

In the Matter Of:

In Re: DEU - Modifications to Tariff Section 2.06

HEARING, DOCKET NO. 19-057-T01

April 23, 2019

Job Number: 530122

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF:)Docket No. 19-057-T01
)
The Application of Dominion)Commissioner
Energy Utah for Approval of)Michael Hammer
Modifications to Tariff)
Section 2.6.)HEARING
)
)JOB NO. 530122

April 23, 2019
1:30 a.m.

LOCATION:
PUBLIC SERVICE COMMISSION
160 East 300 South, Room 451
Salt Lake City, Utah 84111

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Karen Christensen
- Registered Professional Reporter -
- Certified Shorthand Reporter -

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A P P E A R A N C E S

FOR DOMINION ENERGY
UTAH:

Jenniffer Nelson-Clark
DOMINION ENERGY UTAH
333 South State Street
P.O. Box 45433
Salt Lake City, UT 84145-0433
(801) 324-5392
Jenniffer.clark@dominionenergy.com

FOR DIVISION OF
PUBLIC UTILITIES:

Justin C. Jetter, Esq.
ATTORNEY GENERAL'S OFFICE
160 East 300 South, 5th Floor
Salt Lake City, UT 84111
(801) 366-0353
Jjetter@agutah.gov

OFFICE OF CONSUMER
SERVICES:

Steven W. Snarr, Esq.
ATTORNEY GENERAL'S OFFICE
160 East 300 South, 5th Floor
Salt Lake City, UT 84111
(801) 366-0353
Snarr@agutah.gov

ALSO PRESENT:

Jessica Ipson
Douglas Wheelwright

I N D E X

EXAMINATION

PAGE

BY MS. CLARK
BY MR. JETTER

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1 April 23, 2019

2 P R O C E E D I N G S

3 COMM. HAMMER: Good afternoon. This is the
4 time and place noticed for hearing in the matter of the
5 Application of Dominion Energy Utah for Approval of
6 Modifications to Tariff Section 2.6. That's Commission
7 Docket No. 19-057-T01. My name is Michael Hammer, and
8 I'm the Commission's Designated Presiding Officer.

9 Let's go ahead and take appearances, please,
10 beginning with the Company.

11 MS. CLARK: Thank you. My name is Jenniffer
12 Nelson-Clark. I'm counsel for Dominion Energy, and with
13 me I have Jessica Ipson. She is the company's witness
14 who will be here supporting the Application.

15 MR. JETTER: And good afternoon. I'm Justin
16 Jetter. I represent the Utah Division of Public
17 Utilities, and with me at counsel table is the
18 Division's witness today, Douglas Wheelwright.

19 MR. SNARR: And my name is Steven Snarr.
20 I'm an Assistant Attorney General here on behalf of the
21 Office of Consumer Services.

22 COMM. HAMMER: Mr. Snarr, do you intend to
23 present a witness?

24 MR. SNARR: No, we do not.

25 COMM. HAMMER: Okay. Before we begin, are

1 there any preliminary matters the parties want to
2 discuss?

3 MS. CLARK: I'm not aware of any.

4 MR. JETTER: Nothing from the Division.

5 COMM. HAMMER: One thing I'll raise, just so
6 I don't have to do it later, I think, in the
7 Commission's mind, one of the ambiguities that may exist
8 concerns when this should be effective, to the extent
9 it's approved. If the parties could make a point of
10 addressing that, it would be helpful.

11 MS. CLARK: Ms. Ipson will address that.

12 COMM. HAMMER: All right. Great. Then go
13 ahead, Ms. Clark.

14 MS. CLARK: Thank you. The Company calls
15 Jessica Ipson.

16 COMM. HAMMER: Ms. Ipson, do you swear to
17 tell the truth?

18 MS. IPSON: Yes.

19 COMM. HAMMER: Thank you.

20 JESSICA IPSON,
21 called as a witness by and on behalf of Dominion Energy,
22 having been first duly sworn, was examined and testified
23 as follows:

24 EXAMINATION

25 BY MS. CLARK:

1 **Q. Could you please state your business address**
2 **for the record?**

3 A. My name is Jessica Ipson. My business
4 address is 333 South State Street, Salt Lake City, Utah.

5 **Q. What position do you hold with the company?**

6 A. I'm a Regulatory Analyst III.

7 **Q. And, Ms. Ipson, were the Application and your**
8 **prefiled direct testimony, with the Company Exhibits 1.1**
9 **through 1.5, prepared by you or under your direction?**

