

In the Matter Of:

In Re: Questar Gas Company - Vermillion Acquisition

HEARING PROCEEDINGS DOCKET NO. 17-057-01

March 09, 2017

Job Number: 369025

1 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

2

3 In the Matter of the Application of)
4 Questar Gas Company for Approval of)
5 the Vermillion Acquisition as a) Docket No.17-057-01
6 Wexpro II Property)
7)

6

7

8

HEARING PROCEEDINGS

9

10 TAKEN AT: Utah Public Service Commission
11 160 East 300 South
12 Salt Lake City, Utah
13 DATE: March 9, 2017
14 TIME: 9:00 a.m.
15 REPORTER: Mary R. Honigman, R.P.R.

13

14

15

16

17

18

19

20

21

22

23

24

25

Job number: 369025

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES

FOR THE UTAH PUBLIC SERVICE COMMISSION:

Thad LeVar, Commission Chair
David Clark, Commissioner
Jordan White, Commissioner

FOR QUESTAR GAS:

Jennifer Nelson Clark, Esq.
333 South State Street
P.O. Box 45433
Salt Lake City, Utah 84145

FOR THE DIVISION OF PUBLIC UTILITIES:

Patricia E. Schmid, Esq.
160 East 300 South, Fifth Floor
Salt Lake City, Utah 84114

FOR THE OFFICE OF CONSUMER SERVICES:

Steven Snarr, Esq.
170 South Main, Suite 400
Salt Lake City, Utah 84101

1	INDEX OF EXAMINATION	PAGE
2	WITNESS	
3	Barrie L. McKay EXAMINATION BY: Ms. Clark	7
4		
5	Douglas D. Wheelwright EXAMINATION BY: Ms. Schmid	25
6		
7	Gavin Mangelson EXAMINATION BY: Mr. Snarr	29
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 PROCEEDINGS

2 COMMISSIONER LEVAR: This is Public
3 Service Commission Docket #17-057-01 In the Matter
4 of the Application of Questar Gas Company for
5 approval of the Vermillion Acquisition as a Wexpro
6 II Property. Why don't we start with appearances
7 for the Utility.

8 MS. CLARK: Thank you. Jennifer
9 Nelson Clark. I'm an attorney for the applicant,
10 and I have with me Barrie McKay who is the director
11 of customer rates and regulation for Questar Gas;
12 and Brady Rasmussen, the vice president and general
13 manager of Wexpro Company.

14 COMMISSIONER LEVAR: Thank you.

15 MS. SCHMID: Good morning. Patricia
16 E. Schmid with the Attorney General's Office
17 representing the Division of Public Utilities. With
18 me this morning as the Division's witness is Douglas
19 W. Wheelwright. Sorry, D. Wheelwright.

20 COMMISSIONER LEVAR: That's an
21 important clarification.

22 MS. SCHMID: It is.

23 MR. SNARR: And my name is Steven W.
24 Snarr. I'm counsel for the Office of Consumer
25 Services. With me today is Gavin Mangelson, who is

1 a utility analyst.

2 COMMISSIONER LEVAR: Any preliminary
3 matters before we go to Ms. Clark?

4 MS. CLARK: Yes. We have a couple of
5 housekeeping issues. The first deals with
6 confidential information. The vast majority of Mr.
7 McKay's summary that he will offer today is not
8 confidential; however, there is a piece that sort of
9 fits in the middle that we'll need to treat as
10 confidential information. So for purposes of your
11 record and also if we're streaming, I wanted to note
12 that in advance.

13 And then the second matter that I
14 wanted to raise was the issue of cross-examination.
15 Counsel has spoken and if it's appropriate and if
16 you feel comfortable, we're happy to do all of the
17 summaries at the same time, and then perhaps have
18 questioning via the panel. We recognize that
19 Mr. McKay will be our only testifying witness today.
20 We've brought Mr. Rasmussen with us in anticipation
21 of questions, so if that works with the Commission,
22 we think that would be an appropriate way to
23 proceed.

24 COMMISSIONER LEVAR: And if there's
25 no objection from any other party -- and it sounds

1 like there's not -- to handling any potential
2 cross-examination, that makes sense.

3 With respect to the first issue, I
4 think the way we'll need to handle that is if at the
5 appropriate moment you want to make a motion to
6 close the proceeding to the public, there's a
7 required finding. The Commission has to find that
8 it's in the public interest to do so. So we can
9 deal with that at the appropriate time and make sure
10 that only appropriate people are in the room and the
11 streaming is discontinued for that portion.

12 MS. CLARK: That raises one other
13 question in my mind, and it is possible, I guess,
14 during cross-examination and examination by the
15 Commission that they may also raise issues that are
16 confidential and so if I interject, I will apologize
17 for the rudeness in advance.

18 COMMISSIONER LEVAR: If anyone asks a
19 question that you think would require any
20 confidential information, please jump in and stop us
21 before we keep going.

22 MS. CLARK: Thank you.

23 COMMISSIONER LEVAR: Any other
24 preliminary matters? Okay, then, Ms. Clark.

25 MS. CLARK: The Company calls

1 Mr. Barrie L. McKay.

2

BARRIE L. MCKAY,

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

4

and testified as follows:

5

BY MS. CLARK:

6

Q. Mr. McKay, will you state your name and

7

business address for the record?

8

A. Barrie L. McKay, and I think I'm at 333

9

South State, Salt Lake City, Utah.

10

Q. And are you the same Barrie McKay that

11

filed pre-filed direct testimony in this matter

12

along with accompanying Exhibits 2.1, 2.2, and also

13

a Supplemental Exhibit 2.2.1-S?

14

A. Yes.

15

Q. Did you actively participate in this

16

docket and in the development of the Settlement

17

Stipulation of this before the Commission today?

18

A. I did.

19

Q. Can you please summarize that Settlement

20

Stipulation?

21

A. I can. Turning to the Stipulation, I want

22

to at least touch these first few paragraphs -- I

23

don't need to go through them in detail -- but I do

24

want to recognize what's included in them.

25

Actually, the first paragraph in the Stipulation is

1 simply recognizing that both this Commission and the
2 Wyoming Commission needs to approve these
3 properties, or, shall we say, at least this
4 stipulation before it becomes effective.

5 The first numbered paragraph is a
6 reference back to Wexpro I, second one is a
7 reference back to Wexpro II, third paragraph is a
8 reference to the Trail Settlement Stipulation, and
9 fourth paragraph is referencing the Canyon Creek
10 Settlement Stipulation, all of which govern how we
11 go about having these properties approved before the
12 Commission and then develop them and the criteria
13 that must be reached in order for them to continue
14 to be part of that.

15 We then recognize that within the Wexpro
16 II agreement, there's two specific parts in
17 paragraph 5 that we were relying on and that
18 required us to come before both the Utah Commission
19 and the Wyoming Commission. One paragraph
20 identifies that there are certain properties that we
21 shall bring before the Commission, and we have about
22 three of those -- we'll point those out in a
23 minute -- and then for the first time before any of
24 the Commissions, Questar Gas and Wexpro have brought
25 a couple of properties where it was our choice to do

1 that.

2 Then we simply summarize in paragraph 6
3 the timing of the acquisition of the Kinney Unit,
4 which was in April of 2015. Paragraph 7 identifies
5 the Trail, Whiskey Canyon, and the Canyon Creek
6 Units and their purchase, which was in December of
7 2015. Then we did make the filing before this
8 Commission the beginning of this year, January 9th,
9 and we point out in this paragraph that it is the
10 Trail, the Kinney Unit, and the Canyon Creek
11 Override that fell into the category that we shall
12 or that we must bring that before the Commission.
13 All of those properties were in the Development
14 Drilling Area. And then the Whiskey Canyon and the
15 Canyon Creek outside the PA -- that stands for
16 "outside the participating area" for properties that
17 was a choice or that we may bring them -- we
18 identify them in that paragraph. We have properly
19 filed, including all of the information that was
20 thought of as we had the process of approving the
21 Wexpro II Agreement. The Hydrocarbon monitor
22 performed his responsibilities in reviewing all of
23 that and filing his initial report within the seven
24 days of filing of our Application. We obviously had
25 some scheduling conferences, we held two technical

1 conferences within the two dockets -- the one that
2 is of importance here would be the February 2nd one
3 that we held in Utah -- answered numerous data
4 requests, filing direct testimony, and then in
5 paragraph 14, the parties met for the first time on
6 the 23rd of February along with the Hydrocarbon
7 monitor. I want to point that out, as you'll see
8 here in a minute, we needed to rely on his expertise
9 and actually his third-party verification for a
10 settled-upon change of how Wexpro will be developing
11 one of the properties, and he helped in that
12 process. Then, simply, in 16 is the recognition
13 that this resolves all the issues in the docket
14 before this Commission.

15 So the key things are the Terms and
16 Conditions, which begin in paragraph 17 where it's
17 identified that the Trail Unit and the Whiskey
18 Canyon Unit shall be approved as Wexpro II
19 properties. In paragraph 18, we identify that the
20 Canyon Creek property, which includes the "outside
21 the participating area" as well as the overriding
22 royalties, will be approved as a Wexpro II property,
23 subject to a change in the way that Wexpro will
24 develop the properties. And they will replace what
25 was originally anticipated as a horizontal well with

1 a vertical drilling program in an area outside the
2 participating area. And after those first three
3 wells are drilled, Wexpro has agreed that they will
4 bring the results, costs, the volumes that are
5 anticipated before the parties and will not proceed
6 with further drilling until that has happened, as
7 well as the opportunity for the Hydrocarbon monitor
8 to review the results of those first three wells and
9 deem it reasonable in moving forward.

