

In the Matter Of:

In Re: DEU Tariff Transportation Service

HEARING, DOCKET NO. 18-057-T04

October 16, 2018

Job Number: 491505

1 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

2 Application of Dominion Energy Docket No. 18-057-T04
3 Utah to Make Tariff Modifications
4 Relating to Transportation Service

5 HEARING PROCEEDINGS

7 TAKEN AT: Utah Public Service Commission
8 4th Floor
9 160 East 300 South
10 Salt Lake City, Utah

11 DATE: Tuesday, October 16th, 2018

12 TIME: 9:00 a.m.

13 REPORTER: Mary R. Honigman, R.P.R.

14 JOB NO.: 491505

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APPEARANCES

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1 PROCEEDINGS

2 OFFICER HAMMER: Good morning,
3 everyone. This is the time and place noticed for a
4 hearing in the Matter of the Application of Dominion
5 Energy Utah to Make Tariff Modifications Relating to
6 Transportation Service. That's Commission Docket
7 No. 18-057-T04. My name is Michael Hammer, and I'm
8 the Commission's designated presiding officer for
9 this hearing. Let's go ahead and take appearances,
10 please.

11 MS. CLARK: My name is
12 Jenniffer Clark. I'm counsel for Dominion Energy
13 Utah, and I have with me Kelly Mendenhall who will
14 serve as the Company's witness today. We've also
15 brought with us Abbey Thomas, and you'll recognize
16 her name from the prefiled testimony. She does not
17 intend to summarize it today, but is certainly
18 available to be sworn in and answer questions should
19 you have any. Thank you.

20 MR. JETTER: And I'm Justin Jetter
21 with the Utah Attorney General's Office. I'm here
22 today representing the Utah Division of Public
23 Utilities. With me at counsel table is Division
24 witness, Eric Orton, who I intend to call and he
25 will provide a brief summary of the Division's

1 position on this stipulation.

2 MR. MECHAM: Steve Mecham
3 representing the American Natural Gas Council.

4 OFFICER HAMMER: Mr. Mecham, do you
5 intend to call a witness today?

6 MR. MECHAM: I do not.

7 MR. DODGE: Good morning.
8 Gary Dodge on behalf of the Utah Association of
9 Energy Users. Kevin Higgins, who filed testimony in
10 this matter, is here in the hearing room and is
11 prepared to testify if you have questions for him;
12 otherwise, we won't have him testify.

13 OFFICER HAMMER: All right. Thank
14 you, Mr. Dodge. With that, we'll begin. Are there
15 any other preliminary matters?

16 MS. CLARK: There are two preliminary
17 matters. The first is that paragraph 8 of the
18 settlement stipulation calls for all prefiled
19 testimony and exhibits to be admitted, and I wanted
20 to call that to your attention and be sure that we
21 accomplish that today.

22 The second is, the stipulation has
23 attachments. One of the attachments is a clean
24 version of the proposed tariff language, and there
25 is an erroneous date at the bottom of each of those

1 tariff sheets. We inadvertently put the September 1
2 effective date, and I think we had requested a
3 November 1st in-service date. Mr. Mendenhall will
4 correct that on the record, but I wanted to bring
5 that to your attention as well.

6 OFFICER HAMMER: Thank you. So
7 should I interpret your remarks as a motion to
8 admit, based on the stipulation, all of the prefiled
9 exhibits and testimony?

10 MS. CLARK: Certainly.

11 OFFICER HAMMER: I take it there's no
12 objection? They're admitted. All right. With
13 that, Ms. Clark, please go ahead and call your first
14 witness.

15 MS. CLARK: The Company calls
16 Kelly B. Mendenhall.

17 KELLY B. MENDENHALL,
18 having been first duly sworn to tell the truth, was
19 examined and testified as follows:

20 BY MS. CLARK:

21 Q Please state your name and business
22 address for the record?

23 A My name is Kelly Mendenhall, and my
24 business address is 333 South State Street, Salt
25 Lake City, Utah.

1 **Q Can you identify your employer and your**
2 **title there?**

3 A Yes. I'm the director of regulatory and
4 pricing for Dominion Energy Utah.

5 **Q Are you prepared with a summary today of**
6 **the Company's position on the settlement stipulation**
7 **that's been filed?**

8 A I am.

9 **Q Please proceed.**

10 A Thank you. On August 1, 2018, Dominion
11 Energy Utah proposed changes to the following
12 sections of its tariff: Section 3, Interruptible
13 Service, section 4, Interruptible Sales Service, and
14 section 5, Transportation Service. The intent of
15 these changes was to provide additional
16 clarification for customers and to create a new hold
17 burn to scheduled quantity restriction, which would
18 give the Company another tool to enforce supply
19 analysis, as well as to provide customers with
20 greater flexibility to manage these imbalances.

21 On September 12, 2018, the Division of
22 Public Utilities, Utah Association of Energy Users,
23 and American Natural Gas Council filed testimony in
24 this matter. Additional rebuttal testimony was
25 filed on September 26, 2018, by the Division and

1 ANGC. The parties have since come to agreement on
2 the provisions of the tariff, and the stipulation
3 was filed with the Commission yesterday.

4 And if I could briefly walk you through
5 the changes that were made. If you'll turn to
6 Exhibit C of the stipulation that was filed
7 yesterday. So Exhibit C is the redline legislative
8 version of the tariff, and just a couple of minor
9 changes. If you turn to page 3.2, you can see,
10 hopefully, highlighted in blue is some language, "in
11 its sole discretion." We agreed to remove that bit
12 of language. Then if you turn to page 3.3, Exhibit
13 C, there in the middle of the page, we added the
14 words, "each of," to clarify that the penalty
15 periods would be each three-year period. We just
16 wanted to clarify that a little bit.

