim for relief or to permit inferences to be drawn from the complaint that indicate that these elements exist."); see also Utah Admin. Code R746-100-3.E ("Pleadings shall be signed . . . . The signature shall be considered a certification by the signer that he has read the pleading and that, to the best of his knowledge and belief, there is good ground to support it.").

general rate case, and, contrary to Mr. Ball's erroneous assertions,<sup>19</sup> the Division, the only party that has conducted an audit of the Company's books and records, has concluded that there is no basis at this time to institute a general rate case.<sup>20</sup> This evidence is undisputed.

**D. MR. BALL HAS PROVIDED NO EVIDENCE THAT QUESTAR GAS IS CONSISTENTLY EARNING OVER ITS AUTHORIZED RATE OF RETURN.**

The Commission has made it clear in its past interim decrease orders that issues such as cost of capital are not a proper subject for a hearing on interim rate relief.<sup>21</sup> Therefore, in order to justify an interim rate decrease, it must be demonstrated that the utility is earning consistently above its previously authorized rate of return.<sup>22</sup> However, the only evidence on the record in this case is that the Company is not earning above its previously authorized rate of return.<sup>23</sup>

Therefore, there is no basis for an interim rate reduction.

**E. IT WOULD BE INAPPROPRIATE TO CHANGE RATES WITHOUT ADOPTING THE ACCOUNTING ORDERS JUSTIFYING THE CHANGES IN RATES.**

Mr. Ball is asking the Commission to order rate changes on an interim basis without ordering the changes in accounting practices upon which those rate changes are based. For

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<sup>19</sup> See, e.g., Ball Request at 4 ("The Division is, in fact, of the opinion that the Company may now be over-earning . . .").

<sup>20</sup> See, Powell Direct at 10-11 lines 170-172, 175-176, 187-188. Mr. Ball knows this is the case. He was present during at least two technical conferences and had access to the Division's testimony in which the Division stated that it believed the Company was earning near, but still below, its authorized rate of return and that it had no basis to seek an order to show cause to institute a general rate case. As noted above, on April 6, 2006, Questar Gas filed its Results of Operations Report for 2005, which showed a 10.6 percent rate of return on equity compared to the Company's authorized rate of 11.2 percent.

<sup>21</sup> See, e.g., *In re Questar Gas Company*, 2000 WL 270026 ("First, we cannot permit examination of the Motion to become a mini rate case. To do so would be to prejudge the final outcome of the Docket on the basis of incomplete and in fact one-sided information. This means we must, as the Commission did previously, attempt to assess the utility's financial condition without full examination of all revenue requirement issues. As before, this leads us to rely on a set of accepted indicators of financial health."); *In re U S WEST Communications, Inc.*, 1990 WL 488876 ("We have stated in past orders that an interim proceeding is not the place to litigate rate of return. The Commission has found no reason to deviate from that position in this case.").

<sup>22</sup> See, e.g., *supra* note 14.

<sup>23</sup> See *supra* note 20.

example, a major component of the Application and the rate change it proposes is a request that the Company's depreciation rates be changed based on a depreciation study filed with the testimony in support of the Application. Questar Gas must account for its depreciation expense and accumulated depreciation in accordance with the depreciation rates ordered by the Commission.<sup>24</sup> Yet, the Ball Argument requests that the Commission adopt changes in the Company's rates and charges dependent on changes in depreciation rates without ordering the Company to implement the changes in depreciation rates. Thus, Mr. Ball is either asking the Commission to enter a rate order that is confiscatory on its face because it is not based on the valuation of property ordered by the Commission, or he is asking Questar Gas to change its depreciation rates without an order of the Commission authorizing the change. Either way, his request is improper.

Although Questar Gas has traditionally changed depreciation rates in the course of general rate cases, other major utilities have sought adjustments to their depreciation rates outside the context of a general rate case. Thus, PacifiCorp and its predecessor and Qwest Corporation and its predecessors (when subject to traditional cost of service, rate of return regulation) have previously participated in depreciation dockets in order to establish the depreciation rates that would be in effect in the future.<sup>25</sup> These dockets have resulted in accounting orders similar to the order requested by the Application in this case setting the depreciation rates to be in effect for various classes of property included in rate base. However, to the Company's knowledge such dockets have never resulted in a change in rates and charges with the possible exception of circumstances voluntarily offered by the utility or agreed upon between the parties.

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<sup>24</sup> See, e.g., Utah Code Ann. §§ 54-3-23, 54-4-21, 54-4-22, 54-4-23, 54-4-24.

<sup>25</sup> See, e.g., Docket No. 02-035-12, Docket No. 95-049-22.

Questar Gas is required by law to depreciate its property in accordance with the depreciation rates approved by the Commission.<sup>26</sup> Therefore, unless and until the Commission enters an order approving new depreciation rates, Questar Gas cannot depreciate its property based upon new rates.<sup>27</sup> Yet what Mr. Ball proposes is either that Questar Gas change its depreciation rates without a Commission order, which would be contrary to law and accounting rules, or that it change its rates and charges in anticipation of some future change in depreciation rates, which would be unlawful and confiscatory. Changes in rates and charges based on changes in depreciation rates can only be implemented when the changes in depreciation rates have been approved and implemented.

Likewise, pursuant SFAS No. 71, other aspects of the rate changes proposed in the Application are only appropriate if the Commission has entered accounting orders approving them. The relief sought by Mr. Ball is manifestly improper.

### **III. CONCLUSION**

The Ball Argument does not provide an evidentiary basis for an interim rate reduction. The Ball Argument provides no evidence that the rates of Questar Gas are unjust or unreasonable or that Questar Gas is currently and consistently earning in excess of its authorized rate of return. The evidence on which it relies, the testimony filed by Joint Applicants, is undisputed and establishes that there is no basis for a general rate case or interim rate relief at this time. Therefore, the Commission should deny the request by Mr. Ball for an interim rate reduction. There is no need to have an evidentiary hearing because there is no dispute in the evidence on this issue.

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<sup>26</sup> See *supra* note 24.

<sup>27</sup> See, e.g., *In re Chugach Electric Association, Inc.*, U04102, 2005 WL 2436916 (Reg. Comm'n Ak. Sept. 21, 2005) (commission "must . . . issue an order approving new depreciation rates before a utility may implement them.").

RESPECTFULLY SUBMITTED: April 28, 2006.

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## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **RESPONSE OF QUESTAR GAS IN OPPOSITION TO REQUESTS FOR INTERIM RATE RELIEF** was served upon the following by electronic mail, on April 28, 2006:

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