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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**In the Matter of the Application of
Questar Gas Company to Increase
Distribution Rates and Changes and
Make Tariff Modifications**

Docket No. 13-057-05

PREFILED REBUTTAL TESTIMONY OF
JEFF FISHMAN [TS TARIFF ISSUES]

The UAE Intervention Group (UAE) hereby submits the Prefiled Rebuttal Testimony of
Jeff Fishman regarding TS tariff issues.

DATED this 12th day of December, 2013.

HATCH, JAMES & DODGE

/s/ _____
Gary A. Dodge
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 12th day of December, 2013, on the following:

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BEFORE
THE PUBLIC SERVICE COMMISSION OF UTAH

Rebuttal Testimony of Jeff Fishman

on behalf of UAE

[TS Tariff Issues]

Docket No. 13-057-05

December 12, 2013

1 **REBUTTAL TESTIMONY OF JEFF FISHMAN - TS TARIFF ISSUES**

2

3 **INTRODUCTION**

4 **Q. Please state your name and business address.**

5 A. My name is Jeff Fishman. My business address 215 South State Street, Suite 200,
6 Salt Lake City, Utah, 84111.

7 **Q. By whom are you employed and in what capacity?**

8 A. I am the Director of Gas Services in the consulting firm of Energy Strategies,
9 LLC. In my capacity as Director of Gas Services, I am responsible for managing
10 certain natural gas-related needs of the firm’s clients, including gas supply
11 management, gas market development, risk management services, and project
12 development support.

13 **Q. Please describe your professional experience and qualifications.**

14 A. I have over thirty years of experience in the natural gas industry. I have worked
15 for or managed companies involved in gas gathering and transportation and gas
16 marketing services, and provided consulting services to gas producers and
17 industrial and utility consumers. A more detailed description of my experience
18 and qualifications is contained in Attachment A, UAE Exhibit 3.1R.

19 **Q. What is the purpose of your rebuttal testimony in this Docket?**

20 A. My testimony responds to testimony of Mike McGarvey of Summit Energy
21 regarding a new “Upstream Capacity” section proposed by Questar Gas Company
22 (“Questar”) to its Transportation Service (“TS”) tariff.

23 **Q. What is the effect of the proposed new “Upstream Capacity” language?**

24 A. As the language was originally proposed by Questar, transportation customers
25 would be required to provide Questar with “measurement information and other
26 information” as requested by Questar on a daily basis, or as otherwise required.
27 The need for this additional language is unclear, as TS customers are already
28 required to provide volume information through the nomination process.
29 Questar’s testimony does not specify what “other information” may be requested,
30 and an ambiguous requirement to supply additional information should not be
31 added to the tariff. Questar should be required to explain what specific
32 information will be required and to justify why it may be needed.

33 **Q. What was Mr. McGarvey’s response to the requested new tariff section?**

34 A. Mr. McGarvey noted that Questar already has access to the necessary information
35 through the nomination process and that the need for any additional information
36 has not been demonstrated. I agree with Mr. McGarvey’s observations.

37 **Q. Do you have any comments on “other” information that may be requested by
38 Questar if the proposed new tariff language is approved?**

39 A. Yes. It is my understanding that the Company may want to require firm TS
40 customers to prove that they also hold firm transportation capacity on an upstream
41 pipeline. If that is the intent, I disagree with it. TS customers may purchase gas
42 from suppliers that can deliver gas to the Questar system through a combination
43 of multiple supply sources and transportation arrangements. These types of
44 arrangements may be operationally or economically advantageous and should be

45 allowed. In any event, requiring a firm TS customer to prove that it has firm
46 upstream capacity would not solve any legitimate problem that Questar may face
47 when a supplier fails to deliver gas for whatever reason.

48 **Q. What if delivery interruptions are required?**

49 A. If one or more gas supply failures create system integrity or operational issues
50 that require Questar to curtail delivery to some customers, unless Questar is privy
51 to the priority of the gas supply arrangements as between the affected suppliers
52 and their end-use customers, Questar's only option is likely a pro-rata interruption
53 among like classes of service, which may not be consistent with the gas suppliers'
54 contractual arrangements with their customers.

55 **Q. How should Questar handle delivery interruptions necessitated by failure of**
56 **natural gas supplies?**

57 A. When a particular gas supplier's nominated supplies fail to show up at the city
58 gates under circumstances that require interruption by Questar of some gas
59 deliveries, only the specific end-use customers of the affected supplier should be
60 affected. Notices of interruption should be provided directly from Questar to both
61 the Customer and its Agent, the supplier. Given adequate notice, the supplier can
62 amend its nomination(s) to reflect its desired supply allocation to its Customers.

63 Customers whose gas supplies were delivered to the city gate – whether
64 they hold firm or interruptible upstream or downstream transportation
65 arrangements - should not be affected in these circumstances. In other words, if

66 the interruption is caused by an upstream supply failure, the end-use customers
67 who contracted for that failed supply should be curtailed as necessary, and other
68 customers should be unaffected, if possible.

69 As among the various customers whose gas supply was not fully received,
70 absent a timely nomination revision by the supplier, Questar will not likely know
71 the appropriate contractual order in which gas deliveries should be curtailed.
72 Questar's only current option is the pro rata interruption of all interruptible TS
73 volumes served by the affected supplier, followed, as necessary, by pro rata
74 interruption of all firm TS volumes served by the same supplier. Pro rata
75 interruptions, however, may be inconsistent with the gas supply contractual
76 arrangements between the affected gas supplier and the end-use customers.

77 **Q. What do you recommend?**

78 A. The tariff should be clarified to require each gas supplier who nominates gas to
79 more than one end-use customer to inform Questar of the priority by meter among
80 the interruptible TS volumes, and separately among the firm TS volumes, served
81 by that supplier. That way, Questar can require curtailment of interruptible
82 deliveries in the proper order, followed by curtailment (as necessary) of firm
83 deliveries, of customers of the affected supplier. If a supplier fails to provide such
84 information, Questar should use pro-rata curtailment among that supplier's
85 customers' interruptible transportation volumes, and then among that supplier's
86 customers' firm transportation volumes, as necessary.

87 **Q. Does this conclude your rebuttal testimony?**

88 **A. Yes.**