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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH


In the Matter of the Request for Agency Action And Complaint of US Magnesium, LLC against Dominion Energy Utah	Docket No. 17-057-13
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REBUTTAL TESTIMONY OF ROGER SWENSON

US Magnesium, LLC (“US Magnesium”) hereby submits the Rebuttal Testimony of Roger Swenson in this docket.

DATED this 26th day of January 2018.

HATCH, JAMES & DODGE

/s/ 

Phillip J. Russell
Attorneys for US Magnesium

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 26th day of January 2018 on the following:

DOMINION ENERGY UTAH

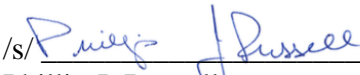
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**Rebuttal Testimony of Roger Swenson
On Behalf of
US Magnesium, LLC**

January 26, 2018

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I. INTRODUCTION AND SUMMARY

Q. Please state your name and business address.

A. My name is Roger Swenson. My business address is 1592 East 3350 South, Salt Lake City, Utah 84106.

Q. Are you the same Roger Swenson who presented direct testimony in this docket?

A. Yes, I am.

Q. On whose behalf are you testifying in this proceeding?

A. My rebuttal testimony is submitted on behalf of US Magnesium, LLC (“US Magnesium”).

Q. What is the purpose of your rebuttal testimony in this case?

A. My rebuttal testimony responds to the direct testimony filed by William Schwarzenbach and Bruce Rickenbach in this matter.

Q. Mr Schwarzenbach testifies that the primary issue to be decided in this matter is whether the Company properly notified US Magnesium of the interruption, and he suggests that the fact that Questar’s notification system could not provide proper notice does not matter. What do you say to that?

A. I do believe that the issue in this matter can be condensed to a very clear point: US Magnesium provided to the Company contact information in case of an interruption as required by the Company’s tariff for interruptible service customers to avoid facing a penalty. As Section 3.02 of the tariff states: “The Company requires each interruptible customer to provide, and update as

23 necessary, contact information that enables the Company to immediately notify a
24 customer of a required interruption.”

25 US Magnesium complied with the tariff when it submitted to the
26 Company the Customer Information Sheet containing “Day Phone” Interruption
27 Contact numbers for the Company to contact US Magnesium in the event of an
28 interruption. The Company’s equipment simply could not dial through to
29 extensions and, therefore, could not utilize the Day Phone contact numbers
30 provided by US Magnesium—a fact that was not conveyed to US Magnesium
31 until *after* the interruption. Since cell phones are not allowed at the plant where
32 the Interruption Contact was working during the day, US Magnesium was relying
33 on the Company to be able to dial through to the Day Phone numbers it had
34 provided to the Company—phone numbers the Company had on file prior to the
35 interruption at issue in this docket. The Company cannot impose interruption
36 penalties under Section 3.02 of the Tariff unless it can show that it properly
37 notified the customer of an interruption.

38 The Company’s failure to inform US Magnesium that the recently-
39 installed automated call system could not dial through to extensions—and
40 therefore could not dial the Interruption Contact Day Phone numbers US
41 Magnesium had provided—demonstrates that the Company did not properly
42 notify US Magnesium of the interruption as required by the tariff. The
43 Company’s failure to inform US Magnesium that the automated notification
44 system could not dial through to extensions is particularly problematic in this case

45 for two reasons. First, US Magnesium has for many years provided the Company
46 with phone numbers with extensions for the Company to use to notify US
47 Magnesium in the event of an interruption and—for interruptions that predate the
48 January 6-7, 2017 interruption at issue here—the Company successfully used
49 those phone numbers with extensions to notify US Magnesium of interruptions.
50 Second, the Company had the Day Phone Interruption Contact phone numbers
51 with extensions on file and provided them to US Magnesium in December of
52 2016 to verify as Interruption Contact numbers on the Customer Information
53 Sheet. Given this history, the Company should have informed US Magnesium
54 that its automated notification system would no longer support phone numbers
55 with extensions. US Magnesium had no reason to believe otherwise.