17 And then if you turn to page 524, so this
18 is section 5.06, Customer Imbalance Management,
19 subpart 4. And this is where the substantive
20 changes were made, both in the initial filing with
21 the Company, as well as the stipulation. So just a
22 few things that were changed here, the original
23 proposal by the Company was that all volumes that
24 were outside of the scheduled, or scheduled amount
25 by each customer, would be charged a \$25 decatherm

1 penalty. The parties have agreed to change that
2 to -- it will be the first 10 percent outside of
3 that restriction will be charged \$5, and then
4 everything above 10 percent will be charged \$25.

5 In addition, we are allowing suppliers to
6 aggregate their volumes by geographic location, and
7 if you flip the page to 525, the different locations
8 are listed there on page 525. Going back to page
9 524, the Company had some overrun language in the
10 tariff. So basically, for example, if you had a
11 customer who had a contractual amount of 100 and
12 they used 101 decatherms, they would be charged 40
13 decatherms on that overrun of 1 decatherm. We have
14 agreed to eliminate that language from the proposal,
15 from the tariff. I believe that summarizes the
16 major substantive changes.

17 Oh, one other change, we agreed that on
18 days when we are asking customers to hold burn, or
19 in other words, restrict their usage to the amount
20 of gas they have brought on the system that day, we
21 have agreed that if they bring more gas than we
22 need, we will waive the daily imbalance penalty that
23 is normally applied during those times. So that's
24 the other substantive change on that page. That
25 summarizes the major changes that the parties agreed

1 to.

2 And I will also say we, on this tariff,
3 put September 1, 2018, as the effective date on all
4 the sheets, and those dates need to be changed to
5 November 1, 2018. So the Company will make that
6 change and file updated tariff sheets to recognize
7 that change in date.

8 And one more thing, the Company believes
9 that the proposed changes are just, reasonable, and
10 in the public interest, and we ask that the
11 Commission approve the settlement stipulation with
12 the effective date of November 1st. That concludes
13 my summary.

14 MS. CLARK: Mr. Mendenhall is
15 available for cross-examination and Commission
16 questions.

17 OFFICER HAMMER: Mr. Jetter?

18 MR. JETTER: I have no questions.

19 MR. MECHAM: Nor do I.

20 MR. DODGE: No questions.

21 OFFICER HAMMER: Thank you. And no
22 other witnesses, Ms. Clark?

23 MS. CLARK: No, thank you.

24 OFFICER HAMMER: Mr. Jetter?

25 MR. JETTER: The Division would like

1 to call and have sworn in, Mr. Eric Orton.

2 ERIC ORTON,

3 having been first duly sworn to tell the truth, was

4 examined and testified as follows:

5 BY MR. JETTER:

6 Q Mr. Orton, would you please state your
7 name and occupation for the record?

8 A My name is Eric Orton. I'm a technical
9 consultant for the Division of Public Utilities.

10 Q Thank you. And in the course of your
11 employment, have you had the opportunity to review
12 the initial filing by Dominion Energy Utah in this
13 docket, along with all the filings from the other
14 parties, and the final draft that was filed of the
15 proposed tariff changes, as well as the settlement
16 stipulation?

17 A I have, yes.

18 Q Do you have a brief summary of the
19 Division's recommendation?

20 A I do.

21 Q Please go ahead.

22 A Thanks. In this docket, the parties have
23 reached a resolution of our differing positions,
24 which resulted in a stipulation that was filed with
25 the Commission yesterday.

1 From the Division's position, this
2 stipulation represents an acceptable compromise;
3 therefore, the Division recommends that the
4 Commission approve the stipulation, as it represents
5 a fair and reasonable outcome and is in the public
6 interest. That's all I have. Thank you.

7 MR. JETTER: Thank you. I have no
8 further questions. Mr. Orton is available for cross
9 or questions from the Commission.

10 OFFICER HAMMER: Any
11 cross-examination?

12 MS. CLARK: No, thank you.

13 MR. DODGE: No, thanks.

14 OFFICER HAMMER: Nothing else,
15 Mr. Jetter?

16 MR. JETTER: No, that's all. Thank
17 you.

18 OFFICER HAMMER: Mr. Mecham or
19 Mr. Dodge, do you have anything you want to say?

20 MR. MECHAM: I do not.

21 MR. DODGE: UAE supports the
22 stipulation, but beyond that, nothing.

23 OFFICER HAMMER: All right. Anything
24 else before we adjourn, then?

25 MS. CLARK: No, thank you.

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OFFICER HAMMER: All right. Thank
you, everyone, we're adjourned.
(The hearing concluded at 9:10 a.m.)

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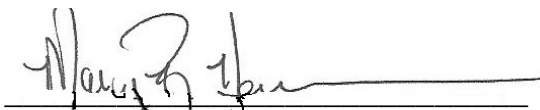
REPORTER'S CERTIFICATE

STATE OF UTAH)
COUNTY OF SUMMIT)

I, Mary R. Honigman, a Registered Professional Reporter, hereby certify:

THAT the foregoing proceedings were taken before me at the time and place set forth in the caption hereof; that the witnesses were placed under oath to tell the truth, the whole truth, and nothing but the truth; that the proceedings were taken down by me in shorthand and thereafter my notes were transcribed through computer-aided transcription; and the foregoing transcript constitutes a full, true, and accurate record of such testimony adduced and oral proceedings had, and of the whole thereof.

I have subscribed my name on this 22nd day of October, 2018.



Mary R. Honigman
Registered Professional Reporter #972887

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