

In the Matter of the Application of MOUNTAIN
FUEL SUPPLY COMPANY to Adjust Rates)
for Natural Gas Service in Utah.)

DOCKET NOS. 97-057-11,
96-057-12 AND 95-057-30
NOTICE OF BRIEFING
REQUEST AND HEARING

ISSUED: May 6, 1998

By the Commission:

The Commission hereby gives notice to interested parties to file briefs/memoranda addressing the following questions:

1. Given QGC's continuing obligation to minimize costs, and our concerns with affiliate transactions (see, Committee of Consumer Service v. PSC, 595 P.2d 871 (Utah 1979)), did QGC have a responsibility to bring the February 28, 1996 FERC decision to our attention at that time?
2. Who bears the burden to come forward and the burden to persuade, when an affiliate transaction is at issue or when there is a change in our ability to review expenses as occurred on March 1, 1996?
3. What is the standard(s) by which we should examine whether the 1993 Agreement was reasonable on March 1, 1996, when jurisdiction changed?
4. Since we acquired the ability to review gathering issues between affiliates on or about that date, on what basis should we examine whether QGC has met its obligation to minimize costs?
5. Because affiliate transactions with the utility carry no presumption of reasonableness (see, US West Communications v. PSC, 901 P.2d. 270 (Utah 1995)), and given that a utility purchase from an affiliate enters regulated cost of service at the lower of cost or market, what information -- analysis of the affiliate's costs of providing the service or comparisons of market rate differentials for similar services elsewhere, etc. -- is required to determine whether gathering costs were reasonable?

Parties shall file their written materials with the Commission on or before May 29, 1998, 5:00 p.m. and shall serve copies of their filings upon other parties.

Notice is hereby given that the above-entitled matter will be heard before the Public Service Commission of Utah on Tuesday, the 2nd day of June, 1998, at 9:00 a.m., Fourth Floor Hearing Room No. 426, Heber M. Wells State Office Building, 160 East 300 South, Salt Lake City, Utah, in order for the parties to present additional evidence, if any, and further argument for consideration by the Commission in relation to the Commission's questions submitted herein.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this hearing should notify Julie Orchard, Commission Secretary, at 160 East 300 South, Salt Lake City, Utah, 84111, (801)530-6713, at least three working days prior to the hearing.

DATED at Salt Lake City, Utah, this 6th day of May, 1998.

(SEAL) /s/ Julie Orchard
Commission Secretary