10 And then as we worked through this, we
11 wanted to make sure that everybody realized that we
12 are agreeing to this approach, but we are also
13 recognizing that overarching the development of the
14 Canyon Creek Unit are still the criteria of the
15 issues that were settled in the Trail Stipulation,
16 as well as the Canyon Creek, which is the limiting
17 amount of volumes that Wexpro can provide to Questar
18 Gas, as well as needing to meet the 5-year forward
19 curve before they drill and meeting the
20 commerciality test. So we make a reference to that
21 at the end of that paragraph.

22 And I think, now, to provide further
23 clarity and to get some additional evidence on the
24 record, we've prepared a few, I guess we call them
25 hearing exhibits, but those are going to be

1 confidential.

2 MS. CLARK: They are, and if I can
3 approach, I'll give you copies and we can just
4 briefly make the motion and lay the reasoning for
5 calling it confidential.

6 COMMISSIONER LEVAR: Okay. So you'll
7 provide us with three copies prior to the motion and
8 to the two parties. Okay. Thank you.

9 MS. CLARK: The parties have them.

10 COMMISSIONER LEVAR: They already
11 have them? Okay. Thank you.

12 MS. CLARK: Now that we have them in
13 front of us, the Company would move that the hearing
14 be closed for the portion of Mr. McKay's testimony
15 when he testifies to these four exhibits you have in
16 front of you. And if we can previously flip through
17 them, I would preface it by saying these are either
18 updates or supplements to exhibits that have been
19 previously filed as confidential exhibits. You'll
20 note that the first one has some information related
21 to drilling and costs that the Company deems
22 confidential. The second is supplemental to
23 Application Exhibit B. It also contains future
24 drilling plans which the Company deems confidential.
25 The third that you can see has to do with total gas

1 supply, and the right-hand side of that exhibit
2 contains some forecasts; and, again, the Company
3 deems that forecast information to be confidential.

4 And, finally, Confidential Hearing
5 Exhibit 4 is the future drilling plan, Wexpro's
6 future drilling plan for these properties, and the
7 Company deems that confidential as well. The
8 Company would argue that disclosure of this
9 information would put it at a competitive
10 disadvantage for negotiations in the future, and it
11 would also cause the Company to disclose information
12 that it views proprietary.

13 COMMISSIONER LEVAR: Thank you. Is
14 there any objection to this motion. Ms. Schmid?

15 MS. SCHMID: No objection.

16 COMMISSIONER LEVAR: Mr. Snarr?

17 MR. SNARR: No objection.

18 COMMISSIONER LEVAR: We find that it
19 is in the interest of the public to grant the motion
20 and to close the hearing to anyone who's not a party
21 until we complete discussion of confidential
22 information. So we will discontinue streaming at
23 this point. Is there anyone in the room -- I don't
24 know the names of everyone in the room, but if
25 everyone at the table is comfortable with those in

1 the room, then we can proceed.

2 MS. CLARK: It's fine. I think we
3 recognize everyone here.

4 COMMISSIONER LEVAR: Okay. Do we
5 have the streaming turned off? Okay. Thank you.

6 (The following testimony was deemed confidential.)

7 ///

8 ///

9 ///

10 ///

11 ///

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

1 (End of confidential testimony.)

2 COMMISSIONER LEVAR: We will reopen
3 the meeting then to the public. Any objection to
4 reopening the meeting? We'll start the streaming
5 again. Thank you.

6 MS. CLARK: The Company would now
7 move for the admission of Confidential Hearing
8 Exhibits 1, 2, 3, and 4.

9 COMMISSIONER LEVAR: Any objection to
10 that motion, Ms. Schmid?

11 MS. SCHMID: No objection.

12 COMMISSIONER LEVAR: Mr. Snarr?

13 MR. SNARR: No objection.

14 COMMISSIONER LEVAR: The motion is
15 granted. Thank you.

16 BY MS. CLARK:

17 **Q. Please proceed, Mr. McKay.**

18 A. That gets us to paragraph 19. In
19 paragraph 19, the parties agreed that the Kinney
20 Unit at this time would be withdrawn for
21 consideration before this Commission, and then we
22 would give Wexpro the opportunity to be able to
23 prove that this unit can be economically developed
24 if they can. And based on a verification
25 recognizing that the Wexpro Agreement is

1 self-governing here, we know the Hydrocarbon monitor
2 would be reviewing their work in that area and
3 assuming that it can be economically developed, then
4 we -- Questar Gas, Wexpro -- shall bring this
5 property back before the Commission. We're not
6 committing the Commission or any parties that it has
7 to become part of Wexpro I, but simply giving
8 parties a free option, if you will, on this. And
9 our concern was, is that the way that the Wexpro II
10 Agreement, I think, contemplated properties being
11 brought before the Commission is that you would
12 bring a property and it would either be included or
13 not included, and that's the way we would live going
14 forward. We didn't want that decision to have to be
15 made on this if the property looks promising, but
16 there wasn't enough evidence at this time, and we
17 agreed that we would delay that official decision
18 before this Commission by us withdrawing that. And
19 then assuming that it's a good property and parties
20 don't want us -- if it doesn't prove to be a good
21 property -- to have us, quote, waste our time with
22 having to see that the numbers aren't good, we
23 recognize the Hydrocarbon monitor in the review of
24 that process will be able to satisfy that concern.
25 But if it can be economically developed, Wexpro and

1 Questar Gas would bring it back before the
2 Commission and give the parties an option to have it
3 become a Wexpro II property.

4 That leads us to paragraph 20, which
5 they're in the process of discovery and
6 negotiations. There were concerns related to at
7 least three areas, and we wanted to memorialize
8 those and agree that -- assuming approval of the
9 Settlement Stipulation in both Utah and Wyoming --
10 the parties would meet within 45 days and discuss
11 the mitigation of risks associated with other
12 participating areas. Right now, our discussion has
13 been that it's not imminent, but we wanted to make
14 sure we all had an understanding of what that might
15 be out there and provide the evidence to make sure
16 everyone had understanding with it.

17 We also wanted to evaluate the -- talk
18 about and discuss the evaluating and the
19 implementing of future sale or retirement exchange
20 of Wexpro I assets as their useful life comes to an
21 end, and then specifically talk about the timing. I
22 think it's a little odd -- we will freely admit
23 that -- that time that happened between Wexpro
24 acquiring these properties and then bringing them
25 before the Commission has some unique circumstances,

1 but we wanted to discuss that timing which has not
2 been specifically addressed.

3 Then the last paragraph in the Terms and
4 Conditions is 21, and is essentially a paragraph
5 that has existed in our other stipulations that
6 recognizes that Wexpro -- the paragraphs in the
7 Settlement Stipulation of Wexpro I are still in
8 force as it relates to regulation, or, shall we say
9 not regulation of Questar -- sorry, of Wexpro. So
10 I'm going to make one more attempt on that. This
11 paragraph refers to Wexpro and how they are not
12 considered a regulated entity, and that's spelled
13 out in the Wexpro I Agreement.

14 The rest of this is the General Terms and
15 Conditions, stating that we feel that this is a just
16 and reasonable resolution of the issues and it's in
17 the public interest. In paragraph 22, it doesn't
18 set any precedent as far as other issues bringing
19 before the Commission in the future. We'll be happy
20 to provide witnesses, and I think you're seeing that
21 happen today. And then, if, in fact, we're not
22 approved by the Commissions, how the parties would
23 respond and act.

24 But in summary, we feel this is an
25 excellent resolution of the issues in this case, and

1 it's just and reasonable and ought to be approved by
2 this Commission.

3 **Q. Does that conclude your summary?**

4 A. Yes.

5 MS. CLARK: Before the Company
6 surrenders the floor, it would move for the
7 admission pursuant to paragraph 24 of the
8 Stipulation of those exhibits referenced in Questar
9 Gas Company's Exhibit Index. The parties and the
10 court reporter have been provided with the index,
11 and you will find it if you just open the cover of
12 the binder in front of you. It includes the
13 exhibits -- the Application and the exhibits that
14 accompanied it, Exhibits A through P including
15 subparts. It also includes the supplemental
16 information that was filed in this docket; the
17 direct testimony of Mr. McKay with accompanying
18 Exhibits 2.1, 2.2, and 2.2.1-S; and then also the
19 direct testimony of Brady B. Rasmussen, which is
20 Exhibit 3 with accompanying exhibits; Questar Gas
21 Exhibit 3.1, 3.2, 3.2.1-S, 3.3, 3.4, 3.5, 3.6, 3.7,
22 and we'll just say with the subparts of 3.7. Those
23 were filed with the supplemental information and
24 3.8.

