

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

)	
)	DOCKET NO. 17-057-20
IN THE MATTER OF THE PASS-)	
THROUGH APPLICATION OF)	DPU Exhibit 1.0 SR
DOMINION ENERGY FOR AN)	
ADJUSTMENT IN RATES AND)	Surrebuttal Testimony
CHARGES FOR NATURAL GAS)	Douglas D. Wheelwright
SERVICE IN UTAH)	
)	
)	

**FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH**

**Surrebuttal Testimony of
Douglas D. Wheelwright**

May 31, 2018

1 **Q: Please state your name, business address and title.**

2 A: My name is Douglas D. Wheelwright; my business address is 160 East 300 South, Salt Lake
3 City, Utah 84114. I am a Technical Consultant with the Division of Public Utilities
4 (Division).

5 **Q: On whose behalf are you testifying?**

6 A: The Division.

7 **Q: Are you the same Douglas Wheelwright that filed direct testimony in this docket?**

8 A: Yes.

9 **Q: What is the purpose of your testimony in this matter?**

10 A: I will provide comments related to the rebuttal testimony of Dominion Energy Utah
11 (Dominion or Company) representatives William F. Schwarzenbach III and Michael L. Platt.
12 The fact that I do not address every specific detail or issue should not be construed as
13 acceptance.

14 **Q: Has the Division's position or recommendation changed after a review of the
15 Company's rebuttal testimony?**

16 A: No.

17 **Q: You were critical of the Company's original Exhibit 3.4, and Mr. Schwarzenbach
18 discusses the replacement of Exhibit 3.4 with Exhibit 3.10. Are you satisfied with the
19 updated information?**

20 A: Exhibit 3.4 was included in the original application to show how the hourly deliveries exceed
21 the Reserved Daily Capacity (RDC) and how the number of instances was increasing over
22 time. In response to DPU Data request 1.37, the Company stated that hourly data was used
23 for all significant meters and estimates were used for a handful of small meters where data is
24 only available on a daily basis. Exhibit 3.4 was prepared with an approximation of the
25 hourly deliveries for the past few years and included the footnote that it was for illustrative

26 purposes only. The source data used to prepare Exhibit 3.4 has not been provided to the
27 Division.

28 The updated information in Exhibit 3.10 uses actual values instead of estimates and it is very
29 important to compare both exhibits. While it has not been mentioned by the Company, when
30 the actual information is used, the severity of the apparent need and the increase in the
31 number of instances is significantly lower than what was originally represented in Exhibit
32 3.4.

33 In reviewing actual hourly data used to prepare DEU Exhibit 3.10, I compared the hourly
34 flow rate to the contracted volumes to determine the number of times that the hourly flow for
35 sales customers exceeded the total contract amount. Each instance represents one hour when
36 the total hourly flow on a given day exceeded the contract amount. Since the winter heating
37 season (November – March) is the area of greatest concern, my analysis excluded the
38 summer months. A summary of the number of instances by heating season are as follows.

				Total # of
	Heating Season	Max Flow	Total Contract	Instances
39				
40	2011 – 2012	1,246,527	1,089,557	21
41	2012 – 2013	1,320,131	1,089,557	98
42	2013 – 2014	1,225,119	1,089,557	35
43	2014 – 2015	1,371,364	1,089,557	25
44	2015 – 2016	1,185,668	1,089,557	9
45	2016 – 2017	1,372,747	1,157,182	13
46	2017 – 2018	1,130,114	1,170,557	0
47				

48 From the actual information provided in Exhibit 3.10, there were 98 instances or hours in the
49 2012 – 2013 heating season where the maximum hourly flow rate for sales customers
50 exceeded the total contract volume compared to 9 instances in 2015 – 2016, 13 instances in
51 2016 – 2017 and 0 instances through December 31, 2017. Based on the actual information
52 provided in Exhibit 3.10, the maximum flow for sales customers has not increased and the
53 number of instances where the sales customer volume has exceeded the contract amount has
54 decreased in recent years instead of increased as was represented in Exhibit 3.4 of the
55 original filing. In most instances where the hourly flow rate exceeded the contract rate, the

56 hourly flow amount returned to volumes below the contract limit amount within 1 to 3 hours.
57 The period of time when the sales customer flow exceeds the contract limit is short in
58 duration. During the entire winter heating season of 2016 – 2017, there were only 13 hours
59 when the hourly flow exceeded the contract amount and they were not all consecutive.

