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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications	Docket No. 19-057-02 American Natural Gas Council’s Petition for Agency Review and Rehearing of the Commission’s Order issued February 25, 2020
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Pursuant to Utah Code §§ 54-7-15 and 63G-4-301, and Utah Administrative Rule R746-1-801, the American Natural Gas Council (“ANGC”) hereby petitions the Public Service Commission of Utah (“Commission”) for Agency Review and Rehearing of the Commission’s February 25, 2020 Report and Order (“Order”) on two issues addressed below.

I. The Order Does Not Address Dominion Energy Utah’s (“DEU”) Anticompetitive Tariff 5.01 Allowing Existing Customers to Convert to Transportation Service Just One Time Each Year¹

Throughout this proceeding, ANGC argued that DEU’s Tariff 5.01 limiting existing customers from converting to transportation service to one time each year is unreasonable and anticompetitive.² The Commission did not address this issue in the Order.³ This is important to

¹ Utah Code Ann. § 63G-4-403 anticipates that the Commission will decide all issues that need resolution.

² Direct Testimony of Curtis Chisholm, Phase II, Exhibit ANGC 3, lines 99-115; Surrebuttal Testimony of Bruce Oliver, Phase II, Exhibit ANGC 2SR lines 627-661, see also footnote 18 in that exhibit; Surrebuttal Testimony of Curtis Chisholm, Phase II, Exhibit ANGC 3SR, lines 27-44.

³ With Commission approval, DEU modified Tariff 5.01 in Docket No. 19-057-T05 to accommodate the Commission’s decision in this docket, but the one-time only annual election did not change. In addition, Utah Admin. Code Rule R746-1-801 requires a party challenging a Commission finding to marshal the record evidence in

protect the little competition there is in Utah. DEU testified their affiliate Wexpro and company-owned gas distinguish them from most other gas distribution utilities in the nation,⁴ however, the testimony was not persuasive. Permitting DEU to continue this unique practice enables them to maintain their monopoly stranglehold on the Utah market. Virtually every other utility in the country has found ways to enable rolling or open enrollment. The Commission should not allow DEU to rest on Wexpro and company-owned gas to thwart competition in this market.

DEU's restrictive TS enrollment process is not justified by its Wexpro commitment. All gas utilities have an obligation to plan for reliable delivery of natural gas to their customers throughout the year, and particularly during peak periods. There is nothing unique about the Wexpro relationship that changes that. All gas utilities, including DEU, face considerable uncertainty in their planning for peak hour requirements. Uncertainties regarding small TS customer transfers pale in comparison to the uncertainties DEU faces relating to weather and to the addition of customers on a growing system.

When DEU plans its gas supply in the summer for the following year, it does not know what the weather is going to be. DEU does not know what its actual peak will be or how many customers it will actually be adding during that period. The transfer of even 100 or 150 small TS customers does not have a major impact on those planning considerations. It is within the noise of the uncertainties that they're facing already.

A once-a-year enrollment window to address those problems is unnecessary. Other utilities allow for rolling enrollment with reasonable advanced notice -- usually 60 or 90 days -- and they are still able to plan reasonably and responsibly for their gas supply without imposing

support of the finding. Although there is no finding to challenge, ANGC has identified the evidence DEU provided on this issue in footnote 3 below.

⁴ Rebuttal Testimony of Austin Summers, Phase II on p. 18, lines 428-454. January 15, 2020 Hearing Transcript in Phase II, pp 22-23, 81-84.

costs on sales service customers. Likewise, the Commission should direct DEU to establish a rolling or open enrollment process for customers seeking to obtain transportation service in order to promote more competition in the state.

II. The Administrative Charge is Not Cost Based, Includes Costs that are Unreasonable and Unrelated to the Provision of Transportation and Should be Suspended

The Commission erred in finding that the combined administrative and customer charges which are approximately the same as the amount allocated to the “Customer Function” in DEU’s unbundled CCOS Study is evidence of cost causation.⁵ This does not provide a basis for determining that the costs included in DEU’s proposed administrative charge are reasonable, appropriate, or cost based.⁶ It is clear from DEU’s own studies that current customer charges do not match well with unbundled customer-related costs for all classes. Adding an administrative charge to make up for a perceived under-recovery of customer related costs for just one class is neither reasonable, just, nor appropriate. Further, the issue of determining an appropriate cost-based administrative charge should be part of the investigatory proceeding the Commission indicated in the Order it intends to open to evaluate the composition of the TS class and other cost issues.

