

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION)	
OF QUESTAR GAS COMPANY TO)	
MAKE TARIFF MODIFICATIONS TO)	DOCKET NO. 17-057-09
CHARGE TRANSPORTATION)	
CUSTOMERS FOR PEAK HOUR SERVICES)	

DIRECT TESTIMONY

OF

GAVIN MANGELSON

FOR THE OFFICE OF CONSUMER SERVICES

AUGUST 25, 2017

REBUTTAL TESTIMONY OF GAVIN MANGELSON

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INTRODUCTION2 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.**3 A. My name is Gavin Mangelson; I am a Utility Analyst for the Office of Consumer
4 Services (Office).5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**6 A. The purpose of my testimony is to present the policy position of the Office regarding
7 the expanding scope of issues present in this docket. Specifically, that Questar Gas
8 Company/Dominion Energy Utah (Dominion) is presenting an allocation of costs for
9 a peak hour service before fully establishing the necessity of the peak hour service.
10 The result has been confusion as to the appropriateness of the Public Service
11 Commission (Commission) making a determination on an allocation of costs that
12 have not themselves been determined just and reasonable and in the public interest. I
13 will also introduce the other witness testifying on behalf of the Office in this docket.14 **Q. PLEASE IDENTIFY THE OTHER WITNESS TESTIFYING ON BEHALF OF**
15 **THE OFFICE, AND DESCRIBE THE SUBJECT OF HIS TESTIMONY.**16 A. The Office has retained Mr. Jerome D. Mierzwa of Exeter Associates, Inc. Mr.
17 Mierzwa's rebuttal testimony will respond to the direct testimonies of Douglas D.
18 Wheelwright, and Howard E. Lubow for the Division of Public Utilities (DPU), and
19 Neil Townsend for the Utah Association of Energy Users (UAE) regarding their
20 positions on the necessity of the peak hour service, and on the proposal to allocate a
21 portion of the costs of the peak hour service to transportation (TS) customers.

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23 **Q. WHAT IS BEING REQUESTED IN THIS DOCKET?**

24 A. Dominion is requesting to charge TS customers an allocated portion of costs for a
25 service from Kern River Pipeline to facilitate gas delivery during peak hour on a
26 design day (referred to as design peak day, or peak day).

27 **Q. PRIOR TO THIS DOCKET, HAS DOMINION PROVEN THE NECESSITY**
28 **OF THE PEAK HOUR SERVICE BEFORE THE COMMISSION?**

29 A. No. The issue of peak hour services on design day has not been formally determined
30 by the Commission. The peak hour service in question was presented in docket 17-
31 057-07, the Pass-Through docket, which was filed the very same day (May 1, 2017)
32 as this docket. The peak hour service is noted in exhibit 1.3 on line 33 and described
33 very briefly on page 6 of the application filed in that docket. The charges therefore
34 have only been approved on an interim basis.

35 **Q. HOW HAS THE LACK OF A PREVIOUS DETERMINATION ON THE**
36 **NEED FOR THE PEAK HOUR SERVICE AFFECTED THIS PROCEEDING?**

37 A. Although Dominion is merely requesting approval of a rate in order to charge TS
38 customers their share of the costs of the peaking service, it is apparent based on the
39 evidence in this proceeding that the central issue has become whether or not the peak
40 hour service is warranted, and the allocation associated with the proposed rate has
41 become a secondary issue. The fact that the need for the peak hour service has not
42 been previously determined by the Commission has manifested itself in Dominion's
43 application, the direct testimony of Kelly B. Mendenhall, and the material covered in
44 the May 10, 2017 technical conference as Dominion has attempted to simultaneously
45 justify the need for the service, as well as their proposed rate all within the same

46 proceeding. This has burdened interested parties by requiring them to take a position
47 on the cost allocation as well as a position on the peak hour service itself. This is
48 reflected in the direct testimonies of Mr. Wheelwright, Mr. Lubow and Mr. Townsend
49 as each has effectively taken two separate positions, one on the necessity of the
50 service, and a second separate position on the rate itself.

51 **Q. WHAT IS THE POSITION OF THE OFFICE REGARDING THE SCOPE OF**
52 **THE ISSUES IN THIS DOCKET?**

53 A. The position of the Office is that a determination on the necessity of the peak hour
54 service should be made prior to a determination on the allocation of associated costs
55 (including proposed rates). If the Commission chooses not to make a final
56 determination on the necessity of the peak hour service at this time, then it is the
57 recommendation of the Office that the Commission should not make a final
58 determination regarding the rate proposal at issue in this docket. Instead, the
59 Commission could either provisionally address the concept and calculation of this
60 rate subject to a final determination on what costs associated with peak hour service
61 would be included, or suspend the proposal until the question of the peak hour service
62 is determined separately. The Office's position, as explained and supported in Mr.
63 Mierzwa's testimony, is that the peak hour service costs have not been adequately
64 supported. However, if such costs are allowed the Office supports allocating to TS
65 customers their share of the costs.

66 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

67 A. Yes.