

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

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IN THE MATTER OF ADVICE NO. 993-)
GAS OF PUBLIC SERVICE)
COMPANY OF COLORADO TO)
REVISE ITS COLORADO PUC NO. 6-)
GAS TARIFF TO INCREASE)
JURISDICTIONAL BASE RATE)
REVENUES, IMPLEMENT NEW BASE) PROCEEDING NO. 22AL-____G
RATES FOR ALL GAS RATE)
SCHEDULES, AND MAKE OTHER)
PROPOSED TARIFF CHANGES)
EFFECTIVE FEBRUARY 24, 2022)

DIRECT TESTIMONY AND ATTACHMENTS OF SUSAN L. BAILEY

ON

BEHALF OF

PUBLIC SERVICE COMPANY OF COLORADO

January 24, 2022

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LIST OF ATTACHMENTS

Attachment SLB-1	Redlined Tariff Changes – Gas Transportation Terms and Conditions and Gas Sales Service Terms and Conditions
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**I. INTRODUCTION, QUALIFICATIONS, PURPOSE OF TESTIMONY, AND
RECOMMENDATIONS**

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Susan L. Bailey. My business address is 1800 Larimer St., Suite 500,
Denver, Colorado 80202.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?

A. I am employed by Xcel Energy Services Inc. ("XES") as Natural Gas Services
Manager. XES is a wholly-owned subsidiary of Xcel Energy Inc. ("Xcel Energy"),
and provides an array of support services to Public Service Company of Colorado
("Public Service" or the "Company") and the other utility operating company
subsidiaries of Xcel Energy on a coordinated basis.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THE PROCEEDING?

A. I am testifying on behalf of Public Service.

1 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES AND QUALIFICATIONS.**

2 A. I have a Bachelor of Arts from Northern Illinois University, and a Juris Doctorate
3 from The University of Illinois at Chicago John Marshall Law School. I have been
4 employed by Xcel Energy since February 2016, and have been in my current
5 business role since July 2019. In my current role I oversee the Natural Gas
6 Services team, which manages all aspects of Public Service's gas transportation
7 services, including managing large gas transport accounts and scheduling
8 Shippers' transportation gas. A description of my qualifications, duties, and
9 responsibilities is set forth after the conclusion of my testimony in my Statement of
10 Qualifications.

11 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

12 A. In my Direct Testimony, I present the Company's proposed tariff changes reflective
13 of certain updates to, and continued modernization of, the transportation and
14 Interruptible Industrial sales ("Schedule IG") rate schedules, the Gas Sales Service
15 General Terms and Conditions ("Sales T&Cs") as related to Schedule IG, and the
16 Gas Transportation Terms and Conditions ("Transport T&Cs") and standard
17 transportation form agreements within the Company's Colorado P.U.C. No. 6 –
18 Gas Tariff ("Gas Tariff"). As further explained in my Direct Testimony, the
19 Company's Transport T&Cs and rate schedules were updated as part of the
20 Company's 2019 Phase II Proceeding 19AL-0309G ("2019 Gas Phase II"). Our
21 proposed tariff revisions in this case build upon the Company's efforts in the 2019
22 Gas Phase II to modernize the transportation portions of the Company's Gas Tariff
23 and associated form agreements.

1 While my Direct Testimony supports most of Public Service's proposed
2 revisions to the Transport T&Cs, Company witness Ms. Joni H. Zich addresses in
3 her Direct Testimony proposed revisions concerning receipt points, which are the
4 interconnects where Public Service receives gas from Shippers that is ultimately
5 brought to delivery points for Receiving Parties; requirements for receipt and
6 delivery point hourly flow quantities; and gas quality provisions related to gas from
7 hazardous waste landfills. My Direct Testimony additionally supports revisions to
8 the Gas Tariff that relate to interruptible service for both transportation and
9 Schedule IG customers to ensure such customers are adequately prepared and
10 incentivized to comply with curtailment events. I also support certain clarifying and
11 housekeeping-related changes associated with transportation and interruptible
12 sales services.

13 **Q. ARE YOU SPONSORING ANY ATTACHMENTS AS PART OF YOUR DIRECT**
14 **TESTIMONY?**

15 A. Yes. All of the Company's proposed tariff changes, both redlined and clean, are
16 attached to the Direct Testimony of Company witness Ms. Marci A. McKoane. For
17 convenience, however, I am sponsoring Attachment SLB-1, which contains the
18 redlined version of the proposed tariff changes to the Transport T&Cs and Sales
19 T&Cs supported by myself and Ms. Zich. I also support changes to the
20 unauthorized overrun penalty and certain non-rate-related changes in the
21 transportation and Schedule IG rate schedules, which are only included in Ms.
22 McKoane's Attachments MAM-4 (redlined) and MAM-3 (clean). While I reference
23 specific tariff sheet numbers in my Direct Testimony for ease of discussion, I would

1 note that these redlines are based on how the Gas Tariff sheets are currently
2 numbered and may shift in the final formatting of the updated Gas Tariff that is
3 ultimately approved through this proceeding. Further, although Public Service is
4 proposing certain changes to forms associated with gas transportation service
5 agreements, these changes cannot be shown in redline form given associated file
6 characteristics.

7 **Q. HOW IS YOUR DIRECT TESTIMONY ORGANIZED?**

8 A. In Section II of my Direct Testimony, I discuss the Company's current gas
9 transportation and interruptible sales services and provide background on the 2019
10 Gas Phase II, in which Public Service updated the transportation-related
11 components of the Gas Tariff, as well as a summary of the Shipper Stakeholder
12 Evaluation process undertaken as a result of the Commission's approved
13 settlement in that case.

14 In Section III, I provide a high-level overview of the Gas Tariff revisions I
15 support in my Direct Testimony.

16 In Section IV, I present key proposed updates to our Gas Tariff that are
17 designed to improve our ability to address current operational requirements for our
18 gas transportation service, as well as Gas Tariff updates that are designed to
19 ensure that our interruptible customers are adequately prepared and incentivized
20 to comply with curtailment orders.

21 Finally, in Section V, I address certain clarifying or housekeeping revisions
22 to the Transport T&Cs and the transportation rate schedules.

1 **II. OVERVIEW OF GAS TRANSPORTATION AND INTERRUPTIBLE SALES**
2 **SERVICES AND 2019 GAS PHASE II TRANSPORTATION TARIFF UPDATES**

3 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?**

4 A. In this Section of my Direct Testimony, I discuss the Company's current gas
5 transportation and interruptible sales services. I also provide an overview of the
6 transportation services-related tariff changes made in the 2019 Gas Phase II, as
7 well as a summary of the Shipper Stakeholder process undertaken as a result of
8 the Commission-approved settlement in that case.¹

9 **A. Public Service's Current Gas Transportation and Interruptible Sales**
10 **Services**

11 **Q. PLEASE PROVIDE AN OVERVIEW OF PUBLIC SERVICE'S CURRENT GAS**
12 **TRANSPORTATION SERVICES.**

13 A. As discussed in more detail by Ms. Zich in her Direct Testimony, Public Service
14 has been offering gas transportation service since the mid-1990s on both a firm
15 and interruptible basis. This service allows customers connected to Public
16 Service's natural gas system to purchase their gas directly from a third-party,
17 typically a producer or marketer. The third-party gas is then transported over
18 Public Service's gas system from the receipt point, or point of acquisition, to the
19 end use customer, which is also called the delivery point. Public Service charges
20 the Shipper a transportation charge for that service.

