

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 )

SURREBUTTAL TESTIMONY

OF

GAVIN MANGELSON

FOR THE OFFICE OF CONSUMER SERVICES

SEPTEMBER 19, 2017

**SUREBUTTAL TESTIMONY OF GAVIN MANGELSON**

1

**INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, AND OCCUPATION.**

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 SURREBUTTAL TESTIMONY?**

6 A. The purpose of my testimony is to address the assertions made in the rebuttal  
7 testimony of Kelly B. Mendenhall, specifically that meeting discussions and power  
8 point presentations should constitute a presentation of evidence, and a justification of  
9 need. I will also clarify the position of the Office as it relates to the Kern River  
10 contract and the rate proposed in this docket.

11 **Q. WHAT DOES MR. MENDENHALL SAY IN HIS REBUTTAL TESTIMONY  
12 REGARDING PREVIOUS EVIDENCE SUPPORTING THE PEAK-HOUR  
13 ISSUE?**

14 A. In line 39-41 of Mr. Mendenhall’s testimony he states that “For the last two years, the  
15 Company has provided evidence about the peak-hour issue, and explained the steps it  
16 was taking to solve the issue in IRP workshops and technical conferences.” He also  
17 provides the slide presentations given at certain IRP workshops as exhibits 1.1R –  
18 1.6R. It appears from Mr. Mendenhall’s testimony that the Company is asserting that  
19 these presentations constitute evidence justifying the peak-hour contracts.

20 **Q. PLEASE PROVIDE ADDITIONAL DETAIL REGARDING THE  
21 CIRCUMSTANCES OF THESE MEETINGS AT WHICH THESE  
22 PRESENTATIONS WERE GIVEN.**

23 A. Exhibit 1.1R is the presentation from an IRP update for the 2015-2016 IRP (15-057-  
24 07). Exhibits 1.2R-1.4R are from Pre-filing IRP workshops done prior to the filing of  
25 the 2016-2017 IRP (16-057-08). Exhibits 1.5R and 1.6R are from meetings held prior  
26 to the filing of the 2017-2018 IRP (17-057-12).

27 **Q. DO THE SLIDES IN THESE EXHIBITS CONTAIN INFORMATION ABOUT**  
28 **THE PEAK HOUR ISSUE?**

29 A. Yes, to varying degrees each presentation contained at least one slide on the peak  
30 hour issue.

31 **Q. THE MEETINGS FROM EXHIBITS 1.2R-1.4R WERE HELD IN ADVANCE**  
32 **OF THE 2016-2017 IRP. WAS THERE ANY INFORMATION REGARDING**  
33 **THE PEAK-HOUR ISSUE IN THE ACTUAL IRP FILED ON JUNE 14, 2016**  
34 **IN DOCKET 16-057-08?**

35 A. No, the actual IRP filed in that docket did not contain information about the peak  
36 hour issue. Furthermore, since the IRP docket had not been opened at the time of the  
37 presentations, the pre-filing workshop slides are filed under Docket 16-999-02  
38 designed for miscellaneous correspondence and reports, which would make it  
39 difficult for those not in attendance to find and review the information presented.

40 In regards to Exhibits 1.5R and 1.6R pertaining to the meetings that took place  
41 in advance of the 2017-2018 IRP (17-057-12), 1.6R was filed under the  
42 miscellaneous Docket 17-999-02, however, Exhibit 1.5R was not filed with the  
43 Commission. Therefore, it would be difficult for members of the public to have  
44 access to the information cited by Mr. Mendenhall as potential evidence. While high  
45 level agendas are included in the notice for IRP meetings, interested parties could not

46 necessarily know in advance that the meetings would be addressing new resource  
47 acquisitions with rate implications.

48 **Q. WERE MEMBERS OF THE PUBLIC WHO SIGN NON-DISCLOSURE**  
49 **AGREEMENTS (NDA) ALLOWED TO PARTICIPATE IN CONFIDENTIAL**  
50 **PORTIONS OF PRE-FILING MEETINGS?**

51 A. Non-disclosure agreements must be filed with each open docket in which the member  
52 of the public wants to participate. Because pre-filing meetings do not yet pertain to  
53 an open docket, members of the public who are otherwise willing to sign a non-  
54 disclosure agreement do not have a docket for which to submit that agreement, and  
55 are therefore not able to participate in confidential portions. In fact, this exact  
56 scenario played out in one of these meetings during which a member of the public,  
57 who represents a frequent intervenor in Commission proceedings and as such  
58 regularly signs non-disclosure agreements and participates in confidential meetings,  
59 was asked to leave for the confidential portion after being told that no NDA could be  
60 submitted because no open docket yet existed for the subject matter of the meeting.

