

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application)	
Of Questar Gas Company to)	
Make Tariff Modifications to)	Docket 14-057-31
Charge Transportation Customers)	
For Use of Supplier-Non-Gas)	
Services)	

REBUTTAL TESTIMONY OF

GAVIN MANGELSON

FOR THE

OFFICE OF CONSUMER SERVICES

JULY 31, 2015

1 **INTRODUCTION**

2 **Q. WHAT ARE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?**

3 A. My name is Gavin Mangelson. I am a Utility Analyst for the Office of
4 Consumer Services (Office). My business address is 160 East 300 South
5 Salt Lake City, Utah 84111.

6 **Q. PLEASE DESCRIBE YOUR EDUCATION AND QUALIFICATIONS.**

7 A. I have a B.A. in Economics from the University of Utah. Prior to being
8 hired by the Office I worked as a Financial Analyst for the Department of
9 Technology Services; where my duties involved the creation of rates that
10 were subject to approval by a government appointed commission. I have
11 completed a Utility Analyst training course from New Mexico State
12 University. Since I have been with the Office I have filed comments with
13 the Public Service Commission in over thirty dockets and have analyzed
14 issues relating to Cost of Service, Demand-Side Management, and
15 Integrated Resource Planning. I also participated in the Transportation
16 Service work group formed as a result of a partial settlement stipulation
17 from Questar Gas Company's (Questar) last rate case, Docket 13-057-05.

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19 A. The purpose of my testimony is to present the Office's position regarding
20 the recommendation made in the direct testimony of Douglas D.
21 Wheelwright of the Division of Public Utilities (Division), that the costs and
22 imbalance calculations of supplier-non-gas costs to be assigned to the

23 Transportation Services (TS) class should be determined by a task force.
24 (See Wheelwright Direct lines 288-289, 336-338)

25 **Q. DO YOU AGREE WITH MR. WHEELWRIGHT'S CONCLUSION THAT A**
26 **FEE ON THE TS CLASS FOR SUPPLIER-NON-GAS COSTS IS IN THE**
27 **PUBLIC INTEREST?**

28 A. Yes.

29 **Q. DO YOU AGREE WITH MR. WHEELWRIGHT'S RECOMMENDATION**
30 **THAT A SUPPLIER-NON-GAS FEE SHOULD BE DETERMINED BY A**
31 **TASK FORCE?**

32 A. No, the Office believes that a task force is unlikely to produce a
33 determination or calculation of a supplier-non-gas rate or fee for the TS
34 class on which the parties involved will agree. Further, the Office believes
35 that the process proposed by the Division would result in rates that are not
36 just and reasonable in the short term for non-TS customers.

37 **Q. WHY DOESN'T THE OFFICE BELIEVE THAT A TASK FORCE WOULD**
38 **BE SUCCESSFUL IN ESTABLISHING A RATE TO WHICH THE**
39 **PARTICIPANTS AGREE?**

40 A. These issues were discussed in Questar's last rate case, 13-057-05.
41 Although not specifically addressed in any testimony or tariff changes, a
42 partial settlement stipulation resulted in the formation of a Transportation
43 Service work group to further explore the issues. In 2014 several work
44 group discussions were held in the Questar Operations center. These
45 groups consisted of Questar employees, TS customers and

46 representatives, members of the Division and Office, and natural gas
47 marketers that provide procurement services to TS customers. Among
48 the topics discussed included the issues in this docket of TS customers'
49 gas usage versus actual nominations, and the potential costs associated
50 with these imbalances. Some of these same issues surrounding TS
51 customer usage balancing were also discussed as part of docket 14-057-
52 19 In the Matter of the Formal Complaint against Questar Gas Company
53 Regarding Procedures and Practices for Transportation Service
54 Customers. These previous work groups and docket did not produce a
55 resolution to the issues now before the Commission in the current docket.

56 The Office believes that after such a long history of discussions and
57 dockets addressing these and related issues it is unlikely that an
58 additional task force will yield greater success. I would also note that
59 discussions from the work groups and in the 14-057-19 docket relating to
60 this issue have been highly contentious adding to the unlikelihood that
61 additional discussions will be productive. Thus, the Office's position is that
62 the Commission should determine both whether a charge is necessary
63 and the specific terms of the charge in this docket.

64 **Q. PLEASE EXPLAIN WHY THE OFFICE BELIEVES THE COMMISSION**
65 **MUST DETERMINE A RATE NOW IN ORDER TO RESULT IN JUST**
66 **AND REASONABLE RATES.**

67 A. If the Commission finds the need for a supplier-non-gas rate on the TS
68 class, but fails to determine the rate but rather delegates the calculation to

69 a task force, it would create an interim period in which the Commission's
70 order had not resolved the inequity that it had itself identified. An order
71 that determines that an equitable distribution of costs will require a new
72 rate or charge, must also determine and implement the rate so that the
73 order will itself result in just and reasonable rates.

74 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

75 A. The Office opposes the Division's recommendation that the Commission
76 limit its current order to a finding that a rate or fee is necessary and
77 delegate the determination of such a fee to a task force.

78 Given the highly contentious nature of this issue, and the inability of
79 previous work groups to resolve the issue, the Office asserts that it is
80 unlikely that such a task force will successfully determine an equitable set
81 of costs and rates. The Office further asserts that if the Commission finds
82 that a fee is necessary, it must set that fee now in order to result in just
83 and reasonable rates for the customers in rate classes other than TS.

84 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

85 A. Yes.