¹ See the Stipulation and Settlement Agreement approved by the Commission through Decision No. R20-0046 in Proceeding No. 19AL-0309G ("2019 Gas Phase II Settlement").

1 **Q. WHAT ARE THE MAJOR TYPES OF GAS TRANSPORTATION SERVICE**
2 **AVAILABLE UNDER THE COMPANY'S CURRENT TARIFFED RATE**
3 **SCHEDULES?**

4 A. Public Service currently offers the following three primary² transportation rate
5 schedules under its Gas Tariff, with the following base rate charges applicable
6 under each rate schedule:³

7 1. Firm Gas Transportation Service Large – Schedule TFL (“TFL”). This
8 service is available for gas transportation customers with an annual usage
9 of 5,000 dekatherms (“Dth”) or more. A TFL Shipper’s monthly charges
10 include a Service and Facility (“S&F”) charge, a firm capacity reservation
11 charge per Dth for the capacity that is reserved on the Company’s system,
12 a usage charge that is applicable to all of the Shipper’s gas transported by
13 the Company up to the contracted Maximum Daily Quantity (“MDQ”), and
14 charges for any monthly costs associated with constructing facilities unique
15 to that Shipper.

16 2. Firm Gas Transportation Service Small – Schedule TFS (“TFS”). This
17 service is available for all other gas Shippers with annual usage less than
18 5,000 Dth who desire firm transportation service. Monthly charges for TFS
19 Shippers include an S&F charge, a usage charge that is applicable to all of
20 the Shipper’s gas transported by the Company, and charges for any

² The Company also has firm and interruptible transportation schedules for customers utilizing the Front Range Pipeline – Rate Schedule TF-FRP and TI-FRP, with charges specific to service under those schedules.

³ I note that additional charges may apply for ancillary services available to Shippers under each rate schedule, as reflected in those rates schedules.

1 monthly costs associated with constructing facilities unique to that Shipper.
2 Due to their size, TFS Shippers are not charged a firm capacity reservation
3 charge. As distinguished from TFL Shippers, TFS Shippers are assigned
4 an MDQ by the Company for system planning purposes.

- 5 3. Interruptible Gas Transportation Service – Schedule TI (“TI”). Under the
6 Company’s TI Service, gas transportation service can be interrupted due to
7 system pipeline or pressure constraints. While TI Shippers also pay an S&F
8 charge and charges for any monthly costs associated with constructing
9 facilities unique to that Shipper, TI Shippers pay a lower usage charge than
10 applicable to TFS Shippers due to the interruptible nature of the service,
11 and they are not subject to a reservation charge for primary transportation
12 service, like TFL Shippers.

13 **Q. DOES PUBLIC SERVICE HAVE ANY OTHER INTERRUPTIBLE RATE**
14 **SCHEDULES?**

15 A. Yes. Public Service currently offers one interruptible rate schedule under its Gas
16 Tariff for commercial and industrial interruptible customers that purchase their gas
17 from the Company:

- 18 1. Interruptible Industrial Gas Service – Schedule IG (“IG”). Under this service,
19 gas service is interruptible and subject to curtailment to ensure service to
20 firm customers. IG customers pay a lower S&F charge in comparison to
21 customers taking firm service under Commercial Large Gas Service –
22 Schedule CLG. IG customers are not subject to a monthly minimum charge

1 like CLG customers. Additionally, IG customers also pay a lower usage rate
2 than Commercial Small Gas Service – Schedule CSG customers.

3 **Q. PLEASE EXPLAIN THE STRUCTURE OF THE COMPANY'S**
4 **TRANSPORTATION TARIFFS RELATED TO IMBALANCE MANAGEMENT.**

5 A. The Company's Gas Tariff requires Shippers to manage their gas receipts and
6 deliveries so that imbalances at the end of each month are as close to zero as
7 practicable.⁴ At the end of any month, if the cumulative Imbalance is in excess of
8 five percent, then the imbalance will be cashed out to zero percent for that month.⁵
9 They will be cashed out through the Company purchasing from or selling to the
10 Shipper the amount of gas needed to bring the imbalance to zero percent at prices
11 specified in the Gas Tariff.⁶ If the cumulative monthly imbalance is within plus or
12 minus five percent, then the imbalance rolls forward to the following month and the
13 whole process repeats itself.

14 **Q. DOES PUBLIC SERVICE OFFER ANCILLARY SERVICES TO TFL, TFS, OR TI**
15 **CUSTOMERS?**

16 A. Yes, the Company currently offers several types of ancillary services. For
17 example, the Company offers a Backup Sales Service option to customers on Rate
18 Schedule TFL or TFS. Backup Sales Service provides a firm gas supply service
19 in the event the customer's gas supply acquired on the open market ("Shipper's
20 Gas") does not get confirmed, such that they need to purchase gas supply from
21 the Company. In addition to applicable Gas Cost Adjustment ("GCA") charges, the

⁴ Tariff Sheet No. T44.

⁵ *Id.*

⁶ Tariff Sheet No. T44A.

1 customer pays a firm capacity charge to reserve this service and an incremental
2 charge on all volumes of gas provided by the Company under this service for each
3 day it is utilized. As part of this proceeding the Company is proposing to continue
4 this ancillary service for existing contracts; however, the Company will discontinue
5 to offer this service for any new or amended service agreements.

6 Second, Shippers under Schedules TFL, TFS, and TI are responsible for
7 maintaining communication lines that allow for adequate measurement data
8 related to their transportation service on Public Service's system. In the event a
9 communication line error is not fixed within a specified period as contained in the
10 rate schedules, customers will be charged for sales gas under the Interruptible
11 [TFL/TFS/TI] Sales Charge provisions in Schedules TFL, TFS, and TI,
12 respectively.⁷

13 Third, the Company offers an On Peak Demand Quantity Option to those
14 Customers on TI Service. On Peak Demand Quantity Option allows the TI Shipper
15 to reserve a level of firm capacity in the event of a gas interruption on the
16 Company's system. In addition to other applicable charges, the customer pays an
17 On Peak Demand Quantity Charge for this service.

18 **Q. DOES PUBLIC SERVICE OFFER ANCILLARY SERVICES TO IG**
19 **CUSTOMERS?**

20 A. Yes, the Company offers Daily On-Peak gas to those customers on IG Service.
21 On-Peak gas allows the IG customer to reserve a level of firm capacity in the event

⁷ Sheet Nos. 29A (TFS); 30A(TFL); and 31A(TI)

1 of a gas interruption on the Company's system. In addition to other applicable
2 charges, the customer pays an On Peak Demand Charge for this service.