25 COMMISSIONER LEVAR: Thank you.

1 Ms. Schmid, any objection to that motion?

2 MS. SCHMID: No objection.

3 COMMISSIONER LEVAR: Mr. Snarr?

4 MR. SNARR: No objection.

5 COMMISSIONER LEVAR: Okay. The
6 motion is granted. Thank you.

7 MS. CLARK: Thank you. The Company
8 does not have any other witnesses to offer at this
9 time.

10 COMMISSIONER LEVAR: Okay. With the
11 understanding there might be questions later, we
12 will move on to Ms. Schmid.

13 MS. SCHMID: Thank you. The
14 Division's witness this morning is Mr. Douglas D.
15 Wheelwright. Could he please be sworn?

16 DOUGLAS D. WHEELWRIGHT,
17 having been first duly sworn to tell the truth, was examined
18 and testified as follows:

19 BY MS. SCHMID:

20 **Q. Mr. Wheelwright, could you please tell us**
21 **by whom you are employed, your position, and your**
22 **business address?**

23 A. Yes. I'm a technical consultant with the
24 Division of Public Utilities. My address is 160
25 East 300 South.

1 Q. On behalf of the Division, have you
2 participated in this docket?

3 A. Yes, I have.

4 Q. Did that participation include preparing
5 and causing to be filed DPU Exhibit No. 1.0 Direct,
6 along with DPU Exhibit No. 1.01 Direct, 1.02, which
7 were confidential, 1.01, 1.02 Redacted, and then DPU
8 1.0 Direct, your corrected prefiled direct testimony
9 along with redacted Exhibits 1.01 and 1.02?

10 A. Yes.

11 Q. Why was corrected prefiled direct
12 testimony filed?

13 A. The only correction to the original filing
14 was a change in our summary. We removed some of the
15 redacted portion of that summary.

16 MS. SCHMID: The Division would like
17 to move to admit the exhibits previously identified.
18 You also have been provided with an exhibit list.

19 COMMISSIONER LEVAR: Mr. Snarr, any
20 objection to that motion?

21 MR. SNARR: No objection.

22 COMMISSIONER LEVAR: Ms. Clark?

23 MS. CLARK: No objection.

24 COMMISSIONER LEVAR: The motion is
25 granted.

1 MS. SCHMID: Thank you.

2 BY MS. SCHMID:

3 Q. Mr. Wheelwright, did you participate in
4 the settlement meetings?

5 A. Yes, I did.

6 Q. Do you have summary statements to provide?

7 A. Yes, I do.

8 Q. Please proceed.

9 A. Thank you, Commissioners. The objective
10 of the Wexpro II Agreement was to create a structure
11 and a mechanism that could potentially allow
12 additional properties to be included in future cost
13 of service gas production. The Vermillion
14 Application before you today represents the third
15 time additional properties have been presented for
16 approval. The Original Application in this docket
17 represented the purchase of varying ownership
18 interest in four separate properties identified as
19 the Vermillion Acquisition. In direct testimony,
20 the Division recommended approval of the additional
21 interest in the Trail property and approval of the
22 Whiskey Canyon property. The Division expressed
23 concern with the original proposal for wells in
24 Canyon Creek and concerns with the cost of service
25 from the Kinney field. In response, the Company

1 prepared a modification to the proposed drilling in
2 Canyon Creek and prepared a revised cost of service
3 calculation that excluded the additional ownership
4 in the Kinney property. These two modifications to
5 the original Application are the basis for the
6 Settlement Stipulation which has been signed by all
7 the interested parties and has been outlined today
8 by Mr. McKay.

9 The calculations and the assumptions used
10 in the original Application and the assumptions used
11 in the Settlement Stipulation have been reviewed and
12 evaluated by Mr. David Evans, the independent
13 Hydrocarbon monitor. The first confidential report
14 from the Hydrocarbon monitor was filed with the
15 Commission on January 19th, and the second report
16 was filed on February 27th. In both reports, Mr.
17 Evans indicated that in his opinion, the reserves
18 and associated economic information represented by
19 Wexpro were reasonable. The specifics of the cost
20 of service price projections from this acquisition
21 are confidential, but have been included in Exhibits
22 L-1 through L-5 of the original filing and in
23 subsequent updates. A comparison of the cost of
24 service price from the Vermillion properties along
25 with the total cost of service price for all of the

1 Wexpro production and the projected market price was
2 included in my direct testimony.

3 The revised projections of Exhibit L-5
4 with a modified drilling in Canyon Creek and
5 excluding the Kinney property show a slight decrease
6 in the total cost of service price for the three
7 remaining Vermillion properties. It should be noted
8 that a total volume of natural gas production from
9 the Vermillion Acquisition represents a small
10 percentage of the total Wexpro production and will
11 have a minor impact on the total price of cost of
12 service gas produced by Wexpro.

13 The Division has reviewed the Company's
14 Application and subsequent updates and has
15 participated in the settlement negotiations. Key
16 provisions of the stipulation will allow the Company
17 to resubmit the Kinney property in the future and
18 require further discussions with the Company to
19 clarify procedures for property sale or exchange and
20 potential expansion of participation area.

21 It is the Division's recommendation that
22 the Commission approve the properties identified in
23 the Vermillion Settlement Stipulation and that these
24 properties be included under the Wexpro II
25 Agreement. Approval of the Vermillion Acquisition

1 as a Wexpro II property represents the purchase of a
2 long-term resource that could be advantageous to
3 ratepayers for many years. The Division believes
4 the terms of the Stipulation Agreement taken as a
5 whole are just and reasonable and are in the public
6 interest. That concludes my summary.

7 MS. SCHMID: Thank you.

8 COMMISSIONER LEVAR: That concludes
9 your presentation?

10 MS. SCHMID: That concludes the
11 Division's presentation.

12 COMMISSIONER LEVAR: Thank you.
13 Mr. Snarr?

14 MR. SNARR: Yes. Thank you.
15 Appearing today in support of the Office of Consumer
16 Services is Gavin Mangelson. He has prepared
17 testimony. May he be sworn?

18 GAVIN MANGELSON,
19 having been first duly sworn to tell the truth, was examined
20 and testified as follows:

21 BY MR. SNARR:

22 **Q. Mr. Mangelson, what is your name, business**
23 **address, and by whom are you employed?**

24 A. My name is Gavin Mangelson. My business
25 address is 160 East 300 South, Salt Lake City, Utah.

1 I'm a utility analyst for the Office of Consumer
2 Services.

3 **Q. Did you submit prefiled direct testimony**
4 **in this docket?**

5 A. Yes. On February 21st, 2017, I submitted
6 ten pages of confidential direct testimony.

7 COMMISSIONER LEVAR: Mr. Snarr, I'm
8 sorry to interrupt, but I think you're not picking
9 up on our streaming. If you could maybe move the
10 microphone a little closer to you.

11 MR. SNARR: Certainly.

12 COMMISSIONER LEVAR: Thank you.

13 BY MR. SNARR:

14 **Q. How is that testimony identified in the**
15 **proceeding here today?**

16 A. As OCS-1-D.

17 **Q. And are there any corrections or**
18 **modifications to that testimony as you present that**
19 **today?**

20 A. No.

21 MR. SNARR: We would move to have
22 Mr. Mangelson's previously filed testimony to be
23 admitted as part of the record.

24 COMMISSIONER LEVAR: Thank you. Ms.
25 Schmid, do you have any objection to that?

1 MS. SCHMID: No objection.

2 COMMISSIONER LEVAR: Thank you. Ms.
3 Clark?

4 MS. CLARK: No objection.

5 COMMISSIONER LEVAR: Thank you. The
6 motion is granted.

7 BY MR. SNARR:

8 **Q. Mr. Mangelson, did you participate in the**
9 **settlement discussions related to the issues raised**
10 **in this docket?**

11 A. Yes. I participated in the development of
12 the Vermillion Settlement Stipulation which has been
13 submitted to this Commission. The Office of
14 Consumer Services is a party to that agreement.

15 **Q. Have you prepared a statement or summary**
16 **of the Office's position?**

17 A. Yes, I have.

18 **Q. Could you please provide that?**

19 A. Thank you. Good morning, Mr. Chairman,
20 Commissioners. The Office of Consumer Services
21 conducted detailed analysis of the proposal to
22 include new properties within the Wexpro II
23 Agreement. In accordance with our statutory
24 mandate, we approached our analysis from the
25 perspective of residential and small commercial

1 customers who together represent a substantial
2 portion of the customers receiving cost of service
3 gas under the Wexpro Agreements.

4 The Office's direct testimony identified
5 cost information for cost of service gas from each
6 of the four properties individually and further
7 divided those properties by existing proven
8 developed producing, or PDP wells, and future
9 development wells. We included comparisons of this
10 cost information to current market rates.

11 In addition to the cost analysis of the
12 proposed properties, the Office's Direct Testimony
13 identified other issues that are important to
14 consider in this and any future applications to
15 include properties under the Wexpro II Agreement.
16 These additional issues can be summarized into three
17 main points. First, although a combination of
18 existing wells and new development wells may result
19 in a combined cost of service that is below market
20 prices, acceptance of these wells into the agreement
21 means that ratepayers will be required to purchase
22 the additional volumes that come from these existing
23 wells, even though prices may be, at times, above
24 market prices.

25 Second, the cap on the level of Wexpro Gas

1 as a percentage of total gas supply established in
2 the Canyon Creek Stipulation is a ceiling and should
3 not be treated as a target for levels of Wexpro Gas.