56 **Q. Mr Schwarzenbach suggests the Company followed its tariff in regard to**
57 **providing notice for a curtailment. Do you agree?**

58 A. No, I do not. As Section 3.02 of the Company's tariff clearly states, "A customer
59 who fails to interrupt when properly called upon by the Company to do so will
60 incur a \$40-per-decatherm penalty for all interruptible volumes utilized during the
61 course of an interruption." The key word in Section 3.02, and the key to the
62 dispute at issue here, is the word "properly." US Magnesium provided an active
63 phone number that it was relying on and the Company's system failed to make
64 contact with that phone number listed as the Interruption Contact with the Day
65 Phone number as shown below, taken directly from the Customer Information
66 Sheet:

<u>Interruption Contacts</u>	<u>Title</u>	<u>Day Phone</u>	<u>Night Phone</u>	<u>FAX</u>	<u>Mobile Phone</u>
1ST: Mike Tucker	Utility Supervisor	801 532-2043 1337			801 597-8834
2ND: Roger Swenson	Energy Consultant	801 532-1522 529		801 534-1407	801 541-2272

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84 **Q. What else is clear from the Interruption Contacts listed in the customer sheet**
85 **and what the Tariff states as a requirement?**

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A. Section 3.02 of the Tariff states in a very clear manner the following; “The Company requires each interruptible customer to provide, and update as

88 necessary, contact information that enables the Company to immediately notify a
89 customer of a required interruption.”

90 The Day Phone number to use is called out on the Customer Information
91 Sheet for the Interruption Contact as the number to use that would enable the
92 Company to immediately notify US Magnesium of an interruption. US
93 Magnesium would have been informed of the interruption and its need to reduce
94 use if the Company’s system could have dialed through the extensions. US
95 Magnesium was abiding by the tariff as it provided a phone number that would
96 have allowed it be immediately notified of the curtailment.

97 **Q. For reference what time of day did the interruption occur?**

98 A. The interruption occurred during the day, so US Magnesium was
99 expecting a proper notice at the Interruption Contact phone number listed on the
100 Customer Information Sheet as the Day Phone number. It did not know that
101 because of the Company’s actions in utilizing an automated phone system that
102 cannot dial through to extensions that the notification channel that US Magnesium
103 was relying on was useless.

104 **Q. Mr. Schwarzenbach mentions that marketing agent had been informed of the
105 interruption. What relevance does that notification have on this dispute?**

106 A. While it isn’t entirely clear what point Mr. Schwarzenbach seeks to make
107 by asserting that he had spoken with US Magnesium’s marketing agent, Section
108 3.02 of the Tariff clearly requires the Company to inform each customer—and not
109 their marketing agents—of interruptions.

110 For separate reasons, the Company must also notify marketing agents
111 about interruptions. The US Magnesium marketing agent must manage the gas
112 supplies to remain in proper balance with US Magnesium's usage. As Mr.
113 Schwarzenbach states, US Magnesium's marketing agent took actions expecting
114 that the Company would give proper notice to US Magnesium. The Company
115 notified US Magnesium's marketing agent that US Magnesium would be limited
116 to 15,000 Dth per day during the interruption and, since he did not know that
117 proper notice had not been given to US Magnesium, the marketing agent reduced
118 supply to the system to the 15,000 Dth level even though it had plenty of gas to
119 flow to meet the needs of US Magnesium.

120 **Q. Mr. Schwartenbach testifies that during the January 6-7, 2017 interruption**
121 **US Magnesium was using gas the Company purchased for sales customers.**
122 **How do you respond?**

123 A. Any gas that US Magnesium used above its firm contract limit of 15,000
124 Dth during the January 6-7, 2017 interruption was a result of the Company failing
125 to provide proper notice to US Magnesium at the Day Phone Interruption Contact
126 number on the Customer Information Sheet. Whatever caused the Company to
127 have insufficient volumes to meet demand during the curtailment did not affect
128 US Magnesium's marketing agent, which had additional volumes to flow to the
129 system to meet US Magnesium's demand those days. US Magnesium's
130 marketing agent reduced its volumes to the system in response to the Company's
131 notice of the interruption to address imbalance issues—and I understand it offered

132 to sell those volumes to the Company but that offer was not accepted. To the
133 extent that US Magnesium used gas during the interruption that was otherwise
134 intended for sales customers, the Company bears fault for failing to properly
135 notify US Magnesium of the interruption.

136 **Q. Mr. Schwarzenbach opposes changing the tariff in this docket and suggests**
137 **they will make changes as needed in some other more appropriate docket.**
138 **What do you have to say to that?**

139 A. The Company has indicated that it intends to open a new docket this
140 spring to address issues relating to tariff provisions for transportation customers.
141 I support the Company's efforts to revise the tariff as necessary to address the
142 tariff's obvious shortcomings and I request that the Commission require the
143 Company to address interruption notification issues as part of that docket.