3 **B. Transportation Services-Related Resolutions in the 2019 Gas Phase II**

4 **Q. WHAT WERE THE MAIN TRANSPORTATION-FOCUSED TOPICS**
5 **ADDRESSED BY THE 2019 GAS PHASE II SETTLEMENT?**

6 A. As agreed to by parties to the 2019 Gas Phase II Settlement, the Commission
7 approved numerous changes to the Company's Gas Tariff, inclusive of changes to
8 the Gas Tariff's Transportation charges and terms of service.⁸ In the 2019 Gas
9 Phase II, the Company implemented a number of changes to its gas transportation
10 services, along with associated tariff changes reflective of a complete update and
11 modernization of the transportation rate schedules, as well as the Transport T&Cs
12 and standard transportation form agreements within the Company's Gas Tariff. In
13 addition, the Commission approved a Shipper Stakeholder Evaluation process to
14 evaluate future changes with respect to certain non-rate-based transportation
15 topics.⁹

16 **Q. CAN YOU PLEASE DETAIL THE TOPICS THAT THE SHIPPER**
17 **STAKEHOLDER EVALUATION PROCESS WAS INTENDED TO ADDRESS?**

18 A. As part of the 2019 Gas Phase II Settlement, it was agreed that interested parties
19 would convene and engage in a Shipper Stakeholder Evaluation process to
20 address eliminating the five percent repayment-in-kind process part of monthly

⁸ 2019 Gas Phase II Settlement, including the Addendum reflecting the tariff changes.

⁹ 2019 Gas Phase II Settlement at Section III.F.

1 imbalancing, the use of receipt pools, and an alternative to the requirement of
2 telemetry for TFS Shippers.¹⁰

3 **Q. WERE ALL OF THE TOPICS YOU JUST IDENTIFIED RESOLVED AS PART OF**
4 **THE SHIPPER STAKEHOLDER PROCESS?**

5 A. No. As part of the 2019 Gas Phase II, the Company had advocated to include in
6 its tariff changes the topics of receipt pools and eliminating the five percent
7 repayment-in-kind process as part of monthly balancing. Rather than implement
8 those changes, as part of the 2019 Gas Phase II Settlement, the Company agreed
9 to include these topics in the Shipper Stakeholder process. At the first meeting the
10 Company proposed to participating stakeholders, including Commission Staff, the
11 Office of the Utility Consumer Advocate, other utilities, and Shippers, that these
12 two topics be removed from the process because the Company did not feel it could
13 propose eliminating the five percent repayment-in-kind until a metering solution
14 that provided more timely information was available, and the Company no longer
15 wanted to pursue the implementation of receipt pools. The Company proposed
16 that we use the Shipper Stakeholder Evaluation process to focus on the telemetry
17 issue.

18 **Q. DID STAKEHOLDERS DISAGREE WITH THE COMPANY'S PROPOSAL?**

19 A. No. Thereafter, stakeholders met several times over the course of 2020 to discuss
20 the pros and cons of current telemetry configurations, and emerging technology
21 that had the potential to replace telemetry. We also discussed potential

¹⁰ 2019 Gas Phase II Settlement at Section III.F.

1 operational changes to replace telemetry. During this process, the Company
2 researched available technologies to replace telemetry and held discussions with
3 utilities to determine potential solutions. The Company invited stakeholders,
4 especially Shippers, to present solutions that they felt were viable from other
5 jurisdictions where they conducted business for the Company to evaluate.

6 **Q. HOW DID THE WORKSHOP CONCLUDE?**

7 A. At the final meeting, stakeholders agreed to conclude the workshop as the parties
8 had explored all the pertinent technology and operational solutions available to
9 address eliminating telemetry. The stakeholders did not find a solution that was
10 agreeable.

III. OVERVIEW OF GAS TARIFF CHANGES SUPPORTED IN MY DIRECT TESTIMONY

Q. PLEASE GENERALLY DESCRIBE THE COMPANY'S PROPOSED CHANGES TO THE GAS TARIFF WITH RESPECT TO GAS TRANSPORTATION AND INTERRUPTIBLE SALES SERVICES SUPPORTED BY YOU AND MS. ZICH THROUGH YOUR DIRECT TESTIMONIES.

A. The proposed Gas Tariff revisions relating to gas transportation and interruptible sales services supported by Ms. Zich and myself fall under the following three general categories: (a) revisions that continue to modernize the Gas Tariff to be consistent with Public Service's operational requirements; (b) revisions related to interruptions; and (c) revisions of a general or housekeeping nature.

Q. PLEASE GENERALLY DESCRIBE THE FIRST CATEGORY OF PROPOSED CHANGES RELATED TO GAS TRANSPORTATION AND INTERRUPTIBLE SALES SERVICES.

A. Public Service proposes tariff revisions that are designed to build upon the Company's ongoing efforts to modernize the transportation portions of the Gas Tariff consistent with Public Service's operational requirements. The proposed revisions include, but are not limited to, clarifications or updates to the Transport T&C, Schedule IG, and the TFL, TFS, and TI Gas rate schedules in the Gas Tariff regarding:

- Primary receipt points including related provisions concerning unauthorized overrun penalties,

- 1 • Requirements for Firm Transportation Service and the On-Peak Demand
- 2 Quantity Option;
- 3 • Minimum duration for Receiving Party commitments to the On-Peak
- 4 Demand Quantity Option;
- 5 • Sunsetting the Backup Sales Service option;
- 6 • Security for gas transportation service;
- 7 • Nomination of gas for imbalance resolution;
- 8 • Hourly receipt and delivery quantities; and
- 9 • Service agreement suspension, termination, and agency agreement
- 10 revocation.

11 Related to these tariff revisions, we have also proposed to increase the
12 unauthorized overrun penalty in the gas transportation and interruptible sales rate
13 schedules to ensure that customers are adequately incentivized to comply with
14 Operational Flow Orders (“OFOs”), curtailment orders, and direction to primary
15 receipt points. I support all of these proposed tariff revisions, and Ms. Zich
16 supports those relating to primary receipt points and hourly receipt and delivery
17 quantities. I discuss revisions I support below in Section IV.A.

18 **Q. PLEASE GENERALLY DESCRIBE THE SECOND CATEGORY OF PROPOSED**
19 **CHANGES RELATED TO GAS TRANSPORTATION AND INTERRUPTIBLE**
20 **SALES SERVICES.**

21 A. Public Service proposes several Gas Tariff revisions relating to interruptible
22 service for both transportation and interruptible sales customers in order to ensure
23 such customers are adequately prepared and incentivized to comply with

1 curtailment orders and other requirements for interruptible service. In addition to
2 increasing the unauthorized overrun penalty that applies to gas transport and
3 interruptible customers (addressed under the first category), these proposed tariff
4 revisions include:

- 5 • updating certain provisions governing the procedures for issuing curtailment
6 orders;
- 7 • requiring curtailment demonstration tests; and
- 8 • including parameters and processes for moving interruptible transportation
9 service and interruptible sales customers to firm service that do not comply
10 with requirements for interruptible service.

