BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of	DOCKET NO. 19-057-02
Dominion Energy Utah to Increase	
Distribution Rates and Charges and Make	ANGC Exhibit 3
Tariff Modifications	

DIRECT TESTIMONY OF CURTIS CHISHOLM

FOR THE AMERICAN NATURAL GAS COUNCIL, INC.

Phase 2

November 14, 2019

/s/Curtis Chisholm

Q.

Please state your name, place of employment and position.

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

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7 Q, Please describe your professional experience and educational background.

8 A. From 1995 to 1998 I was the managing director of Wasatch Energy where we purchased 9 gas in the market for customers and transported it. In 1999 I became a director of Questar 10 Energy Trading and continued working there until 2002 when I went to work at Summit 11 Energy as a managing director. Summit Energy buys natural gas in the market and 12 transports it to its customers using Questar Gas Company's pipeline facilities. I became 13 chief executive officer of Integrated Energy Companies and Summit Energy in January of 14 2014. I have a Bachelor of Science degree in accounting from the University of Utah and 15 a Master of Business Administration from the David Eccles School of Business at the 16 University of Utah. I have over 23 years of professional and executive experience in the 17 energy industry with much of it dedicated to natural gas trading.

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Q. Have you testified previously in state or federal regulatory proceedings?

A. I filed testimony in Docket No. 16-057-01, the Questar Gas and Dominion Resources
 merger case before this Commission. I also filed testimony in Docket No. 18-057-T04
 expressing concern over the revisions Dominion Energy Utah was proposing to its
 transportation service tariff. Both matters were resolved by settlement stipulations.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of ANGC, an association of commercial and industrial utility
consumers who are transportation and/or sales customers of Dominion Energy Utah
("DEU") that transport and use small to medium volumes of natural gas. Other businesses
that support and work for these customers are also members of ANGC. As I stated
before, Summit Energy is a member of ANGC.

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1 Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain the importance of fostering competition in the
 gas markets in Utah, both to the state and to individual gas customers. I also explain how
 DEU's proposed transportation service tariff and its administration of gas transportation
 services result in unfair and inequitable treatment of current and potential Rate TS
 customers and impede competition in an effort to protect Dominion's ability to sell gas
 supplies for the Company's Wexpro Gas affiliate.

- 38
- 39 Q. Is the development of competitive gas supply alternatives in Utah consistent with the
 40 public interest?

A. Yes. The ability of customers to lower their gas supply costs through purchasing natural
gas from competitive suppliers lowers their costs of operation, helps them gain greater
control of their gas costs, and improves their ability to compete in the industries in which
they are engaged. By lowering their gas costs through competition, customers can invest
in cogeneration and other energy-saving options that improve their efficiency consistent

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with the state's energy policy. Customers can also more economically use natural gas to reduce emissions at a time when that is has become a serious environmental concern.

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49 Q. Are DEU'S proposed changes in Rate TS consistent with the expansion of 50 competitive service alternatives in Utah?

- 51 A. No. As ANGC Witness Bruce Oliver explains in his testimony in this phase, DEU has 52 incorrectly determined the causes of its under-recovery of costs within the TS class. That has led the Company to inappropriately and unjustifiably attempt to: (1) block further 53 54 transfers of GS and FS customers to the TS rate schedule; and (2) inordinately increase 55 its charges for TS service. Also, DEU has created confusion and fear among the TS 56 Class of customers with its threats to dramatically increase TS rates for distribution 57 services. All of the customers served by DEU deserve consistent rate policies and reasonably predictable rates. 58
- 59

Q. What types of users are among the smaller customers that DEU would bar from participating in competitive gas supply markets?

A. Smaller customers currently taking TS service or considering transferring to TS service in
the coming year include a wide range of business and government entities. Some
examples include grocery stores, school districts, commercial office buildings, municipal
libraries, hotels, a hospital, an auto mall, warehouse facilities, a technical college, a
municipal wastewater facility, and industrial fabrication facilities. These customers may
seem small compared to some of the very large operations taking service under Rate

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We have surveyed gas utilities around the US an

91		transportation service. Of the utilities that do assess Administrative Charges, most have
92		charges well below both DEU's current and proposed Administrative Charges. I know
93		DEU is proposing to reduce its Administrative Charge for TS customers in this
94		proceeding, but even at the reduced level the Company's proposed charge is still the
95		highest in the industry. In addition, significant elements of the costs on which the
96		Company bases its Administrative Charges are inappropriate, unjustified and often
97		charge customers for services they do not need or want.
98		
99	Q.	Are there other factors that contribute to DEU's efforts to impede customers'
100		efforts to obtain lower cost gas supplies?
101	A.	Yes. Two additional factors of particular significance include: (1) the Company's limited
102		annual window of opportunity for customers to switch to TS service; and (2) DEU's
103		charges for telemetry equipment required for transportation service customers are
104		unusually high and unduly burdensome.
105		
106		Many gas distribution utilities offer rolling enrollment opportunities for gas
107		transportation services. Under rolling enrollment procedures, a customer may transfer to
108		gas transportation service at any time during a year with reasonable advance notice.
109		Concerns regarding potential adverse impacts on the utility's gas supply costs for firm
110		sales service customers are addressed through capacity assignment mechanisms. The
111		Commission should recognize that the Company's gas supply planning process faces
112		many uncertainties that can dwarf the impacts of customer transfers to gas transportation
113		service. Not the least of those factors are: (1) the impacts of weather variations; (2) the

often unpredictable timing of new customer additions; and (3) the impacts of customerenergy efficiency improvements.

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Utilities that require telemetry¹ generally do not impose the level of upfront charges for 117 118 such metering that DEU requires. DEU typically assesses over \$6,000 for the installation 119 of telemetry for a new transportation service customer. Other utilities' charges for 120 installations of telemetry are in the range of \$2,000. Some of this increase has come from 121 the cost of outsourced electricians DEU uses to meet the needs of too many meters being 122 installed in a short amount of time due to the one-time per year that customers can begin 123 service on July 1st. The one-time per year sign up restriction causes many problems for 124 the utility and its customers and is an unnecessary restriction. 125

126 Q. Does this conclude your Direct Testimony?

127 A. Yes, it does.

¹Many utilities either do not require telemetry or only require telemetry for larger transportation service customers and/or for customers who use interruptible gas transportation services.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Direct Testimony of Curtis Chisholm for the American Natural Gas Council in Phase 2 of Docket No. 19-057-02 was served by email this 14th day of November 2019 on the following:

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