10 A. Yes.

11 **Q. And were the reply comments subsequently**
12 **filed by the company in this matter prepared by you or**
13 **under your direction?**

14 A. Yes.

15 **Q. And do you adopt the contents of those**
16 **documents as your testimony today?**

17 A. Yes.

18 MS. CLARK: The Company moves for the
19 admission of the Application, the prefiled direct
20 testimony of Jessica Ipson with accompanying
21 Exhibits 1.1 through 1.5, and the Company's reply
22 comments.

23 MR. JETTER: I have no objection.

24 MR. SNARR: No objection.

25 COMM. HAMMER: They are admitted.

1 **Q. (BY MS. CLARK) Ms. Ipson, can you please**
2 **summarize the relief the company seeks in this**
3 **Application?**

4 A. Yes. In Docket No. 19-057-T01 Dominion
5 Energy Utah respectively asks the Utah Public Service
6 Commission for approval of the proposed tariff
7 modifications to Tariff Section 2.06. In the
8 modifications to Tariff Section 2.06, the Company is
9 proposing to change the definitions of supplier nongas,
10 also known as SNG, and commodity for clarity and to
11 provided an apples-to-apples comparison of cost of
12 service and purchase gas costs.

13 With the proposed change, the overall total
14 of the pass-through filings will not change. Only
15 certain costs will be reclassified between commodity and
16 SNG.

17 If you'd refer back to my testimony DEU
18 Exhibit 1.3. If this change is approved, commodity costs
19 would be defined as all gathering, processing, and
20 commodity costs, whether market purchases or supplies for
21 Wexpro, that are incurred prior to entering the
22 transmission lines. Supplier non-gas costs would be
23 defined as all costs incurred once gas enters the
24 transmission line to the customer.

25 During the course of this proceeding, there

1 was confusion regarding the allocation of total SNG costs
2 to the different customer classes. To be absolutely
3 clear, the Company is not proposing to change the way SNG
4 costs are allocated to customer classes in this docket.
5 The SNG allocation is currently under review and will be
6 addressed in the July 1st general rate case.

7 The proposed tariff changes are just,
8 reasonable, and in the public interest. In the
9 Division's memo dated March 19th, 2019, it recommends
10 that the effective date for the tariff be made to
11 coincide with the effective date of the next 191
12 pass-through filing. The Company agrees that this is a
13 clean way to make the transition to the proposed
14 structure and eliminate some amortization complexities
15 that occur if the change is made prior to the filing.

16 At the technical conference on March 11th and
17 in the Division's memo dated March 19th, there was a
18 recommendation made that the Company propose a method to
19 collect or return the over or undercollected balance
20 related to the tariff change to the appropriate
21 customers. The Company will analyze and address this in
22 the upcoming pass-through filing when the amortization
23 rate is calculated.

24 If this approach is approved by the
25 Commission, the Company would include updated tariff

1 sheets for the proposed changes in this docket at the
2 time of the next pass-through filing. Therefore, we
3 request the proposed tariff modification be allowed to go
4 into effect at the time of the next pass-through filing.

5 This concludes my summary.

6 MS. CLARK: Ms. Ipson is now available for
7 cross-examination and Commission questions.

8 COMM. HAMMER: Mr. Jetter?

9 MR. JETTER: I have no questions. Thank
10 you.

11 COMM. HAMMER: Mr. Snarr?

12 MR. SNARR: No questions.

13 COMM. HAMMER: And neither do I.

14 Any other witnesses?

15 MS. CLARK: No. Thank you.

16 COMM. HAMMER: Thank you.

17 Mr. Jetter?

18 MR. JETTER: Thank you. The Division would
19 like to call and have sworn in Mr. Douglas Peterson --
20 I'm sorry, Wheelwright.