11 A couple of the aforementioned proposed tariff revisions were previewed in
12 Ms. Zich's Direct and Rebuttal Testimonies in support of Public Service's
13 application to recover Winter Storm Uri-related extraordinary fuel costs in
14 Proceeding No. 21A-0192EG. I discuss these revisions below in Section IV.B.

15 **Q. PLEASE GENERALLY DESCRIBE THE THIRD CATEGORY OF PROPOSED**
16 **CHANGES RELATED TO GAS TRANSPORTATION AND INTERRUPTIBLE**
17 **SALES SERVICES.**

18 A. The Company is proposing a number of clarifying and housekeeping changes
19 related to gas transportation and interruptible gas sales service that are designed
20 to correct, clarify, and update the Gas Tariff, as I discuss later in my Direct
21 Testimony in Section V.

1 **Q. ARE YOU AND MS. ZICH THE WITNESSES PROVIDING SUPPORT FOR ALL**
2 **PROPOSED CHANGES TO THE GAS TARIFF IN THIS PROCEEDING?**

3 A. No. Ms. Zich and I are only supporting Gas Tariff changes related to transportation
4 service and Schedule IG service, as contained in the affected rate schedules, and
5 in the Sales and Transport T&Cs. As mentioned earlier, Ms. Zich supports
6 proposed changes to the Transport T&Cs related to primary receipt points and
7 hourly receipt and delivery quantities, and proposed tariff revisions regarding gas
8 quality related to gas from hazardous waste landfills as contained in our Rules and
9 Regulations applicable to all gas services, and I support the remainder of the
10 referenced Gas Tariff changes. All remaining Gas Tariff changes not otherwise
11 supported by either me or Ms. Zich are sponsored by other Company witnesses,
12 including Ms. Marci McKoane and Mr. Steven Wishart.

IV. KEY UPDATES TO GAS TARIFF PROVISIONS ON TRANSPORTATION AND SCHEDULE IG SERVICES

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT TESTIMONY?

A. The purpose of this section of my Direct Testimony is to support key proposed revisions to the Gas Tariff that are designed to (1) improve our ability to address current operational requirements for our gas transportation service and (2) to ensure that our interruptible customers are adequately prepared and incentivized to comply with curtailment orders.

A. Key Updates to the Gas Tariff to Address Operational Requirements for Gas Transportation Service and Corresponding Changes to Schedule IG Services

Q. PLEASE REVIEW PUBLIC SERVICE'S KEY UPDATES TO ADDRESS OPERATIONAL REQUIREMENTS FOR GAS TRANSPORTATION SERVICE.

A. Our proposed changes to the Transport T&Cs consist of multiple housekeeping or "clean-up" tariff revisions as well as several more substantive changes, all designed to ensure that our Transport T&Cs and related forms continue to address our operational requirements. In addition to revisions to requirements for primary receipt points and hourly receipt and delivery quantities, which are addressed in Ms. Zich's Direct Testimony, our proposed updates and clarifications to the Transport T&Cs include:

- Setting a minimum 12-month duration for a Receiving Party's commitment for the On-Peak Demand Quantity Option (with a parallel update for the On-Peak Gas option for Schedule IG customers);

- 1 • Providing that the Backup Sales Service Option will no longer be available
2 for new service agreements or amendments to service agreements as of
3 November 1, 2022 (with a consistent update to rate schedules TFS and
4 TFL);
- 5 • Several updates to tariff language pertaining to security for gas
6 transportation service;
- 7 • A requirement for Shippers to specify when they are nominating gas for
8 purposes of reducing an operational imbalance; and
- 9 • Updates to the provisions on termination, suspension and revocation of gas
10 transportation service.

11 Further, we propose changes to the gas transportation rate schedules to
12 amend maximum unauthorized overrun penalties. Public Service is also proposing
13 a parallel revision in Schedule IG. As I discuss in my Direct Testimony, and as
14 also supported by Ms. Zich in her Direct Testimony, the Company proposes to
15 broaden the circumstances under which unauthorized overrun penalties may be
16 applied in connection with primary receipt points.

17 **Q. PLEASE DESCRIBE THE PROPOSED GAS TARIFF UPDATES TO MINIMUM**
18 **DURATION FOR THE ON-PEAK DEMAND OPTION AND ON-PEAK GAS.**

19 A. Public Service proposes to revise Gas Tariff Sheet No. T16 to provide that the
20 minimum duration of a Receiving Party's commitment for the On-Peak Demand
21 Quantity Option (available to reserve firm capacity for Receiving Parties taking
22 service under Schedule TI) shall be 12 months. If a Receiving Party ends its On-
23 Peak Demand Quantity Option, it will not be allowed back on the Option for 12

1 months. Public Service is also proposing parallel provision for the minimum
2 duration of a Schedule IG customer's commitment for On-Peak Gas (which serves
3 a similar purpose to the On-Peak Demand Quantity Option for interruptible sales
4 customers).¹¹

5 **Q. WHY ARE THESE PROPOSED CHANGES TO THE GAS TARIFF**
6 **REASONABLE?**

7 A. Public Service supports this proposed update to remove the opportunity for
8 Receiving Parties to leverage the On-Peak Demand Quantity Option (or
9 interruptible sales customers to leverage On-Peak Gas) on a seasonal basis.
10 Public Service is concerned that allowing Receiving Parties to leverage this option
11 on a seasonal basis does not promote the safe and reliable operation of our
12 system. The On-Peak Demand Quantity a Receiving Party elects is the amount
13 of natural gas it must have in order to run its operations. If Receiving Parties are
14 allowed to turn this off when weather warms, it may not continue to be available
15 when the next heating season arrives due to the growing capacity on our system.

16 **Q. PLEASE DESCRIBE THE PROPOSED GAS TARIFF UPDATES TO THE**
17 **BACKUP SALES SERVICE OPTION.**

18 A. On Sheet No. T14 to the Transport T&Cs, we are proposing an update to specify
19 that the Backup Sales Service Option will no longer be available for new service
20 agreements or amendments to service agreements as of November 1, 2022. We

¹¹ See Tariff Sheet No. 19B.

1 are also proposing related updates to applicable forms at the end of the Transport
2 T&Cs to reflect that this will no longer be an option.

3 **Q. WHAT IS THE BACKUP SALES SERVICE OPTION?**

4 A. As mentioned earlier in my Direct Testimony, the Backup Sales Service Option is
5 an option that, if selected by a Shipper and accepted by Public Service, allows a
6 Shipper taking firm transportation service to pay a reservation fee giving the
7 Shipper rights to purchase sales gas from the Company rather than a third-party
8 supplier up to a Shipper's backup reservation quantity. Under this service option,
9 the Shipper is billed the monthly Backup Sales Service charge and applicable GCA
10 charge, per Dth, for the backup reservation quantity. Commission Rule 4205 (a)(II)
11 provides that it is within a utility's discretion whether to offer natural gas
12 transportation standby supply service.

