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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 1R</b>
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REBUTTAL TESTIMONY OF CURTIS CHISHOLM  
FOR THE AMERICAN NATURAL GAS COUNCIL, INC.

**September 26, 2018**

/s/Curtis Chisholm

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

2 A. My name is Curtis Chisholm. My office is located at 201 South Main Street, 20th Floor,  
3 Salt Lake City, Utah 84111.

4 **Q: For whom are you testifying in this proceeding?**

5 A. The American Natural Gas Council (ANGC).

6 **Q: Did you file testimony previously in this docket?**

7 A. Yes. I filed direct testimony on behalf of ANGC expressing concern over the proposed tariff  
8 revisions Dominion Energy Utah (“Dominion”) filed that are the subject of this docket,  
9 and recommended changes the Public Service Commission of Utah (“Commission”)  
10 should make before approving the tariff.

11 **Q: What is the purpose of your rebuttal testimony?**

12 A. The purpose of my rebuttal testimony is to support the changes UAE witness Kevin Higgins  
13 recommended be made to Dominion’s proposed tariff and to encourage the Commission to adopt  
14 these changes before the proposed tariff becomes final. I also briefly respond to Division witness  
15 Eric Orton’s direct testimony.

16 **Q: Do you support all of Mr. Higgins’s recommendations?**

17 A. Yes. ANGC supports all five of Mr. Higgins’s recommendations. We are most focused, however,  
18 on his recommendations reducing the proposed \$25/Dth to \$5/Dth for violating the Hold Burn to  
19 Scheduled Quantity (“HBSQ”) restriction, limiting the penalty for simultaneously failing to  
20 interrupt and violating the HBSQ restriction to the larger of the two penalties, and applying the  
21 HBSQ restriction at the supplier level rather than at the individual Transportation Service (“TS”)  
22 customer level.

23 **Q: Is Mr. Higgins’s proposal to reduce the HBSQ penalty to \$5 consistent with your direct**  
24 **testimony?**

25 A. Yes. In my direct testimony I said that Dominion's proposed penalty of \$25/Dth was excessive,  
26 punitive, and that it must be tempered. We agree with Mr. Higgins that there is no cost basis for  
27 the penalty; it is strictly punitive. \$5/Dth would be substantial and would deter the behavior  
28 Dominion is trying to deter without financially ruining TS customers. In addition, the \$5 penalty  
29 has at least some relationship to cost in that it is approximately twice the current average price of  
30 gas as Mr. Higgins explained in his direct testimony.

31 **Q: Would Mr. Higgins's proposal to impose the higher of the two penalties for simultaneously**  
32 **violating the HBSQ restriction and failing to interrupt eliminate the punitive penalty**  
33 **stacking you raised in your direct testimony?**

34 A. Yes. That is the purpose of the recommendation. In order for the tariff to be fair and not punitive,  
35 making that change to the proposed tariff is necessary. Without the change, Dominion will be  
36 able to stack the penalties which is not just or reasonable.

37 **Q: Why shouldn't the HBSQ restriction be applied to individual TS customers?**

38 A. Because the HBSQ restriction is designed to ensure there is an adequate supply of gas and that  
39 should be addressed at the supplier level. Under Dominion's proposed tariff, it is possible for a  
40 TS customer to be penalized during an HBSQ restriction period even when the overall gas supply  
41 is adequate. There is no purpose in that; it does not address the objective of maintaining adequate  
42 supply. The issue, therefore, should be addressed at the supplier level and not with individual TS  
43 customers. In my opinion, Dominion should not penalize imbalances generally, even when there  
44 is no HBSQ restriction, as long as the overall gas supply balances. TS customers should be able  
45 to trade imbalances between and among themselves without penalty under these circumstances.

46 **Q: Do you have any other concerns about the proposed tariff or Dominion witness Abigail**  
47 **Thomas's direct testimony?**

48 A. Yes. I don't believe the example on page 17 of Exhibit 1.5 is correct.

49 **Q: Why?**

50 A. Because in that example Dominion represents that a TS customer who burns 25 Dth above its  
51 scheduled quantity during an HBSQ restriction would be subject to the proposed \$25/Dth penalty  
52 plus the index price, and a \$40/Dth overrun penalty for the same 25 Dth, even though Dominion  
53 did not call for an interruption. That cannot be right and it should be corrected before the  
54 Commission accepts the exhibit as part of the record in this docket.

55 **Q: Do you have any concerns with Division witness Eric Orton's direct testimony?**

56 A. Yes. Mr. Orton recommends the Commission approve the proposed tariff as Dominion submitted  
57 it. ANGC opposes Mr. Orton's recommendation. Without making the changes Mr. Higgins  
58 recommended in his direct testimony, the proposed tariff is not fair. It is punitive, arbitrary and it  
59 will not result in a just and reasonable outcome for TS customers.

60 **Q: Does this conclude your rebuttal testimony?**

61 A. Yes.

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

I hereby certify that a true and correct copy of the foregoing Rebuttal Testimony of Curtis Chisholm was served by email this 26<sup>th</sup> day of September, 2018 on the following:

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/s/Stephen F. Mecham