While DEU has proposed a reduction in its administrative charge, the proposed charge remains dramatically above the administrative charge billed to transportation customers by other gas utilities. Nothing in DEU's operations in Utah justifies such a high administrative charge. In addition, the costs included in DEU's administrative charge are already included in its fully

⁵ Pursuant to Utah Admin. Code Rule R746-1-801, ANGC marshals the following record evidence the Commission would have to use to support its finding, but as explained in the text of this petition, ANGC does not believe this evidence supports the Commission’s finding that the administrative charge has “a cost causation basis.” See Direct Testimony of Austin Summers, DEU Exhibit 4, pp 29-30 lines 761-801; DEU 4.12; Rebuttal Testimony of Austin Summers, DEU 4.0R, pp 16-17 lines 389-409; DEU 4.01R; Surrebuttal Testimony of Austin Summers, Phase II DEU 4.0SR, p 5 lines 106-112; January 15, 2020 Hearing Transcript pp 18-19, 21-22, 70, 109, 110, 126, 127, 187.

allocated cost of service study. The administrative cost analysis that DEU Witness Summers presented is simply a reallocation of these costs. The costs included in the administrative charge are already recovered in the DEU's fully allocated revenue requirement. Yet as shown on page 38, Table 1, in Mr. Oliver's direct testimony marked ANGC 2, the combined customer-related charges or BSF charges and the administrative charges billed by BSF to TS customers result in substantial overcollection of the allocated customer costs. This outcome is clear in the DEU's own cost of service study presented in DEU Exhibit 4.18. DEU did not refute Mr. Oliver's analysis.

The Commission should also note that roughly two-thirds of DEU's claimed administrative costs are for labor and labor overheads. Yet, in response to ANGC Date Request 2.07, DEU indicated that the "*the Company's administrative workload for the specific task of Rate TS is not tracked month by month.*" Thus, DEU's assessment of labor hours incurred to support its administration of TS service is an arbitrary, after-the-fact determination for which no supporting timesheets have been provided. The methods on which DEU relied to determine the portions of its labor costs that should be associated with its administration of Transportation Service remain undocumented.

Lastly, the Company's proposed Administrative Charge included items that were inappropriate.⁷ DEU erroneously included costs for Pioneer – TRM Tracker Software Support, which it acknowledged was not actually used in its provision of services to TS customers and removed the cost in rebuttal testimony. Even with a corresponding decrease of \$118 dollars per customer DEU elected to maintain the same administrative charge of \$3,000 from its initial

⁷ Supplier non-gas costs and gas supply acquisition costs are examples of costs that are not appropriate to allocate to transportation customers in an administrative charge.

application.⁸ DEU's selective application of rounding to maintain the same level of administrative charge further demonstrates the arbitrary nature of the administrative charge. For these reasons, the Commission should suspend the administrative charge and no longer impose it on TS customers until the conclusion of the investigatory proceeding the Commission intends to open to evaluate transportation service class composition and other cost allocation issues.

Relief Requested

Pursuant to Utah Code §§ 54-7-15 and 63G-4-301, and Utah Administrative Rule R746-1-801, the American Natural Gas Council ("ANGC") hereby requests this Commission to address the two issues discussed above by directing DEU to establish an open enrollment process for transportation service and suspending the administrative charge for transportation customers in accordance with this petition.

Respectfully submitted this 25th day of March, 2020

/s/Stephen F. Mecham

⁸ DEU Exhibits 4.12 and 4.01R both propose an administrative charge of \$3,000 while the calculated per customer administrative charge was \$3,098 and \$2980 respectively.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Petition for Agency Review and Rehearing of the Commission's Order issued February 25, 2020 filed by the American Natural Gas Council in Docket No. 19-057-02 was served by electronic mail March 25, 2020 on the following:

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