13 **Q. WHY IS PUBLIC SERVICE PROPOSING TO REMOVE THE BACKUP SALES**
14 **SERVICE OPTION FOR NEW SERVICE AGREEMENTS OR AMENDMENTS**
15 **STARTING NOVEMBER 1, 2022?**

16 A. We have observed that Shippers are only incentivized to exercise their option for
17 this service and make related nominations when there is a gas shortage or
18 capacity constraints, and under these circumstances it would also be difficult and
19 potentially costly for Public Service to secure that gas supply and/or necessary
20 capacity to provide it. For example, a small LDC with backup sales service will
21 only nominate a backup sales amount when freezing weather moves into the area
22 because they do not have enough supply to serve their own load. When
23 temperatures warm, their load is reduced and therefore they don't need the backup

1 supply. A Shipper may also choose to exercise this option when doing so would
2 present a lower cost alternative than purchasing gas on the daily spot market,
3 requiring Public Service to purchase more gas on the spot market than it would
4 otherwise plan to in order to meet our gas supply requirements.

5 **Q. PLEASE REVIEW PUBLIC SERVICE'S PROPOSED UPDATES TO THE**
6 **TARIFF LANGUAGE REGARDING SECURITY FOR GAS TRANSPORTATION**
7 **SERVICE.**

8 A. Public Service proposes several revisions to the language in the section of the
9 Transport T&Cs entitled "Security for Gas Transportation Service," beginning on
10 Gas Tariff Sheet No. T19. Specifically, the updates to this section include:

- 11 1. Clarifying that Public Service can evaluate an existing Shipper's continued
12 creditworthiness and request additional security as appropriate;
- 13 2. Providing that Public Service may apply security provided by Shipper
14 against Shipper bills for service received on or after 60 days following the
15 due date of unpaid Shipper bills and request that the Shipper replenish
16 security in the amount applied by Public Service; and
- 17 3. Removing the cash deposit requirement for Receiving Parties that execute
18 their own transportation service agreement with Public Service provided the
19 Receiving Party has and maintains a satisfactory payment history of at least
20 12 months with the Company.

1 **Q. PLEASE EXPLAIN WHY PUBLIC SERVICE'S EVALUATION OF THE**
2 **CREDITWORTHINESS, AND POTENTIALLY UPDATING SECURITY**
3 **REQUIREMENTS AS NEEDED, FOR EXISTING SHIPPERS IS REASONABLE.**

4 A. Public Service is concerned that service agreements with Shippers, if not subject
5 to updates, could expose Public Service to a significant amount of financial risk
6 that may be one-sided and fail to ensure a commensurate amount of security from
7 the Shipper to compensate Public Service for that risk. Shipper agreements can
8 remain in place for a number of years, and requiring Public Service to rely on an
9 initial assessment of a Shipper's credit risk over the life of a service agreement
10 would not provide Public Service an adequate opportunity to recalibrate security
11 requirements as necessary to account for a Shipper's current financial
12 circumstances.

13 **Q. PLEASE EXPLAIN WHY PUBLIC SERVICE'S PROPOSAL TO APPLY**
14 **SECURITY AGAINST PAST DUE SHIPPER BILLS AND REQUEST**
15 **ADDITIONAL SECURITY NECESSARY TO REPLENISH THE APPLIED**
16 **AMOUNT IS REASONABLE.**

17 A. Under our current Gas Tariff, we are only able to apply security against past due
18 bills when we terminate a Shipper's transportation service. As a practical matter,
19 by the time we would ever get to the point of considering terminating a Shipper's
20 transportation service, which we rightfully consider as a last resort and try to
21 exhaust all other reasonable measures first, enough time will have elapsed for a
22 Shipper's unpaid balance to significantly outsize any security that could be applied
23 against the default. Being able to apply security against past due bills before we

1 reach this point of last resort and being able to request additional security to
2 replenish the amount that has been applied is a reasonable remedy to ensure
3 Public Service is not financially punished for its good faith efforts to resolve issues
4 with Shippers before terminating their service.

5 **Q. PLEASE EXPLAIN WHY PUBLIC SERVICE'S PROPOSAL TO REMOVE THE**
6 **CASH DEPOSIT REQUIREMENT FOR RECEIVING PARTIES THAT EXECUTE**
7 **THEIR OWN TRANSPORTATION SERVICE AGREEMENTS AS SHIPPERS IS**
8 **REASONABLE.**

9 A. One of the main reasons the cash deposit requirements that apply to Shippers
10 under our Transport T&Cs need to be more substantial than those that generally
11 apply to our end-use Commercial customers taking gas sales service is that our
12 end-use customers usually have more to lose if their service is compromised
13 (which acts as a kind of security) than a typical Shipper does. Unless a Shipper is
14 also the Receiving Party holding its own service agreement with Public Service, a
15 Shipper will usually not have as much at stake as an end-use customer if Public
16 Service were to exercise its available remedies for Shipper default under a
17 transportation service agreement. For example, if Public Service were to terminate
18 service under a transportation agreement, a Shipper that is merely acting as a
19 middleman between Public Service and end-use customers would not usually
20 experience the same disruptions to business activities as the result of a service
21 disruption as end-use customers would if they were to have their service
22 disconnected. Under this reasoning, Public Service does not believe there is a
23 need to treat Receiving Parties that hold their own transportation service

1 agreements as Shippers differently from customers receiving Commercial sales
2 service for purposes of the cash deposit requirement.

3 **Q. WHAT CHANGES TO IMBALANCE RESOLUTION GAS TARIFF PROVISIONS**
4 **DOES THE COMPANY PROPOSE?**

5 A. The Company has proposed revisions to Gas Tariff Sheet No. T41 that will require
6 Shippers to specify when they nominate for the repayment of monthly imbalances.

7 **Q. WHY ARE THESE PROPOSED CHANGES TO THE GAS TARIFF**
8 **REASONABLE?**

9 A. It is important for Public Service to understand when nominations are made for the
10 purpose of imbalance resolution to enable Public Service to schedule available
11 capacity in a manner that prioritizes the delivery of gas that is needed to serve
12 actual loads of end-use customers. This ability becomes especially important at
13 times when capacity interruption or restriction may become necessary.

14 **Q. WHAT CHANGES TO SERVICE AGREEMENT TERMINATION PROVISIONS**
15 **DOES THE COMPANY PROPOSE?**

16 A. The Company has proposed to modify Gas Tariff Sheet No. T50, relating to Cause
17 for Suspension, Termination, or Revocation, by adding more specificity to
18 circumstances that would constitute default by a Shipper whereby the Company
19 could suspend or terminate a Shipper's Service Agreement, or may revoke a
20 Shipper's ability to act as Agent. Specifically, the Company has proposed to add
21 circumstances for a Shipper's creation of safety or operational concerns, a
22 Shipper's failure to comply with the Company's order for a Shipper to use a Primary
23 Receipt Point (as supported by Ms. Zich), or a Shipper's failure to comply with

1 certain requirements for hourly receipt and delivery quantities (also addressed by
2 Ms. Zich). These revisions further specify that a 30-day deadline applies to
3 Shippers' obligation to provide or maintain sufficient security before the Company
4 can terminate a transportation agreement due to such a default.

