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*Attorneys for Questar Gas Company*

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE FORMAL COMPLAINT AGAINST QUESTAR GAS COMPANY REGARDING NOMINATION PROCEDURES AND PRACTICES FOR TRANSPORTATION SERVICE CUSTOMERS	Docket No. 14-057-19 QUESTAR GAS COMPANY'S ANSWER
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Questar Gas Company (Questar Gas or Company) respectfully submits this Answer in response to the Complaint, Request for Declaratory and Injunctive Relief, and Request for Agency Action filed in the above referenced docket (Complaint).

**FIRST DEFENSE**

Complainant's Complaint and each purported cause of action alleged therein against Questar Gas fails to state a claim upon which relief can be granted.

**SECOND DEFENSE**

Questar Gas hereby answers and avers to each of the following numbered paragraphs contained in the Complaint as follows:

1. Questar Gas denies that CIMA ENERGY LTD, Summit Energy, LLC, Seminole Energy Services L.L.C. and Utility Cost Management Consultants are its customers. Questar

Gas denies for lack of information that any of Complainants (as defined in the Complaint) may purchase firm and/or interruptible transportation services from Questar Gas in the future.

Questar Gas admits that the remaining Complainants are currently Questar Gas TS Customers.

2. Questar Gas admits that it proposed changes to the TS Tariff language in Docket No. 13-057-05, but denies that it proposed language regarding nominations. Questar Gas admits that Tina Faust filed supportive testimony and that the pleadings and testimony in Docket No. 13-057-05 all speak for themselves. To the extent that the facts set forth in paragraph 2 of the Complaint are not expressly contained in the Application and Ms. Faust's testimony in Docket No. 13-057-05, Questar Gas denies the same.

3. Questar Gas admits that parties filed a Partial Settlement Stipulation Regarding TS Tariff Language in Docket No. 13-057-05 (Stipulation) and denies that the Stipulation called for a "nomination and scheduling" work group. To the extent that the facts set forth in paragraph 3 of the Complaint are not expressly contained in the Stipulation, Questar Gas denies the same.

4. Questar Gas responds that the Partial Settlement Stipulation Regarding TS Tariff Language in Docket No. 13-057-05 speaks for itself. To the extent that the facts set forth in paragraph 4 of the Complaint are not expressly contained in the Stipulation and/or accompanying sworn testimony, Questar Gas denies the same.

5. Questar Gas denies that the Stipulation required the Company to address nomination and scheduling issues identified as a result of the December 5, 2013 gas supply disruptions. Questar Gas further responds that the Partial Settlement Stipulation Regarding TS Tariff Language in Docket No. 13-057-05 speaks for itself. To the extent that the facts set forth in paragraph 5 of the Complaint are not expressly contained in the Stipulation and/or the Utah Public Service Commission's (Commission) Report and Order approving the Partial Settlement Stipulation, Questar Gas denies the same.

6. Questar Gas admits that it convened a working group in compliance with the Stipulation and the Commission's Report and Order. Questar Gas denies that this working group was formally titled the "Nomination and Scheduling Working Group" or that it was focused solely on nomination and scheduling issues. Questar Gas denies that the Stipulation and/or Report and Order specifically contemplated a discussion of nomination, scheduling issues and/or informal pooling services and privileges, and electronic confirmations. Questar Gas admits that it invited representatives of Questar Pipeline Company (Questar Pipeline) to discuss issues related to nominations. Questar Gas admits that, through the course of several meetings, it discussed a variety of alternatives for addressing the failure of a number of customers and/or their agents to properly nominate natural gas supplies to Questar Gas' system. These discussions included "pooling" options and the benefits of "electronic confirmations." Questar Gas admits that it discussed circulating draft contract and Tariff language addressing "pooling" options. Questar Gas specifically denies that it has ever offered "longstanding, informal pooling services and privileges" and denies the remaining allegations set forth in Paragraph 6 of the Complaint.