21 COMM. HAMMER: Mr. Wheelwright, do you swear
22 to tell the truth?

23 MR. WHEELWRIGHT: Yes, I do.

24 DOUGLAS WHEELWRIGHT,
25 called as a witness by and on behalf of the Utah

1 Department of Public Utilities, having been first duly
2 sworn, was examined and testified as follows:

3 EXAMINATION

4 BY MR. JETTER:

5 Q. Mr. Wheelwright, would you please state your
6 name and occupation for the record?

7 A. My name is Douglas D. Wheelwright. I'm a
8 technical consultant with the Division of Public
9 Utilities.

10 Q. Thank you. And in the course of your
11 employment with the Division, have you had an opportunity
12 to review the Application in this docket, along with the
13 filings that were made along with that, at the time it
14 was filed?

15 A. Yes, I have.

16 Q. And did you create and cause to be filed with
17 the Commission comments from the Division dated
18 February 8th, 2019, along with Exhibits 1.1 through 1.3,
19 along with comments -- additional comments on March 19th,
20 2019?

21 A. Yes, I did.

22 Q. Do you have any edits or corrections you'd
23 like to make to those?

24 A. No, I don't.

25 Q. Would you adopt those as your testimony

1 **today?**

2 A. Yes, sir, I do.

3 MR. JETTER: With that, I'd like to move to
4 enter into the record the Division's comments both from
5 February 8th and March 19th of 2019.

6 COMM. HAMMER: They're admitted.

7 **Q. (BY MR. JETTER) Have you prepared a brief**
8 **statement summarizing the position of the Division?**

9 A. Yes, I have.

10 **Q. Please go ahead.**

11 A. Thank you.

12 In this Application the Company asks for
13 approval to change the language in Section 2.06 of the
14 Dominion Energy Utah tariff. The proposed change would
15 better align commodity and supplier non-gas costs for the
16 costs of service gas production with the costs that are
17 included with market purchase gas. The Division is not
18 opposed to the change; however, recommends that the
19 effective date of the proposed tariff change be the same
20 as the effective date as of the next 191 pass-through
21 filing.

22 The Division also recommends that the Company
23 identify the proper methods and to collect or return the
24 under or overcollected balance in the 191 account to the
25 appropriate customers as part of the next pass-through

1 filing. Since the allocation of SNG and commodity costs
2 have not been reviewed for some time, the Division
3 recommends that costs -- allocations be reviewed as part
4 of the next general rate case and in all future general
5 rate case filings.

6 The proposed tariff change is reasonable and
7 in the public interest and we recommend approval. And
8 that concludes my summary.

9 MR. JETTER: Thank you. I have no further
10 questions. And Mr. Wheelwright is available for cross
11 or questions from the Commission.

12 COMM. HAMMER: Ms. Clark?

13 MS. CLARK: I have no questions.

14 COMM. HAMMER: Mr. Snarr?

15 MR. SNARR: No questions.

16 COMM. HAMMER: And neither do I.

17 Mr. Jetter, no other witnesses?

18 MR. JETTER: No other witnesses. Thank you.

19 COMM. HAMMER: Mr. Snarr, is there anything
20 you'd like to add?

21 MR. SNARR: Well, briefly.

22 The Office has been monitoring this case,
23 appreciates the expansion of the schedule so that
24 everybody can kind of get focused on this and also
25 involve customers, if they wanted to be involved to seek

1 potential changes.

2 We don't take a particular position today.
3 We're grateful for the efforts of the Company and the
4 Division for what they've accomplished thus far. Thank
5 you.

6 COMM. HAMMER: Thank you.

7 Anything else before we adjourn?

8 MS. CLARK: Nothing further. Thank you.

9 COMM. HAMMER: All right. Thank you,
10 everyone.

11 (The hearing was concluded at 1:39 p.m.)

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C E R T I F I C A T E

STATE OF UTAH)
)ss.
COUNTY OF SALT LAKE)

This is to certify that the foregoing proceedings were taken before me, KAREN CHRISTENSEN, a Registered Merit Reporter, a Registered Professional Reporter, and Notary Public in and for the State of Utah.

That the proceedings were reported by me in stenotype and thereafter caused by me to be transcribed into typewriting.

That a full, true and correct transcription of said proceedings so taken and transcribed to the best of my ability is set forth in the foregoing pages, numbered 3 through 12, inclusive.

I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the event thereof.

Witness my hand and official seal at Taylorsville, Utah, this 30th day of April 2019.



Karen Christensen, RMR
My Commission Expires:
February 15, 2020

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