4 And, third, declining volumes of Wexpro
5 Gas should be replaced only if the additional
6 volumes can be justified based on their independent
7 advantage when compared to market prices.

8 The Office believes that the Vermillion
9 Settlement Stipulation filed on March 2, 2017 in
10 this docket reasonably satisfies the issues and
11 concerns that we identified.

12 Cost information was used as the principal
13 basis for our recommendations for each individual
14 property, and cost information was the principal
15 factor in developing the terms of the Settlement
16 Stipulation. Regarding the Whiskey Canyon and Trail
17 properties, the combined cost of service gas
18 produced from PDP and development wells from these
19 properties is expected to be below current rates.
20 Therefore, the Office supports the inclusion of
21 these properties into the Wexpro II Agreement as
22 stated in paragraph 17 of the Stipulation.

23 Regarding the Canyon Creek property, I
24 will note that the Canyon Creek property referred
25 both to the overriding royalty interest of certain

1 wells within the participating area, as well as two
2 additional properties outside of the current Canyon
3 Creek participating area. The Office originally
4 opposed inclusion of the Canyon Creek property into
5 the Wexpro II Agreement based on the uncertainty of
6 resulting actual prices. During the settlement
7 talks, Wexpro agreed to make certain modifications
8 to the anticipated drilling plan for this property.
9 The changes to the drilling plan are explained in
10 paragraph 18, and initially provide for three
11 vertical wells in lieu of the horizontal well
12 described in the Application. The revisions to
13 Wexpro's drilling plan for this property should
14 present less risk, result in lower cost of service
15 gas from the new wells, and thereby lower the price
16 of cost of service from the property as whole.

17 Based on the conditions described in
18 paragraph 18, the Office supports inclusion of the
19 Canyon Creek property into the Wexpro II Agreement.

20 Regarding the additional interest in the
21 Kinney property, cost of service gas from the
22 existing wells is currently above market prices, and
23 information about the single-development well
24 provided in the Application does not produce a
25 resulting cost of service gas price below current

1 market rates. Parties believe that further
2 exploration in that field may prove additional well
3 sites that would result in a lower overall cost of
4 service price from that area. Therefore, paragraph
5 19 provides for the withdrawal from consideration of
6 the Kinney property at this time, along with a
7 mechanism for the property to be brought before the
8 Commission under the cost circumstances described in
9 that paragraph.

10 In conclusion, the Office submits that the
11 Vermillion Settlement Stipulation to Questar's
12 request for the inclusion of additional properties
13 under the Wexpro II Agreement will result in just
14 and reasonable rates and is in the public interest
15 and recommends that the Commission approve the
16 Settlement Stipulation.

17 MR. SNARR: That concludes the
18 Office's presentation.

19 COMMISSIONER LEVAR: Thank you. Ms.
20 Clark, do you have any questions for any witnesses?

21 MS. CLARK: I do not. Thank you.

22 COMMISSIONER LEVAR: Thank you. Ms.
23 Schmid?

24 MS. SCHMID: No questions.

25 COMMISSIONER LEVAR: Thank you. Mr.

1 Snarr?

2 MR. SNARR: No questions.

3 COMMISSIONER LEVAR: Commissioner

4 White?

5 COMMISSIONER WHITE: With respect to
6 the Kinney property, to the extent it's not
7 confidential, what is the anticipated timing of the
8 additional exploration of potential request for
9 inclusion?

10 MS. CLARK: I think the Company would
11 deem the answer to that question confidential, and I
12 think Mr. Rasmussen is probably best equipped to
13 answer it, and he needs to be sworn.

14 BRADY B. RASMUSSEN,
15 having been first duly sworn to tell the truth, was examined
16 and testified as follows:

17 COMMISSIONER LEVAR: Is there any
18 objection, Ms. Schmid, from closing the hearing to
19 hear the answer to this question?

20 MS. SCHMID: No objection.

21 COMMISSIONER LEVAR: Thank you. Mr.
22 Snarr?

23 MR. SNARR: No objection.

24 COMMISSIONER LEVAR: We find it is in
25 the public interest to close this hearing to the

1 public to receive an answer to this question. Will

2 you let me know if the streaming is stopped?

3 (The following portion was deemed confidential.)

4 ///

5 ///

6 ///

7 ///

8 ///

9 ///

10 ///

11 ///

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

1 (Confidential portion ends.)

2 COMMISSIONER LEVAR: We will open the
3 hearing then back to the public. Thank you. And I
4 don't have any further questions. Any final matters
5 before we adjourn?

6 MS. CLARK: Yes, thank you,
7 Commissioner. Two matters: One is that the Company
8 recognizes that we will be before the Wyoming
9 Commission on the 17th of this month; I believe
10 that's next Friday. We would request, recognizing
11 that it would be helpful to have a decision from
12 this Commission prior to that hearing, we would
13 request a bench order. We recognize that's a lot to
14 ask and if you are not prepared to do so, we would
15 simply request that we get some indication prior to
16 the Wyoming hearing.

17 The other matter would be the
18 Application did not identify an effective date. We
19 would like to treat this matter the same way we have
20 treated prior Wexpro II matters and seek an
21 effective date of the first of the same month in
22 which the hearings were held. So in this case, it
23 would be March 1st. And I think that is all the
24 Company has to add.

25 COMMISSIONER LEVAR: Let me ask for

1 one clarification. If our Commission were to grant
2 a bench ruling today with an effective date of
3 March 1st and then subsequently issue a written
4 order confirming that, and if the Wyoming Commission
5 were to do a bench ruling with a subsequent written
6 order, just looking at paragraph 20, when the 45
7 days -- and that's not based on effective date but
8 on Commission approval -- was it anticipated that
9 that would run beginning with the first -- I'm
10 sorry, with the second bench ruling or with the
11 final written order?

12 MS. CLARK: I think as a technical
13 matter, it is intended to run with the final ruling
14 that makes all of this effective. That said, I can
15 tell you and assure you that the Company and the
16 parties have already been talking. The Company is
17 conducting analysis, and we will be prompt about
18 that.

19 COMMISSIONER LEVAR: When you say
20 final written ruling --

21 MS. CLARK: I think it would be the
22 final bench ruling. If we were to get, for example,
23 a bench ruling from Wyoming on the 17th, we would
24 deem the clock to begin running that day.

25 COMMISSIONER LEVAR: Okay. Any

1 difference of opinion, Ms. Schmid?

2 MS. SCHMID: The Division would
3 support the issuance of a bench order.

4 COMMISSIONER LEVAR: Thank you. Mr.
5 Snarr?

6 MR. SNARR: We would agree with the
7 running of the date as Ms. Clark has described.

8 COMMISSIONER LEVAR: Do you have any
9 position on a bench ruling today?

10 MR. SNARR: It would be nice to have
11 it. We're here just to facilitate this process.

12 COMMISSIONER LEVAR: Thank you. Any
13 questions from Commissioner Clark or Commissioner
14 White on the motion for bench ruling?

15 COMMISSIONER WHITE: Just to clarify,
16 is there any opposition to the effective date moving
17 to the first of the month? Does that change the
18 position of the Office or the Division?

19 MS. SCHMID: It does not change the
20 position of the Division.

21 MR. SNARR: There's no objection to
22 that.

23 COMMISSIONER LEVAR: Why don't we
24 then take a brief five-minute or so recess. If we
25 need longer than that, we will send somebody in the

1 room to let you know that we might need longer.

2 Thank you.

3 (A brief recess was taken.)

4 COMMISSIONER LEVAR: We find that the
5 Settlement Stipulation presented in this docket is
6 just and reasonable and in the public interest, and
7 we conclude that it is consistent with the relevant
8 statutes and the previous Agreements and previous
9 Wexpro matters. We approve the Settlement
10 Stipulation with one change, and please let me know
11 if I have this change correct. On the first page of
12 the Settlement Stipulation where it says, near the
13 bottom of page 1, "This Settlement Stipulation shall
14 be effective upon the entry of final order of
15 approval by both Commissions," I think we're
16 changing that sentence to say, "It will be effective
17 March 1, 2017 contingent on approval by those two
18 Commissions." Please indicate to me if that change
19 is consistent with everybody's understanding.

20 MS. SCHMID: Consistent with the
21 Division's understanding.

22 COMMISSIONER LEVAR: Mr. Snarr?

23 MR. SNARR: Yes, it's consistent.

24 COMMISSIONER LEVAR: With that
25 change, we approve the Settlement Stipulation and we

1 will, subsequent to this hearing, issue a written
2 order confirming that bench ruling. Any other
3 matters before we adjourn?

4 MS. CLARK: No. Thank you.

5 MS. SCHMID: Nothing further from the
6 Division.

7 MR. SNARR: Nothing further from the
8 Office.

9 COMMISSIONER LEVAR: Thank you.
10 We're adjourned.

11 (The proceedings concluded at 10:05 a.m.)

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

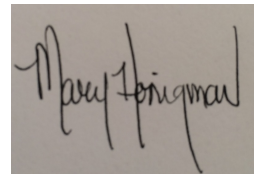
REPORTER'S CERTIFICATE

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 witness was 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 20th day of March, 2017.