144 **Q. Mr. Schwarzenbach states that the US Magnesium solution is to require the**
145 **Company to make 500 direct contacts with customers. Is that what you are**
146 **suggesting in this matter?**

147 A. No. In this matter I am suggesting that the Company failed to provide US
148 Magnesium with proper notice of the interruption because its automated
149 notification system could not use the contact number furnished by US Magnesium
150 as the Day Phone Interruption Contact number. This occurred because of the
151 Company's action in using this flawed automated system and/or because the
152 Company did not inform US Magnesium prior to the interruption that the Day
153 Phone Interruption Contact numbers were not supported by the notification

154 system. If US magnesium had been informed that the Company's automatic
155 notification system could not dial phone numbers with extensions, US
156 Magnesium would have acted prior to the interruption event to make sure a direct
157 dial line was available, just as we did when we found out the shortcoming of the
158 Company's system after the fact. We are not suggesting that they must go back to
159 a direct in person call for 500 customers at all. We are just disputing a penalty
160 based on the circumstances.

161 **Q. Mr. Schwarzenbach testifies on lines 37 and 38: "US Magnesium believes**
162 **that a direct call to the control room is the only notification that would meet**
163 **the Tariff requirement." Do you agree?**

164 A. No. I'm not sure why Mr. Schwarzenbach makes that statement. US
165 Magnesium has been clear throughout that a call to the Interruption Contact Day
166 Phone numbers listed on US Magnesium's Customer Information Sheet would
167 have been sufficient to provide US Magnesium with notice of the January 6-7,
168 2017 interruption.

169 Mr. Schwarzenbach seems be confusing US Magnesium's position in this
170 docket with US Magnesium's efforts to remedy the fact that the Company's
171 automatic notification system cannot dial through to phone numbers with
172 extensions. Since the January 6-7, 2017 interruption, and since learning that the
173 Company's notification system cannot dial through to phone numbers with
174 extensions, US Magnesium has worked with the Company to provide new

175 Interruption Contact numbers. In this effort, US Magnesium has installed a phone
176 in its control room with a phone number that does not have an extension.

177 **Q. Mr. Rickenbach testifies at lines 181-193 of his direct testimony regarding**
178 **DEU Exhibit 1.9, which are emails between you and Mike Tucker after the**
179 **January 6-7, 2017 interruption. In his testimony, Mr. Rickenbach asserts**
180 **that page 6 of that exhibit regards the Company's efforts to contact US**
181 **Magnesium regarding the interruption on January 6, 2017. Do you agree?**

182 A. No. Mr. Rickenbach's testimony misconstrues the purpose and context of
183 the emails on page 6 of DEU Exhibit 1.9. DEU Exhibit 1.9 contains a number of
184 email exchanges between Mr. Tucker and me. Pages 1-5 of the exhibit contain
185 emails that were sent on January 19 or 20, 2017 when I was obtaining information
186 from the Company regarding the interruption and why the Company had not
187 notified US Magnesium at the Interruption Contact Day Phone numbers listed on
188 the Customer Information Sheet.

189 By contrast, the emails on page 6 of the exhibit were sent on January 26
190 and 27 and did not regard the Company's failure to notify US Magnesium prior to
191 the interruption. Rather, the emails on page 6 of the exhibit reference US
192 Magnesium's efforts to provide an alternative Interruption Contact number, which
193 was necessitated by the fact that the Company's automated notification system
194 could not dial phone numbers with extensions. The first email message on page 6,
195 sent at 10:52 a.m. on January 26, 2017, refers to an effort on US Magnesium's
196 part to have the Company's automated system dial the phone number for the US

197 Magnesium operator. This test, which occurred on January 26, was unsuccessful.
198 As Mr. Tucker's email to me states, the message required the phone operator to
199 press buttons that the phone did not have. Subsequent tests using different phones
200 proved successful and, as discussed above, US Magnesium now has a phone in its
201 control room, which can be reached without dialing an extension so that the
202 Company can dial through to using its automated notification system.

203 **Q. Mr. Rickenbach states that the company does not distinguish between what**
204 **is listed as 1st Contact and the 2nd Contact. What should the company do if**
205 **that is the case?**

206 A. If the numerals of 1st and 2nd in this instance do not have meaning then the
207 Company should choose a different way to display the Interruption Contact
208 numbers on its Customer Information Sheet that does not imply some priority. 1st
209 and 2nd has some meaning to me and I would expect most any person just reading
210 the information, so they should change the sheet once again to be clear that a
211 contact is just a contact with no ordinal priority. As it stands there is an implied
212 priority and we just expected the sheet meant what it said and that the 1st contact
213 was Mr. Tucker and the 2nd contact was Mr. Swenson as listed. Regardless, the
214 Company failed to contact either the 1st or 2nd Day Phone Interruption Contact as
215 listed on the Customer Information Sheet, as both numbers contain extensions,
216 which the Company's automated notification system cannot dial.

