

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF QUESTAR GAS COMPANY TO INCREASE DISTRIBUTION RATES AND CHARGES AND MAKE TARIFF MODIFICATIONS	Docket No. 13-057-05
--	----------------------

REUBUTTAL TESTIMONY OF TINA M. FAUST

FOR QUESTAR GAS COMPANY

December 12, 2013

QGC Exhibit 5.0R

I. INTRODUCTION

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

2 A. My name is Tina M. Faust. My business address is 333 South State Street, Salt Lake City, Utah.

3 **Q. By whom are you employed and what is your position?**

4 A. I am employed by Questar Gas Company (Questar Gas or Company) as General Manager of Gas
5 Supply.

6 **Q. What are your qualifications to testify in this proceeding?**

7 A. I have worked at Questar Corporation for 27 years, with over 20 years in the Gas Supply
8 Department. I have a Bachelor of Arts in Finance and an MBA from the University of Utah.

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

10 A. The purpose of my testimony is to respond to the direct testimony of Michael McGarvey,
11 Director of Natural Gas Trading and Marketing for Summit Energy LLC, filed in Docket. No. 13-057-05
12 relating to the Company's proposed changes to its Utah Natural Gas Tariff No. 400 (Tariff).

13 **Q. What issues, specifically, did Mr. McGarvey address?**

14 A. Mr. McGarvey opposes Questar Gas' proposed Tariff provision that would require firm
15 transportation customers to require upstream pipelines to provide Questar Gas with specific information
16 about deliveries. Mr. McGarvey suggests that Questar Gas already has all the information it needs from
17 the upstream pipelines and that additional communication may be burdensome and unnecessary. He
18 suggests that the Company clarify what additional information, if any, the Company would need beyond
19 what is already provided.

20 **Q. Do you agree with Mr. McGarvey?**

21 A. No. The Company must have accurate and complete information about each transportation
22 customer's upstream supply, including what volumes are actually delivered to the Questar Gas city gate
23 on behalf of each customer and the upstream contract number that is being used to deliver supply to each
24 customer.

25 **Q. What prompted the Company to propose the Tariff change?**

26 A. This proposed Tariff change was intended to, among other things, allow Questar Gas to manage
27 volumes delivered to its system for transportation customers. Questar Gas is concerned that many of its
28 firm transportation customers are unaware that despite having a firm transportation service agreement
29 with Questar Gas, they still may be asked to reduce the amount of gas they use. When their upstream
30 supply is interrupted, regardless of the reason, Questar Gas may have no ability, and is not obligated to
31 provide service to those customers.

32 In addition, Questar Gas has no way of tracking the upstream contracts that are providing upstream
33 supplies to each Questar Gas transportation customer. Many upstream suppliers aggregate volumes on
34 behalf of many of Questar Gas' customers. As a result, if an upstream supplier fails to deliver sufficient
35 supplies to Questar Gas for the supplier's transportation customers, Questar Gas has insufficient
36 information to effectively manage which customers should be curtailed. The Company's only choice in
37 those situations is to curtail all of that supplier's customers on a pro-rata basis. This occurred on
38 December 5, 2013.

39 **Q. What happened on December 5, 2013?**

40 A. On December 5, 2013, extremely cold weather impacted upstream supplies. Questar Gas was
41 notified that the gas that upstream suppliers had nominated for delivery on behalf of Questar Gas'
42 transportation customers was being substantially reduced. To ensure system integrity, Questar Gas
43 informed transportation customers of the shortages, and required them to limit their usage to the amount
44 that suppliers had provided on their behalf. Hundreds of interruptible and firm transportation customers
45 were asked to reduce their gas usage and there was no possibility for providing additional supplies for
46 several hours.

47 **Q. How did this impact Questar Gas' management of its available resources for firm sales**
48 **customers?**

49 A. At the time of the curtailment, Questar Gas' own upstream supplies were impacted. As a result,
50 Questar Gas was calling upon all available resources to serve its firm sales customers. It had withdrawn
51 as much gas as it was able to from Clay Basin. It withdrew supplies from the aquifers. Questar Gas was
52 even purchasing supplies on the spot market to meet its customers' needs. At a time when Questar Gas
53 was utilizing all of its resources to provide reliable service to its firm sales service customers, it was
54 required to undertake an enormous burden of identifying transportation customers, and determining which
55 should be curtailed and to what extent. Questar Gas also had to deploy resources to contact each of those
56 customers to implement a curtailment. This involved review of hundreds of accounts and, subsequently,
57 contacting hundreds of customers.

58 Many of those customers did not understand that transportation service agreements with Questar Gas
59 were directly impacted by their upstream supplies. They did not understand that the absence of an
60 upstream supply would result in interruption to their service. Many of these customers claimed they were

61 unable to curtail without suffering losses. One customer, in particular, indicated that it was at risk of
62 suffering millions of dollars in property damage.

63 **Q. Did those customers ultimately curtail their usage?**

64 A. No. Many of those customers did not curtail.

65 **Q. Do you believe that the Company's proposed Tariff changes will adequately address this**
66 **problem?**

67 A. It will certainly help. However, the Company acknowledges that it is just one part of a multi-
68 prong solution to this problem. The Company learned a great deal from the experience on December 5,
69 2013. The Company is actively working with its transportation customers, upstream pipeline
70 representatives, and marketers in order to better understand potential solutions. The Company believes
71 that additional Tariff changes may be necessary.

72 **Q. Does the Company propose additional changes at this time?**

73 A. No. The Company it intends to address the other parts of a global solution in the near future in a
74 separate docket.

75 **Q. Does this conclude your testimony?**

76 A. Yes.

State of Utah)
) ss.
County of Salt Lake)

I, Tina M. Faust, being first duly sworn on oath, state that the answers in the foregoing written testimony are true and correct to the best of my knowledge, information and belief. Except as stated in the testimony, the exhibits attached to the testimony were prepared by me or under my direction and supervision, and they are true and correct to the best of my knowledge, information and belief. Any exhibits not prepared by me or under my direction and supervision are true and correct copies of the documents they purport to be.

Tina M. Faust

SUBSCRIBED AND SWORN TO this ___ day of December, 2013.

Notary Public