61 **Q. DOES THE OFFICE AGREE THAT IRP MEETINGS AND THE**  
62 **ASSOCIATED SLIDES CONSTITUTE A PRESENTATION OF EVIDENCE.**

63 A. No. IRP meetings, including IRP updates and pre-filing workshops, can be a useful  
64 means of explaining and discussing issues identified by the Company, however, they  
65 are typically educational in nature and do not contain the same level of detail and  
66 associated workpapers that the Commission typically requires in evidentiary  
67 proceedings. Furthermore, summary slides and discussions about new resource  
68 acquisitions serve as a supplement, not a replacement, for cost-benefit analyses and

69 other evidence filed with the Commission in a docket specifically designed to review  
70 the resource acquisition decision and associated cost recovery.

71 **Q. DO YOU HAVE ADDITIONAL CONCERNS ABOUT THE COMPANY'S**  
72 **ASSERTIONS REGARDING THIS EVIDENCE?**

73 A. Yes. Regardless of whether the Commission agrees that what the Company presented  
74 in the IRP meetings constitutes evidence, such evidence was not submitted in this  
75 current proceeding in a timely manner. Any evidence the Company wished to include  
76 to support its proposal should have been provided in its initial request with the  
77 Commission. Regulatory dockets do not automatically input presentations, or any  
78 form of evidence, from other proceedings. Such evidence must be introduced by the  
79 party intending to use it, and it should be introduced as early as practicable so that  
80 other parties may engage in discovery and have the full opportunity to respond.

81 I am also concerned about the future implications if the Commission accepted  
82 that the presentations cited by Mr. Mendenhall constituted evidence. Of particular  
83 concern is the Liquid Natural Gas (LNG) facility that the Company briefly described  
84 as a potential solution to design day and peak hour demands in the meetings from Mr.  
85 Mendenhall's exhibits 1.5R and 1.6R, which has much more significant cost  
86 implications than the contract at issue in this docket. Despite having never filed with  
87 the Commission a thorough cost-benefit analysis including evidence demonstrating  
88 an LNG facility as a least cost option, the Company has indicated in its IRP (Docket  
89 17-057-12) that it is moving forward with its plans for the LNG facility.

90

91 **Q. WHAT ARE THE CONCLUSIONS OF THE OFFICE’S EXPERT WITNESS,**  
92 **MR. MIERZWA, IN REGARDS TO THE PROPOSAL?**

93 A. Mr. Mierzwa states that the Company’s rebuttal witnesses appear to have shown the  
94 need for the 100,000 dth in the Kern River peak-hour services contract, but that the  
95 evidence definitely does not support additional peak-hour resources. He also supports  
96 the calculation of the proposed rate on TS customers in order to correctly allocate to  
97 TS customers their portion of the costs of that contract, if the Commission finds that it  
98 is prudently incurred.

99 **Q. WHAT IS THE FINAL POSITION OF THE OFFICE REGARDING THE**  
100 **DETERMINATION OF PEAK-HOUR SERVICES IN THIS DOCKET?**

101 A. The position of the Office is that the volumes included in the Kern River contract  
102 may have been shown to be necessary, but the Office remains concerned about the  
103 process used to demonstrate the need for peak-hour service and is troubled that  
104 supporting evidence was introduced so late in this docket. If the Commission finds  
105 the Kern River contract to be prudently entered into, it should also approve the  
106 proposed rate as a correct allocation of the costs associated with the 100,00 dths from  
107 Kern River. The Office maintains that if the Commission chooses to address the  
108 prudence of the Kern River contract in a separate docket, then it should provisionally  
109 approve the proposed rate from this docket subject to a final determination on the  
110 Kern River contract. Finally, the Office asserts that the Company would need to  
111 provide additional analysis and evidence to support any additional peak-hour  
112 resources and recommends that the Commission provide guidance on a more proper  
113 process to request approval if the Company pursues additional resources.

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

115 **A. Yes.**