217 **Q. Mr. Rickenbach admits that he knew that the Rapid Notify System would not**
218 **work, and he seems to imply that it just doesn't matter because there was a**
219 **2nd number that could be called. What do you say to that?**

220 A. It is again what the tariff clearly calls out that is the operative language
221 where the clear statement of the tariff states that the customer will provide a
222 contact information that will allow the Company to immediately notify the
223 customer concerning a curtailment. US Magnesium did, and the Company's
224 systems simply could not perform, and it is not the customers obligation to do
225 anything except meet the criteria of the tariff. The cell phone numbers were not
226 what US Magnesium was considering as the contact for immediate contact during
227 Day Hours since they could not be used at the plant. They were for contacting US
228 Magnesium during non-Day Hour time periods.

229 **Q. What else does Mr. Rickenbach say concerning the Customer Information**
230 **Sheet?**

231 A. Mr. Rickenbach states that he received the Customer Information Sheet
232 directly from me on December 12, 2016. I agree because I sent it to him directly
233 to him on that date abiding by the tariff provision that has been called out for
234 providing immediate contact information. That immediate contact was the phone
235 number with an extension for Mike Tucker and the phone number with extension
236 for Mr. Swenson.

237 **Q. What do you see as the clear statement of the Company's culpability in this**
238 **matter?**

239 A. Mr. Rickenbach admits he received the information that US Magnesium
240 was relying on based on the intent of the tariff. The Customer Information Sheet
241 provided a contact for interruption that would immediately notify US Magnesium.
242 He had this specific contact information delivered directly to him on December
243 12, 2016—information that he knew would not work because the Company's
244 automated notification system could not dial through to extensions and he did not
245 tell US Magnesium that the information provided as an Interruption Contact Day
246 Phone number would not work. He just seems to waive it off because the
247 Company had a second phone number, so they didn't need to worry about the
248 extensions that would not work. That indifference and oversight now leads to this
249 circumstance, in which US Magnesium faces a penalty of over \$580,000 because
250 the Company automatic notification system could not dial an extension.

251 **Q. Mr. Rickenbach does admit he called you directly. Do you agree with his**
252 **characterization of the call?**

253 A. My recollection of the substance of my discussion with Mr. Rickenbach
254 was that he was checking to see if the system had worked and it made me think he
255 was unsure of the system. In his testimony he suggests that we chatted about
256 curtailment issues, but I don't remember that. I know I suggested I could not do
257 anything about the circumstance as I was driving.

258 **Q. Mr. Rickenbach mentions he does not believe that it is problematic that the**
259 **Company has changed the Customer Information Sheet to now clearly state**
260 **that extensions will not work. Do you have any comment?**

261 A. I did not suggest that there was a problem with this change and I support
262 the Company clearly calling the shortcoming of their system out to anyone putting
263 down a contact number for immediate notification. If this would have been part of
264 the Customer Information Sheet in 2016 that Mr. Rickenbach had provided to me
265 for review, then US Magnesium would have provided different Day Phone
266 Interruption Contact numbers that do not have extensions and US Magnesium
267 would have been properly notified of the interruption.

268 **Q. What else is an important aspect of the testimony by Mr. Rickenbach that**
269 **you find worth mentioning?**

270 A. Mr. Rickenbach does not deny that some of the information, such as
271 emails and text messages sent by third parties to me and to Mike Tucker, was not
272 clearly from the Company. He simply says that US Magnesium was on alert about
273 the interruption and should have known that anything coming from any source—
274 even if there was no clear connection to the company—should have caused US
275 Magnesium to reduce demand. I strongly disagree. Under Section 3.02 of the
276 tariff, the Company cannot impose upon a customer a penalty for failing to
277 interrupt unless it first properly notifies the customer of the penalty. The tariff
278 requires the customer to provide contact information to the Company to use in the
279 case of an interruption. US Magnesium provided Day Phone Interruption Contact

280 numbers to the Company in the Customer Information Sheet. US Magnesium,
281 therefore, complied with its obligation under the tariff. The Company failed to
282 properly notify US Magnesium for the reasons stated above. The emails and text
283 messages from third parties were not clearly from the Company, and the
284 Company did not notify US Magnesium that it would receive notifications of
285 interruptions from third parties. As such, the emails and text messages did not
286 give proper notice of the interruption.

287 **Q. Does this complete your testimony in this matter?**

288 A. Yes.