5 **Q. WHY ARE THESE PROPOSED CHANGES TO THE GAS TARIFF**
6 **REASONABLE?**

7 A. These proposed revisions help ensure that Public Service has the recourse to
8 terminate a Shipper's transportation service agreement in a timely, predictable,
9 and streamlined manner when a Shipper defaults on its financial obligations or
10 takes actions that significantly compromise our ability to address critical
11 operational demands. While Sheet No. T50 already provides the Company the
12 ability to terminate transportation service agreements when "Shipper otherwise,
13 has failed to conform to the material requirements of Transporter's Gas tariff," we
14 are hopeful that increased specificity regarding certain key operational concerns
15 will make Shippers duly aware of their particular importance.

16 **Q. WHAT IS THE COMPANY PROPOSING WITH RESPECT TO THE**
17 **UNAUTHORIZED OVERRUN PENALTY CHARGES IN THE**
18 **TRANSPORTATION RATE SCHEDULES AND SCHEDULE IG?**

19 A. Public Service has proposed changes to the TFL, TFS, and TI Gas rate schedules
20 to provide that any unauthorized overrun penalty, per Dth over On Peak Demand
21 Quantity has a maximum rate, per Dth, of \$25.00 plus the market price of gas per
22 the CIG Rockies Index as published by Gas Daily. We have proposed a consistent
23 update to the unauthorized overrun gas charge applicable to customers taking

1 service under Schedule IG when they fail to adequately curtail their usage during
2 interruption events.

3 **Q. WHY ARE THESE PROPOSED CHANGES TO THE GAS TARIFF**
4 **REASONABLE?**

5 A. Public Service believes that above-market unauthorized overrun penalties and
6 charges are critical to ensure gas transportation and interruptible sales customers
7 have an adequate financial incentive to comply with curtailment orders to ensure
8 adequate pipeline capacity exists to maintain safe and reliable service for firm
9 service, and that gas transportation customers have an adequate financial
10 incentive to comply with OFOs, which are designed to ensure adequate natural
11 gas supply. Both curtailments and OFOs serve to ensure adequate operating
12 pressure on the Company's system to maintain system integrity and reliability of
13 delivery for firm customers.

14 **B. Key Updates to Interruptible Sales and Transport Services**

15 **Q. PLEASE DESCRIBE PUBLIC SERVICE'S PROPOSED GAS TARIFF UPDATES**
16 **TO ENSURE THAT INTERRUPTIBLE CUSTOMERS ARE ADEQUATELY**
17 **PREPARED AND INCENTIVIZED TO COMPLY WITH CURTAILMENT**
18 **ORDERS.**

19 A. In addition to increasing unauthorized overrun penalties as I discuss above, Public
20 Service proposes several updates to ensure that transportation and sales
21 customers taking interruptible service are adequately prepared and incentivized to
22 comply with curtailment orders. Specifically, these proposed updates provide
23 Public Service the ability to:

- 1 1. Call interruptions when Public Service determines it is warranted by
- 2 emergency circumstances;
- 3 2. Conduct curtailment demonstration tests to ensure interruptible Receiving
- 4 Parties and Schedule IG customers have the ability to comply with
- 5 interruptions;
- 6 3. Move interruptible Receiving Parties and Schedule IG customers to firm
- 7 service when they fail to meet the requirements for interruptible service.

8 Public Service also proposes revisions to specify that it has discretion with respect
9 to priority of interruptions when disruption of service would cause a public safety
10 concern or affect critical infrastructure.

11 To incorporate these updates, Public Service proposes several revisions to
12 the Transport T&Cs, Rate Schedule TI (applicable to transport interruptible
13 service), the Sales T&Cs, and Schedule IG (applicable to sales interruptible
14 service).

15 **Q. PLEASE DESCRIBE THE PROPOSED GAS TARIFF UPDATES TO ALLOW**
16 **PUBLIC SERVICE TO CALL INTERRUPTIONS WHEN PUBLIC SERVICE**
17 **DETERMINES IT IS WARRANTED BY EMERGENCY CIRCUMSTANCES.**

18 A. Public Service proposes revisions to Sheet Nos. T15 and T36 to the Transport
19 T&Cs, to Sheet No. S17 to the Sales T&Cs, and to Rate Schedules TI (Sheet No.
20 31C) and IG (Sheet No. 19C) specifying that Public Service has the ability to call
21 interruptions when emergency circumstances warrant, in addition to when Public
22 Service determines there is inadequate system capacity.

1 **Q. WHY ARE THESE PROPOSED CHANGES TO THE GAS TARIFF**
2 **REASONABLE?**

3 A. While Public Service usually considers issuing curtailment orders to directly
4 address capacity constraints, Winter Storm Uri taught us that unprecedented
5 events and circumstances can and do occur. Public Service believes there may
6 be emergency circumstances in the future where curtailments of interruptible
7 service would be warranted due to factors other than capacity constraints, and this
8 proposed tariff revision would expand our ability to leverage interruptions under
9 such circumstances to ensure safe and reliable service for our customers during
10 constrained days caused by these events.

11 **Q. PLEASE DESCRIBE THE PROPOSED GAS TARIFF UPDATES TO**
12 **INCORPORATE CURTAILMENT DEMONSTRATION TESTS.**

13 A. Public Service has proposed updates to the Transport T&Cs (Sheet Nos. T15 and
14 T16), and the Sales T&Cs (Sheet No. S17) requiring Shippers and Receiving
15 Parties taking interruptible transportation service and Schedule IG customers to
16 comply with curtailment demonstration tests conducted by Public Service to
17 confirm that they are able to curtail their interruptible load as required for
18 interruptible service.

19 **Q. PLEASE EXPLAIN WHY IT IS REASONABLE FOR PUBLIC SERVICE TO HAVE**
20 **THE ABILITY TO CONDUCT CURTAILMENT DEMONSTRATION TESTS.**

21 A. As explained in Ms. Zich's Direct and Rebuttal Testimonies filed in support of
22 Public Service's Winter Storm Uri cost recovery application, in Proceeding No.
23 21A-0192EG, Public Service believes that the best way for us to be able to rely on

1 compliance with curtailment orders is for us to require participation in curtailment
2 demonstration tests to ensure that interruptible load would actually be curtailable
3 when the time came. The Company believes an annual demonstration test will
4 also help interruptible Receiving Parties and Schedule IG customers prepare to
5 effectively comply with future curtailments.

6 We expect that conducting curtailment demonstration tests will significantly
7 bolster our ability to ensure interruptible Receiving Parties and Schedule IG
8 customers are adequately prepared and positioned to comply with curtailment
9 events when it matters most for preserving system integrity and maintaining safe
10 and reliable service.