7. Questar Gas admits that it did not circulate draft Tariff or contract language and that Questar Pipeline notified its customers of certain nomination requirements in accordance with applicable Federal Energy Regulatory Commission (FERC) requirements, and the North American Energy Standards Board (NAESB) standards. Questar Gas specifically denies that it imposed new or different requirements or terminated any existing services, or that it made any changes that would require Commission approval. Questar Gas denies the remaining allegations set forth in Paragraph 7 of the Complaint.

8. Questar Gas specifically denies that it terminated any existing services or privileges without Commission approval. Questar Gas denies the remaining allegations set forth in Paragraph 8 of the Complaint.

9. Questar Gas objects to the legal conclusions set forth in Paragraph 9 of the Complaint and denies the factual allegations contained therein, including any underlying presumptions to those legal conclusions or factual allegations. Questar Gas specifically denies that it has eliminated any service or privilege.

10. Questar Gas denies that it unilaterally terminated any services or privileges previously available to TS Customers, or that it is imposing any new requirements upon those customers. Questar Gas also denies that a TS Customer's delivered gas supply must be tied directly to a single supply point under Questar Pipeline's nomination procedure, or that the nomination procedure exposes TS Customers to any new or additional risks associated with availability of supply. Questar Gas denies that the nominations procedure implemented by Questar Pipeline on July 1, 2014 is unique and that such procedures do not exist elsewhere in the nation. Questar Gas denies the remaining allegations set forth in Paragraph 10 of the Complaint.

11. Questar Gas denies that it eliminated any existing services or privileges. Questar Gas denies the allegations set forth in Paragraph 11 of the Complaint relating to Questar Pipeline's intent or ability to utilize electronic confirmations, for lack of information. Questar Gas denies the remaining allegations set forth in Paragraph 11 of the Complaint.

12. Questar Gas denies, for lack of information, that it could "easily use electronic confirmations" on Questar Pipeline if Questar Gas were to provide pooling services. Questar Gas admits that it has not offered any pooling services. Questar Gas denies the remaining allegations set forth in Paragraph 12 of the Complaint.

13. Questar Gas denies the allegations set forth in Paragraph 13 of the Complaint.

14. Questar Gas denies the allegations set forth in Paragraph 14 (including all subparts) of the Complaint.

## **Count I**

15. Questar Gas denies the factual allegations set forth in Paragraph 15 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 15 of the Complaint.

16. Questar Gas denies the factual allegations set forth in Paragraph 16 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 16 of the Complaint.

17. Questar Gas denies the factual allegations set forth in Paragraph 17 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 17 of the Complaint.

18. Questar Gas denies the factual allegations set forth in Paragraph 18 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 18 of the Complaint.

19. Questar Gas denies the factual allegations set forth in Paragraph 19 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 19 of the Complaint.

20. Questar Gas denies the factual allegations set forth in Paragraph 20 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 20 of the Complaint.

21. Questar Gas denies the factual allegations set forth in Paragraph 21 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 21 of the Complaint.

22. Questar Gas denies the factual allegations set forth in Paragraph 22 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal

conclusions set forth in Paragraph 22 of the Complaint. Questar Gas denies that Complainants are entitled to any of the relief requested under the Prayer for Relief on pages 13 through 15 of the Complaint.

## **Count II**

23. Questar Gas denies any factual allegations set forth in Paragraph 23 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 23 of the Complaint.

24. Questar Gas denies the factual allegations set forth in Paragraph 24 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 24 of the Complaint.

25. Questar Gas denies the factual allegations set forth in Paragraph 25 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 25 of the Complaint.

26. Questar Gas denies the factual allegations set forth in Paragraph 26 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 26 of the Complaint.

27. Questar Gas denies the factual allegations set forth in Paragraph 27 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 27 of the Complaint.

28. Questar Gas denies the factual allegations set forth in Paragraph 28 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal conclusions set forth in Paragraph 28 of the Complaint.