Mary R. Honigman
Registered Professional Reporter

#	21 21:4	6	add 48:24	30:14,23
#17-057-01 4:3	21st 29:5	6 9:2	addition 31:11	31:15,20 32:21 33:5,19 34:13
1	22 21:17	7	additional	Agreements
1 18:8	23rd 10:6	7 9:4	11:23 25:12, 15,20 26:3	31:3
1.0 24:5,8	24 22:7	9	31:16,22 32:5	all 5:16 8:10
1.01 24:6,7,9	27th 26:16	9th 9:8	33:2,20 34:2, 12 35:8	9:13,19,22
1.02 24:6,7,9	2nd 10:2	A	address 7:7	10:13 20:14
14 10:5	3	able 18:22	23:22,24	26:6,25 48:23
16 10:12	3 18:8 22:20	19:24	28:23,25	49:14
160 23:24 28:25	3.1 22:21	above 31:23	addressed	allow 25:11 27:16
17 10:16 32:22	3.2 22:21	33:22	21:2	along 7:12
17th 48:9 49:23	3.2.1-S 22:21	acceptance	admission	10:6 24:6,9
18 10:19 33:10, 18	3.3 22:21	31:20	18:7 22:7	26:24 34:6
19 18:18,19 34:5	3.4 22:21	accompanied	admit 20:22	already 12:10 49:16
19th 26:15	3.5 22:21	22:14	24:17	also 5:11 6:15
1st 48:23 49:3	3.6 22:21	accompanying	admitted 29:23	7:12 11:12
2	3.7 22:21,22	7:12 22:17,20	advance 5:12	12:23 13:11
2 18:8 32:9	3.8 22:24	accordance	6:17	20:17 22:15,18
2.1 7:12 22:18	300 23:25 28:25	30:23	advantage	24:18
2.2 7:12 22:18	333 7:8	acquiring	32:7	although 31:17
2.2.1-S 7:13 22:18	4	20:24	advantageous	amount 11:17
20 20:4 49:6	4 13:5 18:8	acquisition 4:5	28:2	analysis 30:21, 24 31:11 49:17
2015 9:4,7	45 20:10 49:6	9:3 25:19	after 11:2	analyst 5:1 29:1
2017 29:5 32:9	5	26:20 27:9,25	again 13:2 18:5	anticipated
	5 8:17	act 21:23	agree 20:8	10:25 11:5
	5-year 11:18	actively 7:15	50:6	33:8 35:7 49:8
		actual 33:6	agreed 11:3	anticipation
		actually 7:25 10:9	18:19 19:17	5:20
			33:7	anyone 6:18 13:20,23
			agreeing 11:12	apologize 6:16
			agreement	appearances
			8:16 9:21	4:6
			18:25 19:10	
			21:13 25:10	
			27:25 28:4	

Appearing 28:15	assuming 19:3,19 20:8	believe 34:1 48:9	calling 12:5	Clark 4:8,9 5:3, 4 6:12,22,24, 25 7:5 12:2,9, 12 14:2 18:6, 16 22:5 23:7 24:22,23 30:3, 4 34:20,21 35:10 48:6 49:12,21 50:7, 13
applicant 4:9	assumptions 26:9,10	believes 28:3 32:8	calls 6:25	
Application 4:4 9:24 12:23 22:13 25:14,16 26:5,10 27:14 33:12,24 48:18	assure 49:15	below 31:19 32:19 33:25	Canyon 8:9 9:5,10,14,15 10:18,20 11:14,16 25:22,24 26:2 27:4 32:2,16, 23,24 33:2,4, 19	
applications 31:14	attempt 21:10	bench 48:13 49:2,5,10,22, 23 50:3,9,14		
approach 11:12 12:3	attorney 4:9,16			
approached 30:24	<hr/> B <hr/>	best 35:12	cap 31:25	clock 49:24
appropriate 5:15,22 6:5,9, 10	back 8:6,7 19:5 20:1 48:3	between 20:23	case 21:25 48:22	close 6:6 13:20 35:25
approval 4:5 20:8 25:16,20, 21 27:25 49:8	Barrie 4:10 7:1, 2,8,10	binder 22:12	category 9:11	closed 12:14
approve 8:2 27:22 34:15	based 18:24 32:6 33:5,17 49:7	both 8:1,18 20:9 26:16 32:25	cause 13:11	closer 29:10
approved 8:11 10:18,22 21:22 22:1	basis 26:5 32:13	Brady 4:12 22:19 35:14	causing 24:5	closing 35:18
approving 9:20	become 19:7 20:3	brief 50:24	ceiling 32:2	combination 31:17
April 9:4	becomes 8:4	briefly 12:4	certain 8:20 32:25 33:7	combined 31:19 32:17
area 9:14,16 10:21 11:1,2 19:2 27:20 33:1,3 34:4	before 5:3 6:21 7:17 8:4,11,18, 21,23 9:7,12 10:14 11:5,19 18:21 19:5,11, 18 20:1,25 21:19 22:5 25:14 34:7 48:5,8	bring 8:21 9:12,17 11:4 19:4,12 20:1	Certainly 29:11	come 8:18 31:22
areas 20:7,12	begin 10:16 49:24	bringing 20:24 21:18	Chairman 30:19	comes 20:20
argue 13:8	beginning 9:8 49:9	brought 5:20 8:24 19:11 34:7	change 10:10, 23 24:14 50:17,19	comfortable 5:16 13:25
asks 6:18	behalf 24:1	business 7:7 23:22 28:22,24	changes 33:9	commercial 30:25
assets 20:20	being 19:10	<hr/> C <hr/>	choice 8:25 9:17	commerciality 11:20
associated 20:11 26:18		calculation 26:3	circumstances 20:25 34:8	Commission 4:3 5:21 6:7,15 7:17 8:1,2,12, 18,19,21 9:8, 12 10:14 18:21 19:5,6,11,18 20:2,25 21:19 22:2 26:15 27:22 30:13 34:8,15 48:9, 12 49:1,4,8
		calculations 26:9	City 7:9 28:25	
		call 11:24	clarification 4:21 49:1	
			clarify 27:19 50:15	
			clarity 11:23	

<p>Commissioner 4:2,14,20 5:2, 24 6:18,23 12:6,10 13:13, 16,18 14:4 18:2,9,12,14 22:25 23:3,5, 10 24:19,22,24 28:8,12 29:7, 12,24 30:2,5 34:19,22,25 35:3,5,17,21, 24 48:2,7,25 49:19,25 50:4, 8,12,13,15,23</p> <p>Commissioner s 25:9 30:20</p> <p>Commissions 8:24 21:22</p> <p>committing 19:6</p> <p>Company 4:4, 13 6:25 12:13, 21,24 13:2,7,8, 11 18:6 22:5 23:7 25:25 27:16,18 35:10 48:7,24 49:15, 16</p> <p>Company's 22:9 27:13</p> <p>compared 32:7</p> <p>comparison 26:23</p> <p>comparisons 31:9</p> <p>competitive 13:9</p> <p>complete 13:21</p>	<p>concern 19:9, 24 25:23</p> <p>concerns 20:6 25:24 32:11</p> <p>conclude 22:3</p> <p>concludes 28:6,8,10 34:17</p> <p>conclusion 34:10</p> <p>conditions 10:16 21:4,15 33:17</p> <p>conducted 30:21</p> <p>conducting 49:17</p> <p>conferences 9:25 10:1</p> <p>confidential 5:6,8,10 6:16, 20 12:1,5,19, 22,24 13:3,4,7, 21 14:6 18:1,7 24:7 26:13,21 29:6 35:7,11 36:3 48:1</p> <p>confirming 49:4</p> <p>consider 31:14</p> <p>consideration 18:21 34:5</p> <p>considered 21:12</p> <p>consultant 23:23</p> <p>Consumer 4:24 28:15 29:1 30:14,20</p>	<p>contains 12:23 13:2</p> <p>contemplated 19:10</p> <p>continue 8:13</p> <p>copies 12:3,7</p> <p>corrected 24:8, 11</p> <p>correction 24:13</p> <p>corrections 29:17</p> <p>cost 25:12,24 26:2,19,23,25 27:6,11 31:2,5, 10,11,19 32:12,14,17 33:14,16,21,25 34:3,8</p> <p>costs 11:4 12:21</p> <p>counsel 4:24 5:15</p> <p>couple 5:4 8:25</p> <p>court 22:10</p> <p>cover 22:11</p> <p>create 25:10</p> <p>Creek 8:9 9:5, 10,15 10:20 11:14,16 25:24 26:2 27:4 32:2, 23,24 33:3,4, 19</p> <p>criteria 8:12 11:14</p> <p>cross- examination</p>	<p>5:14 6:2,14</p> <p>current 31:10 32:19 33:2,25</p> <p>currently 33:22</p> <p>curve 11:19</p> <p>customer 4:11</p> <p>customers 31:1,2</p> <hr/> <p style="text-align: center;">D</p> <hr/> <p>data 10:3</p> <p>date 48:18,21 49:2,7 50:7,16</p> <p>David 26:12</p> <p>day 49:24</p> <p>days 9:24 20:10 49:7</p> <p>deal 6:9</p> <p>deals 5:5</p> <p>December 9:6</p> <p>decision 19:14,17 48:11</p> <p>declining 32:4</p> <p>decrease 27:5</p> <p>deem 11:9 35:11 49:24</p> <p>deemed 14:6 36:3</p> <p>deems 12:21, 24 13:3,7</p> <p>delay 19:17</p> <p>described 33:12,17 34:8 50:7</p>	<p>detail 7:23</p> <p>detailed 30:21</p> <p>develop 8:12 10:24</p> <p>developed 18:23 19:3,25 31:8</p> <p>developing 10:10 32:15</p> <p>development 7:16 9:13 11:13 30:11 31:9,18 32:18</p> <p>difference 50:1</p> <p>direct 7:11 10:4 22:17,19 24:5,6,8,11 25:19 27:2 29:3,6 31:4,12</p> <p>director 4:10</p> <p>disadvantage 13:10</p> <p>disclose 13:11</p> <p>disclosure 13:8</p> <p>discontinue 13:22</p> <p>discontinued 6:11</p> <p>discovery 20:5</p> <p>discuss 20:10, 18 21:1</p> <p>discussion 13:21 20:12</p> <p>discussions 27:18 30:9</p> <p>divided 31:7</p>
--	---	---	---	--