11 **Q. PLEASE DESCRIBE THE PROPOSED GAS TARIFF UPDATES PROVIDING**
12 **PUBLIC SERVICE THE ABILITY TO MOVE INTERRUPTIBLE RECEIVING**
13 **PARTIES AND SCHEDULE IG CUSTOMERS TO FIRM SERVICE WHEN THEY**
14 **FAIL TO MEET THE REQUIREMENTS FOR INTERRUPTIBLE SERVICE.**

15 A. Public Service proposes revisions to Sheet No. T16 of the Transport T&Cs and
16 Sheet No. S18 to the Sales T&Cs to provide Public Service the ability to move
17 interruptible Receiving Parties and sales customers to firm service when they:

- 18 1. Fail to curtail interruptible load in compliance with a curtailment order from
19 Public Service;
- 20 2. Fail to curtail interruptible load in compliance with a curtailment
21 demonstration test requested by Public Service;
- 22 3. Fail to maintain or provide Public Service with current contact information;
- 23 4. Fail to respond to Public Service's communications;

1 5. Fail to make Public Service's equipment accessible for ingress or egress;

2 or

3 6. Fail to comply with any provisions of interruptible service.

4 These provisions further specify that if Public Service exercises this option, the
5 Receiving Party or Schedule IG customer will not be eligible for any interruptible
6 service for at least one year. Public Service's Distribution Extension Policy would
7 apply to conversions to firm service under these provisions.

8 **Q. PLEASE EXPLAIN WHY THESE PROPOSED GAS TARIFF UPDATES ARE**
9 **REASONABLE.**

10 **A.** Interruptible customers that fail to curtail interruptible load when called upon are
11 paying lower rates for interruptible service but are essentially receiving firm
12 service. As the Gas Tariff is currently written, there is no explicit mechanism to
13 move Receiving Parties or Schedule IG customers from interruptible service to firm
14 service if they fail to comply with curtailment orders. Rather, the Company can
15 either shut them off at the meter or charge a maximum unauthorized overrun
16 penalty for failing to curtail. Public Service simply does not have the field resources
17 to shut off all interruptible load that fails to comply with a mass curtailment event.
18 During an event like Winter Storm Uri, our field personnel need to be focused on
19 operating and maintaining the safe operation of the system rather than shutting off
20 individual interruptible premises.

21 We believe having a specific mechanism under the Gas Tariff to move
22 customers from interruptible service to firm service for failure to comply with
23 curtailment orders or related requirements is critical to ensure that we can

1 effectively leverage interruptions when we need to in order to maintain safe and
2 reliable service for our firm customers, and that interruptible customers and
3 Receiving Parties do not unfairly benefit from lower rates than they would pay for
4 firm service without meeting their end of the bargain. More specifically, we are
5 concerned that if we do not have updated contact information and adequate
6 channels of communications with interruptible Receiving Parties and sales
7 customers, or if they do not comply with curtailment demonstration tests, we will
8 not be able to effectively ensure they will adequately curtail their usage when
9 interruptions are truly needed. We also need to have the necessary access to
10 physically shut interruptible service off at the premise to ensure compliance with
11 curtailment obligations.

12 **Q. PLEASE DESCRIBE PUBLIC SERVICE'S PROPOSED GAS TARIFF UPDATE**
13 **THAT WOULD PROVIDE THE ABILITY TO PRIORITIZE INTERRUPTIONS.**

14 A. Public Service proposes revisions to Transport T&Cs (Sheet No. T15) and Sales
15 T&Cs (Sheet No. S17) that Public Service has discretion with respect to priority of
16 interruptions when disruption of service would cause a public safety concern or
17 affect critical infrastructure.

18 **Q. PLEASE EXPLAIN WHY THESE PROPOSED GAS TARIFF UPDATES ARE**
19 **REASONABLE.**

20 A. While we generally expect Schedule IG customers and Receiving Parties taking
21 interruptible service to assume the responsibility of being adequately prepared for
22 interruptions even during emergencies situations, we recognize that
23 circumstances may arise where such preparation proves insufficient. Under those

1 circumstances, we believe it is appropriate and in the public interest for Public
2 Service to exercise the discretion to prioritize maintaining service where an
3 interruption could jeopardize public safety or critical infrastructure.

1 **V. CLARIFYING AND HOUSEKEEPING REVISIONS**

2 **Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR DIRECT TESTIMONY?**

3 A. In this section of my Direct Testimony, I address the clarifying or housekeeping
4 revisions to the Transport T&Cs, as well as the transportation rate schedules.

5 **Q. DOES YOUR DIRECT TESTIMONY SPECIFICALLY ADDRESS EACH AND**
6 **EVERY CLARIFYING AND HOUSEKEEPING REVISION PROPOSED BY**
7 **PUBLIC SERVICE?**

8 A. No. Public Service has proposed numerous clarifying or housekeeping edits to
9 various Gas Tariff sheets included in Attachment SLB-1 and the rate schedules
10 described above, and it would not be practical to specifically address each of these
11 revisions in Direct Testimony. While my Direct Testimony does not address all of
12 these proposed revisions, I provide specific context for several of them that I
13 expect are not self-explanatory and therefore may warrant specific discussion.

14 The housekeeping updates I discuss include clarifying the order in which
15 Public Service confirms daily nominations; clarifying the order that point rights for
16 firm requirements will be allocated and scheduled; and clarifying the order of
17 interruptions in the event capacity use of a point or mainline segment must be
18 interrupted, as well as certain housekeeping revisions on imbalance management
19 and OFO provisions of the Transport T&C's. At the end of this section, I also
20 discuss certain housekeeping revisions we have made that address notice
21 requirements under transportation Service Agreements.

1 **Q. PLEASE EXPLAIN THE PROPOSED CLARIFICATION TO THE ORDER IN**
2 **WHICH THE COMPANY CONFIRMS DAILY NOMINATIONS.**

3 A. The proposed changes to Nominations and Priority of Service on Gas Tariff Sheet
4 No. T31 clarifies the order in which Daily Nominations will be accepted, confirmed,
5 and scheduled. Specifically, these housekeeping changes will clarify the delivery
6 path alternatives under the current priority of service by correcting the nomination
7 and priority of service process to include both receipt and delivery points. The
8 proposed changes will also consolidate Interruptible Service receipt points.

9 **Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED CLARIFICATION TO THE**
10 **CAPACITY ALLOCATION PROCEDURE IN THE GAS TARIFF.**

11 A. The proposed housekeeping change to Gas Tariff Sheet No. T35 is intended to
12 pair Primary and Secondary Receipt and Delivery points for the Capacity Allocation
13 Procedure, rather than list Receipt and Delivery Points separately. Correcting this
14 priority list reflects how gas is actually physically scheduled pursuant to the
15 Transport T&Cs.

16 **Q. PLEASE EXPLAIN THE PROPOSED CLARIFICATION TO THE ORDER OF**
17 **INTERRUPTIONS IN THE EVENT CAPACITY USE OF A POINT OR MAINLINE**
18 **SEGMENT MUST BE INTERRUPTED.**

19 A. The Company's proposed housekeeping change to Gas Tariff Sheet No. T37
20 corrects the order of priority for capacity interruption and priority of service.
21 Specifically, the proposed clarification would reflect that Imbalance Resolution Gas
22 has the lowest priority for capacity interruption:

23 1. Imbalance Resolution Gas

1 2. Interruptible

2 3. Firm Transportation Service.

