

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

**IN THE MATTER OF THE JOINT)
NOTICE AND APPLICATION OF)
QUESTAR GAS COMPANY AND) DOCKET NO. 16-057-01
DOMINION RESOURCES, INC. OF)
PROPOSED MERGER OF QUESTAR)
CORPORATION AND DOMINION)
RESOURCES, INC.**

**REBUTTAL TESTIMONY
OF
GAVIN MANGELSON
FOR THE OFFICE OF CONSUMER SERVICES**

JULY 28, 2016

REBUTTAL TESTIMONY OF GAVIN MANGELSON

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.**

2 A. My name is Gavin Mangelson; I am a Utility Analyst for the Office of Consumer
3 Services (Office). My business address is 160 East 300 South, Salt Lake City, Utah
4 84111.

5 **Q. HAVE YOU TESTIFIED BEFORE IN THIS PRECEEDING?**

6 A. Yes, I submitted Direct Testimony on July 7, 2016.

7 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

8 A. The purpose of my rebuttal testimony is to address the testimony of Curtis Chisholm
9 of the American Natural Gas Council, Inc, and his recommendations to the Public
10 Service Commission (Commission) regarding “pooling”, or aggregation options for
11 natural gas marketers, and regarding the \$4,500 Administrative Fee.

12 **Q. WHAT IS MR. CHISHOLM RECOMMENDING IN REGARDS TO**
13 **NATURAL GAS POOLING AND THE \$4,500 ADMINISTRATIVE FEE?**

14 A. Mr. Chisholm recommends that the Commission include a mandate for Dominion
15 Questar Gas to allow natural gas marketers to pool or aggregate their gas supplies
16 from all sources as a condition of the merger.

17 Mr. Chisholm further recommends that Dominion Questar Gas be required to
18 maintain a formal relationship with natural gas marketers, in order to allow customers
19 who utilize the gas procurement services of gas marketers to avoid paying the \$4,500
20 administration fee for each meter receiving natural gas from the distribution system
21 (Chisholm Lines 67-70).

22 **Q. HAS THE ISSUE OF SUPPLY AGGREGATION AND THE NATURE OF**
23 **THE DISTRIBUTION COMPANY’S RELATIONSHIP TO NATURAL GAS**
24 **MARKETERS BEEN CONSIDERED BY THE COMMISSION**
25 **PREVIOUSLY?**

26 A. Yes, in docket 14-057-31 several of the parties requested that the Commission require
27 Questar Gas Company to allow them to pool or aggregate their gas supplies. The
28 Commission responded in its order dated November 9, 2015, stating, “The record
29 does not support the arguments in favor of aggregation. Our mandate is to regulate
30 Questar’s relationship with its customers.¹” The Commission did not therefore
31 require Questar Gas Company to provide aggregation options to natural gas
32 marketers, or to create a formalized relationship with them.

33 **Q. DOES THE OFFICE BELIEVE THAT THESE ISSUES SHOULD BE**
34 **TREATED DIFFERENTLY IN THE MERGER CURRENTLY BEFORE THE**
35 **COMMISSION?**

36 A. No, the position of the Office is that Mr. Chisholm has not presented any new
37 evidence in support of these two issues in his testimony. Therefore the Office
38 believes that there is no basis for the Commission to consider a change to what has
39 previously been ordered.

40 **Q. DOES THE OFFICE SUPPORT ANY ADJUSTMENTS MADE TO THE**
41 **ADMINISTRATIVE FEE IN THIS DOCKET?**

42 A. No, the Office believes that adjustments or changes to the administrative fee should
43 be done within a general rate case. Fees, rates, and other charges are all different

¹ Docket 14-057-31, Commission Order dated November 9, 2015, Page 36, Section I. Aggregation.

44 means of recovering costs associated with the services being provided to a class of
45 customers, in this instance, TS customers. Often changes to one type of charge
46 necessitate adjustments to another rate element in order to achieve proper cost
47 recovery from the appropriate customer class. I note that Questar Gas Company filed
48 a general rate case with the Commission on July 1, 2016 (16-057-03); therefore the
49 position of the Office is that all discussions and proposed changes to the \$4,500
50 administrative fee should be handled within that docket.

51 **A. Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

52 **A. Yes.**