<p>Division 4:17 23:24 24:1,16 25:20,22 27:13 28:3 50:2,18, 20</p> <p>Division's 4:18 23:14 27:21 28:11</p> <p>docket 4:3 7:16 10:13 22:16 24:2 25:16 29:4 30:10 32:10</p> <p>dockets 10:1</p> <p>Douglas 4:18 23:14,16</p> <p>DPU 24:5,6,7</p> <p>drill 11:19</p> <p>drilled 11:3</p> <p>drilling 9:14 11:1,6 12:21, 24 13:5,6 26:1 27:4 33:8,9,13</p> <p>duly 7:3 23:17 28:19 35:15</p> <p>during 6:14 33:6</p> <hr/> <p style="text-align: center;">E</p> <hr/> <p>each 31:5 32:13</p> <p>East 23:25 28:25</p> <p>economic 26:18</p> <p>economically 18:23 19:3,25</p>	<p>effective 8:4 48:18,21 49:2, 7,14 50:16</p> <p>either 12:17 19:12</p> <p>employed 23:21 28:23</p> <p>end 11:21 18:1 20:21</p> <p>ends 48:1</p> <p>enough 19:16</p> <p>entity 21:12</p> <p>equipped 35:12</p> <p>essentially 21:4</p> <p>established 32:1</p> <p>evaluate 20:17</p> <p>evaluated 26:12</p> <p>evaluating 20:18</p> <p>Evans 26:12, 17</p> <p>even 31:23</p> <p>everybody 11:11</p> <p>everyone 13:24,25 14:3 20:16</p> <p>evidence 11:23 19:16 20:15</p> <p>examination 6:14</p> <p>examined 7:3</p>	<p>23:17 28:19 35:15</p> <p>example 49:22</p> <p>excellent 21:25</p> <p>exchange 20:19 27:19</p> <p>excluded 26:3</p> <p>excluding 27:5</p> <p>exhibit 7:13 12:23 13:1,5 22:9,20,21 24:5,6,18 27:3</p> <p>exhibits 7:12 11:25 12:15, 18,19 18:8 22:8,13,14,18, 20 24:9,17 26:21</p> <p>existed 21:5</p> <p>existing 31:7, 18,22 33:22</p> <p>expansion 27:20</p> <p>expected 32:19</p> <p>expertise 10:8</p> <p>explained 33:9</p> <p>exploration 34:2 35:8</p> <p>expressed 25:22</p> <p>extent 35:6</p> <hr/> <p style="text-align: center;">F</p> <hr/> <p>facilitate 50:11</p>	<p>fact 21:21</p> <p>factor 32:15</p> <p>far 21:18</p> <p>February 10:2, 6 26:16 29:5</p> <p>feel 5:16 21:15, 24</p> <p>fell 9:11</p> <p>few 7:22 11:24</p> <p>field 25:25 34:2</p> <p>filed 7:11 9:19 12:19 22:16,23 24:5,12 26:14, 16 29:22 32:9</p> <p>filing 9:7,23,24 10:4 24:13 26:22</p> <p>final 48:4 49:11,13,20,22</p> <p>finally 13:4</p> <p>find 6:7 13:18 22:11 35:24</p> <p>finding 6:7</p> <p>fine 14:2</p> <p>first 5:5 6:3 7:3,22,25 8:5, 23 10:5 11:2,8 12:20 23:17 26:13 28:19 31:17 35:15 48:21 49:9 50:17</p> <p>fits 5:9</p> <p>five-minute 50:24</p> <p>flip 12:16</p>	<p>floor 22:6</p> <p>following 14:6 36:3</p> <p>follows 7:4 23:18 28:20 35:16</p> <p>force 21:8</p> <p>forecast 13:3</p> <p>forecasts 13:2</p> <p>forward 11:9, 18 19:14</p> <p>four 12:15 25:18 31:6</p> <p>fourth 8:9</p> <p>free 19:8</p> <p>freely 20:22</p> <p>Friday 48:10</p> <p>front 12:13,16 22:12</p> <p>further 11:6,22 27:18 31:6 34:1 48:4</p> <p>future 12:23 13:5,6,10 20:19 21:19 25:12 27:17 31:8,14</p> <hr/> <p style="text-align: center;">G</p> <hr/> <p>gas 4:4,11 8:24 11:18 12:25 19:4 20:1 22:9, 20 25:13 27:8, 12 31:3,5,25 32:1,3,5,17 33:15,21,25</p>
---	--	--	--	---

<p>Gavin 4:25 28:16,18,24</p> <p>general 4:12 21:14</p> <p>General's 4:16</p> <p>give 12:3 18:22 20:2</p> <p>giving 19:7</p> <p>good 4:15 19:19,20,22 30:19</p> <p>govern 8:10</p> <p>grant 13:19 49:1</p> <p>granted 18:15 23:6 24:25 30:6</p> <p>guess 6:13 11:24</p> <hr/> <p style="text-align: center;">H</p> <hr/> <p>handle 6:4</p> <p>handling 6:1</p> <p>happen 21:21</p> <p>happened 11:6 20:23</p> <p>happy 5:16 21:19</p> <p>having 7:3 8:11 19:22 23:17 28:19 35:15</p> <p>hear 35:19</p> <p>hearing 11:25 12:13 13:4,20 18:7 35:18,25</p>	<p>48:3,12,16</p> <p>hearings 48:22</p> <p>held 9:25 10:3 48:22</p> <p>helped 10:11</p> <p>helpful 48:11</p> <p>here 10:2,8 14:3 19:1 29:15 50:11</p> <p>horizontal 10:25 33:11</p> <p>housekeeping 5:5</p> <p>however 5:8</p> <p>Hydrocarbon 9:21 10:6 11:7 19:1,23 26:13, 14</p> <hr/> <p style="text-align: center;">I</p> <hr/> <p>identified 10:17 24:17 25:18 27:22 29:14 31:4,13 32:11</p> <p>identifies 8:20 9:4</p> <p>identify 9:18 10:19 48:18</p> <p>Il 4:6 8:7,16 9:21 10:18,22 19:9 20:3 25:10 27:24 28:1 30:22 31:15 32:21 33:5,19 34:13 48:20</p>	<p>imminent 20:13</p> <p>impact 27:11</p> <p>implementing 20:19</p> <p>importance 10:2</p> <p>important 4:21 31:13</p> <p>include 24:4 30:22 31:15</p> <p>included 7:24 19:12,13 25:12 26:21 27:2,24 31:9</p> <p>includes 10:20 22:12,15</p> <p>including 9:19 22:14</p> <p>inclusion 32:20 33:4,18 34:12 35:9</p> <p>independent 26:12 32:6</p> <p>index 22:9,10</p> <p>indicated 26:17</p> <p>indication 48:15</p> <p>individual 32:13</p> <p>individually 31:6</p> <p>information 5:6,10 6:20 9:19 12:20 13:3,9,11,22 22:16,23 26:18</p>	<p>31:5,10 32:12, 14 33:23</p> <p>initial 9:23</p> <p>initially 33:10</p> <p>intended 49:13</p> <p>interest 6:8 13:19 21:17 25:18,21 28:6 32:25 33:20 34:14 35:25</p> <p>interested 26:7</p> <p>interject 6:16</p> <p>interrupt 29:8</p> <p>into 9:11 31:16,20 32:21 33:4,19</p> <p>issuance 50:3</p> <p>issue 5:14 6:3 49:3</p> <p>issues 5:5 6:15 10:13 11:15 21:16,18,25 30:9 31:13,16 32:10</p> <hr/> <p style="text-align: center;">J</p> <hr/> <p>January 9:8 26:15</p> <p>Jennifer 4:8</p> <p>jump 6:20</p> <p>justified 32:6</p> <hr/> <p style="text-align: center;">K</p> <hr/> <p>keep 6:21</p>	<p>key 10:15 27:15</p> <p>Kinney 9:3,10 18:19 25:25 26:4 27:5,17 33:21 34:6 35:6</p> <hr/> <p style="text-align: center;">L</p> <hr/> <p>L-1 26:22</p> <p>L-5 26:22 27:3</p> <p>Lake 7:9 28:25</p> <p>last 21:3</p> <p>later 23:11</p> <p>lay 12:4</p> <p>leads 20:4</p> <p>least 7:22 8:3 20:7</p> <p>less 33:14</p> <p>let 36:2 48:25</p> <p>LEVAR 4:2,14, 20 5:2,24 6:18, 23 12:6,10 13:13,16,18 14:4 18:2,9,12, 14 22:25 23:3, 5,10 24:19,22, 24 28:8,12 29:7,12,24 30:2,5 34:19, 22,25 35:3,17, 21,24 48:2,25 49:19,25 50:4, 8,12,23</p> <p>level 31:25</p> <p>levels 32:3</p> <p>lieu 33:11</p>
--	---	--	--	--

