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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Dominion Energy Utah to Make Tariff Modifications Relating to Transportation Service	<b>DOCKET NO. 18-057-T04</b> <b>ANGC Exhibit 1</b>
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DIRECT TESTIMONY OF CURTIS CHISHOLM  
FOR THE AMERICAN NATURAL GAS COUNCIL, INC.

**September 12, 2018**

/s/Curtis Chisholm

1 **Q: Please state your name, place of employment and position.**

2 A. My name is Curtis Chisholm. I am chief executive officer of Integrated Energy  
3 Companies and its subsidiary, Summit Energy. LLC, a member of the American Natural  
4 Gas Council, Inc. (“ANGC”). I am also an officer of ANGC. My office is located at 201  
5 South Main Street, 20th Floor, Salt Lake City, Utah 84111.

6 **Q: Please describe your professional experience and educational background.**

7 A. From 1995 to 1998 I was the managing director of Wasatch Energy where we purchased  
8 gas in the market for customers and transported it. In 1999 I became a director of Questar  
9 Energy Trading and continued working there until 2002 when I went to work at Summit  
10 Energy as a managing director. Summit Energy buys natural gas in the market and  
11 transports it to its customers using Questar Gas Company's pipeline facilities. I became  
12 chief executive officer of Integrated Energy Companies and Summit Energy in January of  
13 2014. I have a Bachelor of Science degree in accounting from the University of Utah and  
14 a Master of Business Administration from the David Eccles School of Business at the  
15 University of Utah. I have over 20 years of professional and executive experience in the  
16 energy industry with much of it dedicated to natural gas trading.

17 **Q: Have you testified previously in state or federal regulatory proceedings?**

18 A. I filed written testimony in Docket No. 16-057-01, but I did not appear personally to testify  
19 because the matter was resolved by stipulation and all pre-filed written testimony was  
20 admitted without objection without testifying orally.

21 **Q: On whose behalf are you testifying in this proceeding?**

22 A. I am testifying on behalf of ANGC, an association of commercial and industrial utility  
23 consumers who are transportation and/or sales customers of Dominion Energy Utah

24 (“Dominion”) that transport and use small to medium volumes of natural gas. Other  
25 businesses that support and work for these customers are also members of ANGC. As I  
26 stated before, Summit Energy is a member of ANGC.

27 **Q: What is the purpose of your testimony?**

28 A. The purpose of my testimony is to object to Dominion’s proposed penalties in the draft  
29 transportation service tariff under consideration by the Commission in this docket.

30 **Q: What is your concern?**

31 A. I am concerned that the proposed tariff allows Dominion to stack and combine penalties  
32 on transportation customers in ways that do not just deter over usage during coinciding  
33 “Hold Burn to Scheduled Quantity” and “Interruption” periods, but they can be punitive  
34 and cause serious financial harm to transportation customers. This power could also be  
35 used to dissuade general service customers from ever becoming transportation customers.

36 **Q: What do you mean?**

37 A. During a combined “Hold Burn to Scheduled Quantity” and “Interruption” period,  
38 Dominion could impose a balancing \$25 per Dth plus the daily market index price for  
39 usage beyond the scheduled amount and an overrun penalty of \$40 per Dth for volumes  
40 used above the customer’s contract limit. The combined effect could be financially  
41 ruinous for the customer. Half that amount would be more than enough to deter over  
42 usage.

43 **Q: Can’t customers avoid the overrun penalty by having an interruptible contract in  
44 addition to their firm contract service?**

45 A. That is the position Dominion took in the August 29, 2018 technical conference in this  
46 docket, but most transportation service customers have not structured their service that

47 way and have been prevented by Dominion from adding a TSI portion, so they could still  
48 be punitively penalized.

49 **Q: Do you have other related concerns?**

50 A. Yes. I am aware of at least one situation where a transportation service customer was  
51 penalized more than \$100,000 in a day that resulted from poor communication between  
52 Dominion and the customer. Under the proposed provision, this circumstance could have  
53 been substantially more punitive. If the Commission approves additional authority to  
54 Dominion to impose penalties in this tariff, there must be safeguards to give immediate  
55 relief to customers when communication from Dominion is uncertain, unclear, or  
56 ambiguous.

57 **Q: Does this conclude your direct testimony?**

58 A. Yes.

**CERTIFICATE OF SERVICE**  
**Docket No. 18-057-T04**

I hereby certify that a true and correct copy of the foregoing Direct Testimony of Curtis Chisholm was served by email this 12<sup>th</sup> day of September, 2018 on the following:

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/s/Stephen F. Mecham