29. Questar Gas denies the factual allegations set forth in Paragraph 29 of the Complaint, contends that applicable statutes speak for themselves, and objects to any legal

conclusions set forth in Paragraph 29 of the Complaint. Questar Gas denies that Complainants are entitled to any of the relief requested under the Prayer for Relief on pages 13 through 15 of the Complaint.

### **Count III**

30. Questar Gas denies the factual allegations set forth in Paragraph 30 of the Complaint, and objects to any legal conclusions set forth in Paragraph 30 of the Complaint.

31. Questar Gas denies the factual allegations set forth in Paragraph 31 of the Complaint and objects to any legal conclusions set forth in Paragraph 31 of the Complaint.

32. Questar Gas denies the factual allegations set forth in Paragraph 32 of the Complaint and objects to any legal conclusions set forth in Paragraph 32 of the Complaint.

33. Questar Gas denies the factual allegations set forth in Paragraph 33 of the Complaint and objects to any legal conclusions set forth in Paragraph 33 of the Complaint.

34. Questar Gas denies the factual allegations set forth in Paragraph 34 of the Complaint and objects to any legal conclusions set forth in Paragraph 34 of the Complaint.

35. Questar Gas denies the factual allegations set forth in Paragraph 35 of the Complaint and objects to any legal conclusions set forth in Paragraph 35 of the Complaint.

Questar Gas denies that Complainants are entitled to any of the relief requested under the Prayer for Relief on pages 13 through 15 of the Complaint.

### **Count IV**

36. Questar Gas objects to any legal conclusions set forth in Paragraph 36 of the Complaint and contends that the cited statutes speak for themselves.

37. Questar Gas objects to any legal conclusions set forth in Paragraph 37 of the Complaint and contends that the cited statutes speak for themselves.

38. Questar Gas objects to any legal conclusions set forth in Paragraph 38 of the Complaint and contends that the cited statutes speak for themselves.

39. Questar Gas denies the factual allegations set forth in Paragraph 39 of the Complaint and objects to any legal conclusions set forth in Paragraph 39 of the Complaint. Questar Gas denies that Complainants are entitled to any of the relief requested under the Prayer for Relief on pages 13 through 15 of the Complaint.

#### **GENERAL DENIAL**

Questar Gas denies all averments of the Complaint not specifically admitted herein, including but not limited to all the titles, headings and other recitations.

#### **THIRD DEFENSE**

None of Questar Gas' actions, as alleged herein, constitute a violation of any rule, regulation or Tariff provisions and, therefore, Complainants are not entitled to any of the requested relief.

#### **FOURTH DEFENSE**

Questar Pipeline is a FERC-regulated interstate natural gas pipeline. Questar Pipeline, not Questar Gas, implemented the changes to the nomination procedures referenced herein and, upon information and belief, were made in accordance with applicable FERC requirements and are consistent with the NAESB standards. Therefore, the Commission has no jurisdiction over this matter.

#### **FIFTH DEFENSE**

Questar Pipeline's proposed changes to the nomination procedures are consistent with NAESB standards and are not inconsistent with standard confidentiality provisions in NAESB gas purchase contracts.



**SIXTH DEFENSE**

Questar Gas convened a working group in accordance with the Stipulation and met, as required. After participants in that working group, including some of Complainants, expressed unwillingness to discuss matters in the presence of their competitors, Questar Gas began to meet with members of the working group individually. Questar Gas has fully complied with the Stipulation and the Report and Order. Furthermore, Questar Gas is willing to continue such discussions in a group setting. Therefore, Questar Gas has not violated the Stipulation or the Order.

WHEREFORE, Questar Gas, having fully answered the Complaint, respectfully requests that the Complaint be dismissed with prejudice and that the Commission decide in favor of Questar Gas.

RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of August, 2014.

QUESTAR GAS COMPANY

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Questar Gas Company

*Attorneys for Questar Gas Company*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Questar Gas Company's

Answer was served upon the following persons by e-mail on August 28, 2014.

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