life 20:20	March 32:9 48:23 49:3	mind 6:13	names 13:24	odd 20:22
like 6:1 24:16 48:19	market 27:1 31:10,19,24 32:7 33:22 34:1	minor 27:11	natural 27:8	off 14:5
limiting 11:16	matter 4:3 5:13 7:11 48:17,19 49:13	minute 8:23 10:8	need 5:9 6:4 7:23 50:25	offer 5:7 23:8
list 24:18	matters 5:3 6:24 48:4,7,20	mitigation 20:11	needed 10:8	Office 4:16,24 28:15 29:1 30:13,20 32:8, 20 33:3,18 34:10 50:18
little 20:22 29:10	may 6:15 9:17 28:17 31:18,23 34:2	modification 26:1	needing 11:18	Office's 30:16 31:4,12 34:18
live 19:13	maybe 29:9	modifications 26:4 29:18 33:7	needs 8:2 35:13	official 19:17
long-term 28:2	Mckay 4:10 5:19 7:1,2,6,8, 10 18:17 22:17 26:8	modified 27:4	negotiations 13:10 20:6 27:15	one 6:12 8:6,19 10:1,2,11 12:20 21:10 48:7 49:1
longer 50:25	Mckay's 5:7 12:14	moment 6:5	Nelson 4:9	only 5:19 6:10 24:13 32:5
looking 49:6	means 31:21	monitor 9:21 10:7 11:7 19:1, 23 26:13,14	new 30:22 31:18 33:15	open 22:11 48:2
looks 19:15	mechanism 25:11 34:7	month 48:9,21 50:17	next 48:10	opinion 26:17 50:1
lot 48:13	meet 11:18 20:10	more 21:10	nice 50:10	opportunity 11:7 18:22
lower 33:14,15 34:3	meeting 11:19 18:3,4	morning 4:15, 18 23:14 30:19	note 5:11 12:20 32:24	opposed 33:4
<hr/> M <hr/>	meetings 25:4	motion 6:5 12:4,7 13:14, 19 18:10,14 23:1,6 24:20, 24 30:6 50:14	noted 27:7	opposition 50:16
made 19:15	memorialize 20:7	move 12:13 18:7 22:6 23:12 24:17 29:9,21	numbered 8:5	option 19:8 20:2
main 31:17	met 10:5	moving 11:9 50:16	numbers 19:22	order 8:13 48:13 49:4,6, 11 50:3
majority 5:6	microphone 29:10	must 8:13 9:12	numerous 10:3	original 24:13 25:16,23 26:5, 10,22
make 6:5,9 9:7 11:11,20 12:4 20:13,15 21:10 33:7	middle 5:9	<hr/> N <hr/>	<hr/> O <hr/>	originally 10:25 33:3
makes 6:2 49:14	might 20:14 23:11	name 4:23 7:6 28:22,24	objection 5:25 13:14,15,17 18:3,9,11,13 23:1,2,4 24:20, 21,23 29:25 30:1,4 35:18, 20,23 50:21	outlined 26:7
manager 4:13			objective 25:9	
mandate 30:24			obviously 9:24	
Mangelson 4:25 28:16,18, 22,24 30:8			OCS-1-D 29:16	
Mangelson's 29:22				
many 28:3				

outside 9:15, 16 10:20 11:1 33:2	participation 24:4 27:20	possible 6:13	probably 35:12	19,21 33:2 34:12
overall 34:3	parties 10:5 11:5 12:8,9 18:19 19:6,8, 19 20:2,10 21:22 22:9 26:7 34:1 49:16	potential 6:1 27:20 35:8	procedures 27:19	property 4:6 10:20,22 19:5, 12,15,19,21 20:3 25:21,22 26:4 27:5,17, 19 28:1 32:14, 23,24 33:4,8, 13,16,19,21 34:6,7 35:6
overarching 11:13	parts 8:16	potentially 25:11	proceed 5:23 11:5 14:1 18:17 25:8	
Override 9:11	party 5:25 13:20 30:14	pre-filed 7:11	proceeding 6:6 29:15	
overriding 10:21 32:25	Patricia 4:15	precedent 21:18	PROCEEDING S 4:1	
ownership 25:17 26:3	PDP 31:8 32:18	preface 12:17	process 9:20 10:12 19:24 20:5 50:11	proposal 25:23 30:21
P	people 6:10	prefiled 24:8, 11 29:3	produce 33:24	proposed 26:1 31:12
PA 9:15	percentage 27:10 32:1	preliminary 5:2 6:24	produced 27:12 32:18	proprietary 13:12
pages 29:6	performed 9:22	prepared 11:24 26:1,2 28:16 30:15 48:14	producing 31:8	prove 18:23 19:20 34:2
panel 5:18	perhaps 5:17	preparing 24:4	production 25:13 27:1,8, 10	proven 31:7
paragraph 7:25 8:5,7,9, 17,19 9:2,4,9, 18 10:5,16,19 11:21 18:18,19 20:4 21:3,4,11, 17 22:7 32:22 33:10,18 34:4, 9 49:6	perspective 30:25	present 29:18 33:14	program 11:1	provide 11:17, 22 12:7 20:15 21:20 25:6 30:18 33:10
paragraphs 7:22 21:6	picking 29:8	presentation 28:9,11 34:18	projected 27:1	provided 22:10 24:18 33:24
part 8:14 19:7 29:23	piece 5:8	presented 25:15	projections 26:20 27:3	provides 34:5
participate 7:15 25:3 30:8	plan 13:5,6 33:8,9,13	president 4:12	promising 19:15	provisions 27:16
participated 24:2 27:15 30:11	plans 12:24	previously 12:16,19 24:17 29:22	prompt 49:17	public 4:2,17 6:6,8 13:19 18:3 21:17 23:24 28:5 34:14 35:25 36:1 48:3
participating 9:16 10:21 11:2 20:12 33:1,3	point 8:22 9:9 10:7 13:23	price 26:20,24, 25 27:1,6,11 33:15,25 34:4	properly 9:18	purchase 9:6 25:17 28:1 31:21
	points 31:17	prices 31:20, 23,24 32:7 33:6,22	properties 8:3, 11,20,25 9:13, 16 10:11,19,24 13:6 19:10 20:24 25:12, 15,18 26:24 27:7,22,24 30:22 31:6,7, 12,15 32:17,	purposes 5:10

pursuant 22:7	reasonable 11:9 21:16 22:1 26:19 28:5 34:14	8:9	15	revised 26:2 27:3
put 13:9		referred 32:24	requests 10:4	revisions 33:12
<hr/>		refers 21:11	require 6:19 27:18	right-hand 13:1
Q	reasonably 32:10	Regarding 32:16,23 33:20	required 6:7 8:18 31:21	risk 33:14
Questar 4:4,11 8:24 11:17 19:4 20:1 21:9 22:8,20	reasoning 12:4	regulated 21:12	reserves 26:17	risks 20:11
Questar's 34:11	receive 36:1	regulation 4:11 21:8,9	residential 30:25	room 6:10 13:23,24 14:1
question 6:13, 19 35:11,19 36:1	receiving 31:2	related 12:20 20:6 30:9	resolution 21:16,25	royalties 10:22
questioning 5:18	recess 50:24	relates 21:8	resolves 10:13	royalty 32:25
questions 5:21 23:11 34:20,24 35:2 48:4 50:13	recognition 10:12	rely 10:8	resource 28:2	rudeness 6:17
quote 19:21	recognize 5:18 7:24 8:15 14:3 19:23 48:13	relying 8:17	respect 6:3 35:5	ruling 49:2,5, 10,13,20,22,23 50:9,14
<hr/>	recognizes 21:6 48:8	remaining 27:7	respond 21:23	run 49:9,13
R	recognizing 8:1 11:13 18:25 48:10	removed 24:14	response 25:25	running 49:24 50:7
raise 5:14 6:15	recommenda on 27:21	reopen 18:2	responsibilities 9:22	<hr/>
raised 30:9	recommenda ons 32:13	reopening 18:4	rest 21:14	S
raises 6:12	recommended 25:20	replace 10:24	resubmit 27:17	said 49:14
Rasmussen 4:12 5:20 22:19 35:12,14	recommends 34:15	replaced 32:5	result 31:18 33:14 34:3,13	sale 20:19 27:19
ratepayers 28:3 31:21	record 5:11 7:7 11:24 29:23	report 9:23 26:13,15	resulting 33:6, 25	Salt 7:9 28:25
rates 4:11 31:10 32:19 34:1,14	redacted 24:7, 9,15	reporter 22:10	results 11:4,8	same 5:17 7:10 48:19,21
reached 8:13	reference 8:6, 7,8 11:20	reports 26:16	retirement 20:19	satisfies 32:10
realized 11:11	referenced 22:8	represent 31:1	review 11:8 19:23	satisfy 19:24
	referencing	represented 25:17 26:18	reviewed 26:11 27:13	say 8:3 21:8 22:22 49:19
		representing 4:17	reviewing 9:22 19:2	saying 12:17
		represents 25:14 27:9 28:1		scheduling 9:25
		request 34:12 35:8 48:10,13,		