60 **Q: In your direct testimony you provided specific information related to the actual hourly**
61 **usage of the Lake Side Generation Facility. Did you state in your direct testimony or**
62 **did you “imply” that you believe that the Lake Side Facility will burn more than its**
63 **maximum contract amount during peak hours?**

64 A: No. This is an incorrect statement of my position by Mr. Schwarzenbach and Mr. Platt. The
65 information provided in Charts 1, 2, and 3 of my direct testimony show the hourly
66 consumption rate for Lake Side on two different days and clearly show how the hourly flow
67 is below the total contract limit. The Lake Side facility does not burn more than its total
68 daily contract limit [REDACTED]
69 [REDACTED]. The Lake Side facility does not burn gas
70 evenly during the 24-hour period as the Company assumes in its forecast. These hourly
71 swings in consumption are [REDACTED] than the 17% peak hour swing identified as a
72 problem by the Company for GS customers. During the winter months, this one customer
73 represents [REDACTED] of the total gas consumed on the distribution system.¹ The
74 actual usage by this large customer contributes to the hourly swings on the distribution
75 system but it is not modeled as such, rather it is modeled with even usage for peak day
76 planning purposes.

77 **Q: Has the Company acknowledged that if the model were to follow the actual usage**
78 **pattern for Lake Side that it would impact the outcome?**

79 A: Yes. Beginning on line 49, Mr. Platt acknowledges that following the actual usage pattern
80 would change the peak hour estimate. While the Lake Side agreement is a special contract
81 with maximum limits, the actual usage represents a significant volume on the distribution

¹ Based on monthly volumes provided in the Annual Results of Operation.

82 system. To assume the actual usage of this significant volume customer will remain even
83 over all of the hours is incorrect and could lead to an incorrect estimate of the peak day
84 planning requirement and the need for peak hour service.

85 **Q: Beginning on line 58, Mr. Platt states that it is unreasonable to assume that the Lake**
86 **Side power plant would exceed the contractual limits on a design day but later states**
87 **that if the plant were to exceed the contract limit there would be no impact to the**
88 **pressures on the DEUWI system. Does this explanation match with the previous**
89 **information that has been provided?**

90 A: No. Let me again clarify that I do not believe, nor have I ever stated that Lake Side would
91 exceed the maximum contract limit. This entire Docket has been initiated by the Company to
92 show how the actual customer usage on an hourly basis does not match the daily nomination
93 process and how the hourly swings in usage can cause impacts to the pressures of the
94 DEUWI system. It seems unreasonable for the Company to state that the hourly usage of one
95 of the largest customers does not have the potential to impact the system.

96 For example, let me refer again to the information provided by the Company and outlined in
97 Chart 1 of my direct testimony. On November 11, 2016, Lakeside nominated or brought
98 ██████████ to the distribution system for ratable delivery throughout the 24 hour period. At
99 7pm on that day, the plant was consuming gas at a rate of ██████████ per day. This is the
100 very issue that the Company has expressed concern about with all of the other customers on
101 the distribution system. To assume for peak planning purposes that this customer will have
102 even usage across all hours and that the actual usage will have no impact on system pressures
103 does not seem reasonable or likely.

104 **Q: Beginning on line 190, Mr. Platt refers to the assumptions that have been included in**
105 **the preparation of DEU Exhibit 2.4 and states that under the unsteady state model, the**
106 **Company assumes that every resource is functioning and all volumes from storage are**
107 **arriving as planned. Was this your original understanding?**

108 A: No. In DPU Data request 1.18, the Division asked the Company to explain the different
109 assumptions that were used to calculate the system pressure in exhibit 2.3 and 2.4. In
110 response, the Company stated; “Exhibit 2.4 was created from a 2015 – 2016 Design Peak
111 Day model with the assumption that *no volumes above the RDC are used or available, and*
112 *no other resources were used to meet demand.*” (Emphasis added) The Company has now
113 clarified that by starting with the Design Peak Day model, it is assumed that all aquifer and
114 storage resources are being utilized.

115 While it is unlikely that no other resources for market purchases and no additional volume or
116 line pack at the pipeline level would be available, it is troubling to the Division that the
117 Company’s distribution system appears to be so fragile and operating so close to the edge
118 that the Company could lose adequate pressure in just 20 minutes with major disruptions to
119 thousands of customers within 1 hour.² This scenario should be addressed in long range
120 planning by the Company in a forum including regulators, customer groups, and the like.

121 **Q: Has the information provided by the Company’s rebuttal testimony changed your**
122 **position concerning the peak hour contracts?**

123 A: No. The Division remains unpersuaded that the contracts are in the public interest. They
124 appear to be an expensive, unnecessary purchase to forestall a problem that may not exist and
125 for which other solutions might be found.

126 **Q: Does this conclude your testimony?**

127 A: Yes.

² DEU Exhibit 2.4