

Witness CCS – 1D TY
Exhibit CCS – 1D TY

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of) Docket No. 07-057-13
Questar Gas Company to Increase) Pre-filed Direct
Distribution Non-Gas Rates and) Test Year Testimony of
Charges and Make Tariff Modifications) Eric Orton
For the Committee of
Consumer Services

January 28, 2008

1 **INTRODUCTION**

2

3 **Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?**

4 A. My name is Eric Orton. I am a utility analyst on the staff of the Committee
5 of Consumer Services (Committee). My business address is 160 East
6 300 South Salt Lake City, Utah.

7

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. I will present the Committee's policy position regarding the timing of the
10 Public Service Commission's (Commission) determination of the test year
11 period.

12

13 **Q. WILL YOUR TESTIMONY ADDRESS THE COMMITTEE'S**
14 **RECOMMENDATION OF THE APPROPRIATE TEST YEAR FOR THIS**
15 **RATE CASE?**

16 A. No, it will not. The Committee has retained the services of Larkin &
17 Associates, PLLC to analyze Questar's (Company) application for a rate
18 increase. Donna DeRonne, a CPA with that firm, will present the
19 Committee's position regarding the appropriate test period for this case.

20

21 **Q. WHAT IS THE COMMITTEE'S POSITION REGARDING**
22 **DETERMINATION OF THE TEST YEAR PERIOD TO BE USED?**

23 A. It is the Committee's position that the Commission should make a
24 determination and order on the test year to be used in this case very early
25 in these proceedings. Utah Code Section 54-4-4(3) plainly allows the
26 Commission to make this decision at this time. The Commission's
27 scheduling order dated December 27, 2007 in this docket clearly lays out
28 a schedule for determination of test year issues. Although it does not
29 specify a date by which a test year order will be issued, the schedule for
30 determining the test year is separate from and prior to hearings on the
31 other issues in the rate case.

32 Based upon the scheduling conference and the Commission's scheduling
33 order, the Committee understood that the early resolution of the test year
34 issues was a preliminary and necessary step to allow all parties to more
35 effectively examine the revenue requirement issues and present their
36 cases more efficiently. The Committee planned its case accordingly.

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38 **Q. WHY DOES THE COMMITTEE BELIEVE THAT RESOLVING THE TEST**
39 **YEAR EARLY IS IMPORTANT?**

40 A. There are a number of reasons why early resolution of test year is
41 important. As mentioned above, early resolution of the issue will certainly
42 provide more efficient utilization of parties' resources. Additionally, the
43 Commission will be better able to determine the appropriate rates for the
44 rate effective period since costs and revenues will be matched. Ms.

45 DeRonne will provide more detail on the importance of both of these
46 issues in her direct testimony.

47

48 **Q. ARE THERE POLICY IMPLICATIONS IF THE COMMISSION DOES**
49 **NOT ORDER ON TEST YEAR EARLY IN THE PROCEEDINGS?**

50 A. Yes, the Committee believes that there are. The Committee is concerned
51 that if the Commission does not determine the appropriate test year for
52 this case early on, then at any point in the case a party may present an
53 alternate test year that it determines better represents its interests.

54 Logistically it would be impossible for participants in the case to
55 adequately respond to multiple test years filed at different intervals in the
56 proceedings. Based on the Commission's scheduling order it is apparent
57 that the option to present a test year proposal should be conducted in that
58 portion of the case and the issue closed following the test year hearing.

59

60 **Q. DOES THE COMMITTEE BELIEVE THAT A TEST YEAR**
61 **DETERMINATION IN THIS RATE CASE WOULD BE PRECEDENT**
62 **SETTING FOR FUTURE RATE CASES?**

63 A. No. The Committee recognizes that the relevant Statute allows the
64 Commission to select from a number of options in determining the
65 appropriate test year. The Committee believes the test year that best
66 reflects any rate effective period may vary depending on circumstances at
67 the time. With each rate case filing it is the responsibility and burden of

68 the Company to provide evidence to support any test year that it contends
69 is best reflective of the rate effective period for that case.

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71 **Q. DOES THIS CONCLUDE YOUR TESTIMONY ON TEST YEAR ISSUES?**

72 **A. Yes.**