3 In addition, Firm Transportation and Interruptible Service no longer reference
4 “lowest to highest” regarding a rate because the Company does not schedule
5 interruption based on rate.

6 **Q. PLEASE EXPLAIN IN MORE DETAIL THE PROPOSED REVISIONS**
7 **CONCERNING IMBALANCE MANAGEMENT.**

8 A. On Gas Tariff Sheet T41, Public Service proposes two revisions to Gas Tariff
9 language regarding the Shipper Daily Balancing Option. First, language is added
10 to be consistent with Monthly Balancing that also accounts for adjusting for fuel
11 reimbursement. Second, the word “delivered” replaces “scheduled” to correctly
12 and consistently state that the calculation for the daily imbalance percentage
13 considers the amount of gas delivered, not scheduled.

14 Then, on Gas Tariff Sheet T44A, Public Service proposes a clarification to
15 Monthly Cashout of Over- and Under-Deliveries of Shipper’s Gas Supplies to
16 reflect that imbalances “greater than,” and not “less than or greater than,” the
17 imbalance percentages is what triggers the monthly cashout requirement under
18 the Gas Tariff.

19 **Q. WHAT CLARIFICATIONS TO OFO PROVISIONS IN THE TRANSPORT T&CS**
20 **DOES THE COMPANY PROPOSE?**

21 A. On Gas Tariff Sheet No. T46, the Company proposes incorporating additional
22 language that is already contained in the definition of OFO included in the
23 Transport T&Cs, for consistency.

1 **Q. PLEASE DESCRIBE THE REVISIONS PUBLIC SERVICE PROPOSES TO THE**
2 **NOTICE PROVISIONS FOR TRANSPORTATION SERVICE AGREEMENTS.**

3 A. As shown on Sheet T54 to the Transport T&C's, Public Service proposes some
4 revisions to the notice provisions that apply to notifications under transportation
5 service agreements to clarify that Public Service can communicate with the most
6 recent email contact provided by the Shipper, Receiving Party, and/or Agent and
7 is not limited to the contacts listed on service agreements or amendments. We
8 have also proposed various housekeeping edits throughout the Transport T&C's
9 and rate schedules to clarify terms and ensure consistency throughout the
10 Transport T&C's and between the Transport T&C's and our transportation rate
11 schedules.

12 **Q. ARE THERE ANY HOUSEKEEPING CHANGES TO THE TARIFF IN THE**
13 **ATTACHMENT TO YOUR TESTIMONY THAT ARE NOT IN REDLINE**
14 **FORMAT?**

15 A. Yes. We were unable to redline the forms in the tariffs located at Sheet Nos. T56
16 through T59, which includes the Form Of Request For Gas Transportation Service,
17 and the Request For Amendment/Change Notification To Gas Transportation
18 Service Agreement. Thus we inserted our proposed changes in a clean format.

19 **Q. PLEASE DESCRIBE THE CHANGES YOU MADE TO THESE TWO FORMS.**

20 A. On the first page of the form in the second box for "Receiving Party Information,"
21 the form previously indicated that the type of service should be circled, and we
22 changed that to reflect boxes that are checked. We also removed references to
23 backup sales and backup reservation quantity. Further, we added the service of

1 Interruptible Transport with the On Peak Demand Option to the available services
2 that can be selected.

3 On the second page of the form in the second box for “Transportation Info”
4 the form previously indicated the primary receipt point(s) for Firm Service. We
5 revised this to include primary receipt point(s) for the On Peak Demand Quantity
6 Option for Interruptible Service.

7 **Q. WERE ANY OTHER CHANGES MADE TO THE FORM OF REQUEST FOR GAS**
8 **TRANSPORTATION SERVICE?**

9 A. Yes. We added the phrase “Firm Receipt Point Quantity should not include FL&U
10 %, and Total Quantity cannot exceed MDQ”¹² on the second page in the box for
11 “Transportation Info”. This language is already include in the same box on the
12 form for the “Request For Amendment/Change Notification To Gas Transportation
13 Service Agreement”, and we included this change to be consistent with both forms.

14 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

15 A. Yes, it does.

¹² FL&U % is fuel, lost and unaccounted-for gas as defined in the Gas Tariff at Sheet No. T8.

Statement of Qualifications

Susan L. Bailey

I received a Bachelor of Arts degree from Northern Illinois University in 2000. I received a Juris Doctorate from the The University of Illinois at Chicago John Marshall Law School in 2006. I was hired by Xcel Energy Services Company as a Principal Regulatory Attorney in 2016. My previous legal regulatory experience included practicing in-house at another natural gas utility and a private law firm. In 2019, I ceased practicing law and transferred to my current business role as Manager of Natural Gas Services, where I oversee the Natural Gas Services team, which manages all aspects of Public Service's gas transportation services, including managing large gas transport accounts and scheduling Shippers transportation gas.

In this role I am responsible for the financial and operational vitality of the Gas Transportation business of the Company. My routine responsibilities include maintaining relationships with transportation customers, implementation of policies and procedures for administration of the transportation tariff and contractual requirements for gas transportation customers, and oversight of gas transaction system.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

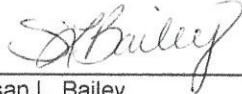
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IN THE MATTER OF ADVICE NO. 993-GAS)
OF PUBLIC SERVICE COMPANY OF)
COLORADO TO REVISE ITS COLORADO)
PUC NO. 6-GAS TARIFF TO INCREASE)
JURISDICTIONAL BASE RATE)
REVENUES, IMPLEMENT NEW BASE) PROCEEDING NO. 22AL-____G
RATES FOR ALL GAS RATE)
SCHEDULES, AND MAKE OTHER)
PROPOSED TARIFF CHANGES)
EFFECTIVE FEBRUARY 24, 2022)

AFFIDAVIT OF SUSAN L. BAILEY
ON BEHALF OF
PUBLIC SERVICE COMPANY OF COLORADO

I, Susan L. Bailey, being duly sworn, state that the Direct Testimony and attachments were prepared by me or under my supervision, control, and direction; that the Direct Testimony and attachments are true and correct to the best of my information, knowledge and belief; and that I would give the same testimony orally and would present the same attachments if asked under oath.

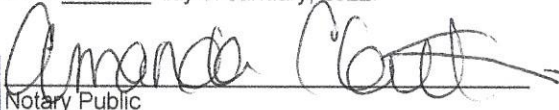
Dated at Denver, Colorado, this 24 day of January, 2022.



Susan L. Bailey
Natural Gas Services Manager

Subscribed and sworn to before me this 24 day of January, 2022.

AMANDA CLARK
Notary Public
State of Colorado
Notary ID # 20164004880
My Commission Expires 03-25-2024



Notary Public
My Commission expires 3/25/2024