<p>Schmid 4:15, 16,22 13:14,15 18:10,11 23:1, 2,12,13,19 24:16 25:1,2 28:7,10 29:25 30:1 34:23,24 35:18,20 50:1, 2,19</p> <p>second 5:13 8:6 12:22 26:15 31:25 49:10</p> <p>seek 48:20</p> <p>self-governing 19:1</p> <p>send 50:25</p> <p>sense 6:2</p> <p>separate 25:18</p> <p>service 4:3 25:13,24 26:2, 20,24,25 27:6, 12 31:2,5,19 32:17 33:14, 16,21,25 34:4</p> <p>Services 4:25 28:16 29:2 30:14,20</p> <p>set 21:18</p> <p>settled 11:15</p> <p>settled-upon 10:10</p> <p>settlement 7:16,19 8:8,10 20:9 21:7 25:4 26:6,11 27:15, 23 30:9,12 32:9,15 33:6 34:11,16</p>	<p>seven 9:23</p> <p>should 27:7 32:2,5 33:13</p> <p>show 27:5</p> <p>side 13:1</p> <p>signed 26:6</p> <p>simply 8:1 9:2 10:12 19:7 48:15</p> <p>single-development 33:23</p> <p>sites 34:3</p> <p>slight 27:5</p> <p>small 27:9 30:25</p> <p>Snarr 4:23,24 13:16,17 18:12,13 23:3, 4 24:19,21 28:13,14,21 29:7,11,13,21 30:7 34:17 35:1,2,22,23 50:5,6,10,21</p> <p>somebody 50:25</p> <p>sorry 4:19 21:9 29:8 49:10</p> <p>sort 5:8</p> <p>sounds 5:25</p> <p>South 7:9 23:25 28:25</p> <p>specific 8:16</p> <p>specifically 20:21 21:2</p> <p>specifics 26:19</p>	<p>spelled 21:12</p> <p>spoken 5:15</p> <p>stands 9:15</p> <p>start 4:6 18:4</p> <p>state 7:6,9</p> <p>stated 32:22</p> <p>statement 30:15</p> <p>statements 25:6</p> <p>stating 21:15</p> <p>statutory 30:23</p> <p>Steven 4:23</p> <p>still 11:14 21:7</p> <p>stipulation 7:17,20,21,25 8:4,8,10 11:15 20:9 21:7 22:8 26:6,11 27:16, 23 28:4 30:12 32:2,9,16,22 34:11,16</p> <p>stipulations 21:5</p> <p>stop 6:20</p> <p>stopped 36:2</p> <p>streaming 5:11 6:11 13:22 14:5 18:4 29:9 36:2</p> <p>structure 25:10</p> <p>subject 10:23</p> <p>submit 29:3</p> <p>submits 34:10</p>	<p>submitted 29:5 30:13</p> <p>subparts 22:15,22</p> <p>subsequent 26:23 27:14 49:5</p> <p>subsequently 49:3</p> <p>substantial 31:1</p> <p>summaries 5:17</p> <p>summarize 7:19 9:2</p> <p>summarized 31:16</p> <p>summary 5:7 21:24 22:3 24:14,15 25:6 28:6 30:15</p> <p>supplemental 7:13 12:22 22:15,23</p> <p>supplements 12:18</p> <p>supply 13:1 32:1</p> <p>support 28:15 50:3</p> <p>supports 32:20 33:18</p> <p>surrenders 22:6</p> <p>sworn 7:3 23:15,17 28:17,19 35:13,15</p>	<hr/> <p style="text-align: center;">T</p> <hr/> <p>table 13:25</p> <p>take 50:24</p> <p>taken 28:4</p> <p>talk 20:17,21</p> <p>talking 49:16</p> <p>talks 33:7</p> <p>target 32:3</p> <p>technical 9:25 23:23 49:12</p> <p>ten 29:6</p> <p>terms 10:15 21:3,14 28:4 32:15</p> <p>test 11:20</p> <p>testified 7:4 23:18 28:20 35:16</p> <p>testifies 12:15</p> <p>testifying 5:19</p> <p>testimony 7:11 10:4 12:14 14:6 18:1 22:17,19 24:8, 12 25:19 27:2 28:17 29:3,6, 14,18,22 31:4, 12</p> <p>than 50:25</p> <p>their 9:6 19:2 20:20 32:6</p> <p>thereby 33:15</p> <p>Therefore 32:20 34:4</p>
---	---	--	---	---

<p>things 10:15</p> <p>third 8:7 12:25 25:14 32:4</p> <p>third-party 10:9</p> <p>thought 9:20</p> <p>three 8:22 11:2,8 12:7 20:7 27:6 31:16 33:10</p> <p>through 7:23 11:10 12:16 22:14 26:22</p> <p>time 5:17 6:9 8:23 10:5 18:20 19:16,21 20:23 23:9 25:15 34:6</p> <p>times 31:23</p> <p>timing 9:3 20:21 21:1 35:7</p> <p>today 4:25 5:7, 19 7:17 21:21 25:14 26:7 28:15 29:15,19 49:2 50:9</p> <p>together 31:1</p> <p>total 12:25 26:25 27:6,8, 10,11 32:1</p> <p>touch 7:22</p> <p>Trail 8:8 9:5,10 10:17 11:15 25:21 32:16</p> <p>treat 5:9 48:19</p> <p>treated 32:3 48:20</p>	<p>truth 7:3 23:17 28:19 35:15</p> <p>turned 14:5</p> <p>Turning 7:21</p> <p>two 8:16 9:25 10:1 12:8 26:4 33:1 48:7</p> <hr/> <p style="text-align: center;">U</p> <hr/> <p>uncertainty 33:5</p> <p>under 27:24 31:3,15 34:8, 13</p> <p>understanding 20:14,16 23:11</p> <p>unique 20:25</p> <p>unit 9:3,10 10:17,18 11:14 18:20,23</p> <p>Units 9:6</p> <p>until 11:6 13:21</p> <p>updates 12:18 26:23 27:14</p> <p>used 26:9,10 32:12</p> <p>useful 20:20</p> <p>Utah 7:9 8:18 10:3 20:9 28:25</p> <p>Utilities 4:17 23:24</p> <p>utility 4:7 5:1 29:1</p>	<hr/> <p style="text-align: center;">V</p> <hr/> <p>varying 25:17</p> <p>vast 5:6</p> <p>verification 10:9 18:24</p> <p>Vermillion 4:5 25:13,19 26:24 27:7,9,23,25 30:12 32:8 34:11</p> <p>vertical 11:1 33:11</p> <p>via 5:18</p> <p>vice 4:12</p> <p>views 13:12</p> <p>volume 27:8</p> <p>volumes 11:4, 17 31:22 32:4, 6</p> <hr/> <p style="text-align: center;">W</p> <hr/> <p>want 6:5 7:21, 24 10:7 19:14, 20</p> <p>wanted 5:11,14 11:11 20:7,13, 17 21:1</p> <p>waste 19:21</p> <p>way 5:22 6:4 10:23 19:9,13 48:19</p> <p>wells 11:3,8 25:23 31:8,9, 18,20,23 32:18 33:1,11,15,22</p>	<p>Wexpro 4:5,13 8:6,7,15,24 9:21 10:10,18, 22,23 11:3,17 18:22,25 19:4, 7,9,25 20:3,20, 23 21:6,7,9,11, 13 25:10 26:19 27:1,10,12,24 28:1 30:22 31:3,15,25 32:3,4,21 33:5, 7,19 34:13 48:20</p> <p>Wexpro's 13:5 33:13</p> <p>Wheelwright 4:19 23:15,16, 20 25:3</p> <p>Whiskey 9:5, 14 10:17 25:22 32:16</p> <p>White 35:4,5 50:14,15</p> <p>whole 28:5 33:16</p> <p>whom 23:21 28:23</p> <p>will 5:7,19 6:16 7:6 10:10,22, 23,24 11:3,5 13:22 18:2 19:8,24 20:22 22:11 23:12 27:10,16 31:21 32:24 34:13 36:1 48:2,8 49:17 50:25</p> <p>withdrawal 34:5</p> <p>withdrawing 19:18</p>	<p>withdrawn 18:20</p> <p>within 8:15 9:23 10:1 20:10 30:22 33:1</p> <p>witness 4:18 5:19 23:14</p> <p>witnesses 21:20 23:8 34:20</p> <p>work 19:2</p> <p>worked 11:10</p> <p>works 5:21</p> <p>written 49:3,5, 11,20</p> <p>Wyoming 8:2, 19 20:9 48:8, 16 49:4,23</p> <hr/> <p style="text-align: center;">Y</p> <hr/> <p>year 9:8</p> <p>years 28:3</p>
---	--	--	--	---