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Attorneys for the Utah Home Builders Association

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION)	
OF QUESTAR GAS COMPANY TO)	
INCREASE DISTRIBUTION RATES AND)	Docket No. 13-057-05
CHARGES AND MAKE TARIFF)	
MODIFICATIONS)	REBUTTAL TESTIMONY
)	OF ROSS FORD
)	
)	
)	

The Utah Home Builders Association hereby submits the Rebuttal Testimony of Ross Ford in this docket.

Dated this 12th day of December, 2013

/s/ J. Craig Smith
J. Craig Smith
Adam S. Long
SMITH HARTVIGSEN, PLLC
*Attorneys for the Utah Home
Builders Association*

REBUTTAL TESTIMONY

OF

ROSS FORD

FOR

THE

UTAH HOME BUILDERS

ASSOCIATION

December 12, 2013

Docket No. 13-057-05

1 **Please state your name and business address.**

2 Ross Ford. My business address is 9069 South 1300 West, West Jordan UT, 84088.

3

4 **Please state your position and describe your responsibilities with the Utah Homebuilders**
5 **Association.**

6 I am Executive Vice President of the Utah Home Builders Association (the “**Home**
7 **Builders Association**”). My responsibilities include responding to requests from the board of
8 directors, coordinating with the director of government affairs to monitor regulatory agencies,
9 participating in the rule making processes of various agencies, and maintaining a Home Builders
10 Association presence in the legislative process. The Home Builders Association is also
11 responsible for an annual home show, as well as several smaller events throughout the year. I
12 oversee and manage those activities.

13 The state association works with seven local home builders associations to monitor and
14 influence local decisions on impact fees, code enforcement, and other local issues that impact
15 construction, land development, and property rights. Often these activities are dealt with by our
16 involvement with state advisory boards and commissions, and I attend a variety of board
17 meetings and hearings to represent the Home Builders Association’s point of view and interests.

18

19 **For which party will you be offering testimony?**

20 I will be offering testimony for the Utah Home Builders Association, which has been
21 granted intervention in this docket.

22

23 **Have you testified before the Public Service Commission (“PSC”) on previous occasions?**

24 No.

25

26 **What is the purpose of your testimony?**

27 The main purpose of my testimony is to rebut portions of the testimony submitted for
28 Questar Gas Company (“**Questar**”) by Austin C. Summers dated July 1, 2013. Any reference to
29 Mr. Summers’ testimony throughout my testimony refers to his prefiled testimony described in
30 the previous sentence. In particular, my testimony addresses the portion of Mr. Summers’
31 testimony starting on line 485 dealing with proposed changes to the payment and allocation of
32 costs between Questar and customers for new mains and service lines. The various exhibits
33 attached to this testimony are incorporated herein by reference.

34

35 **Can you explain the Home Builders Association’s mission and goals?**

36 We directly represent those who have chosen home building and related industries as
37 their lives’ work. We are an organization driven primarily by the need for effective government
38 relations and meaningful input into public policy. It is our desire to enhance our effectiveness in
39 government relations through effectively mobilizing our broad-based membership and achieving
40 greater participation throughout the industry.

41

42 **Who does the Home Builders Association represent?**

43 The Home Builders Association represents individuals and organizations from all facets
44 of the construction, real estate development, and residential homebuilding industries. Home

45 Builders Association members include general contractors, sub-contractors, suppliers, financial
46 institutions, utilities (including Questar), sales people and many others. The Home Builders
47 Association also has members from educational institutions and Home Builders Association
48 members participate on various advisory committees. Home Builders Association membership is
49 very broad and quite diversified.

50

51 **How is the Home Builders Association funded?**

52 The Home Builders Association is funded through membership dues. We also have a
53 home show that produces some revenue. We provide continuing education, but the amount of
54 revenue from education programs is minimal. The continuing education program is designed as a
55 benefit of Home Builders Association membership rather than a moneymaker for the
56 organization. From time to time we will also have fund raising events like a golf tournament or
57 banquet.

58

59 **What direction has the Home Builders Association received from particular companies or**
60 **individuals as to the content of your testimony?**

61 I have received input from a variety of individuals and member organizations. My
62 testimony and the viewpoints in my testimony are representative of Home Builders Association
63 membership generally and are not the exclusive opinions of any one member organization or
64 group. I have sought to address concerns that are shared by many in the residential
65 homebuilding industry.

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I. General Commentary

Can you describe the Home Builders Association’s interest in these proceedings?

The Home Builders Association, as noted, represents homebuilders, developers, and other individuals and organizations involved in homebuilding throughout Utah. Although the Home Builders Association clearly has some interest in the basic rates and related issues that are topics in these proceedings, the Home Builders Association is confident that the Commission, with the assistance of the Office of Consumer Services and Division of Public Utilities, as well as the input of the various parties, will set rates that are just and reasonable.

The Home Builders Association is interested, however, in certain issues that are of significant concern to those involved in residential construction and real estate development—namely the costs of service lines and main line extensions, which are incurred in essentially all new construction, whether residential or commercial. These costs are incurred at some point in the construction process and are eventually borne by the Questar customer. This is true even if the builder or developer pays for the service lines and any main extension necessary—those amounts are passed on as increased costs to the homebuyer and future Questar customer. Note that throughout my testimony, I may refer to costs being paid by developers, builders, or customers; I generally refer to costs paid by the developer or builder for consistency in explanation, but I note that these costs, even if paid initially by the developer or builder, are eventually passed on and borne by the homebuyer/customer and suggest that my testimony be read accordingly.

88 **What is the Home Builders Association's relationship with or involvement with Questar?**

89 The Home Builders Association has no special involvement other than, perhaps, as a user
90 of natural gas from Questar as a normal utility customer. Also, many of the Home Builders
91 Association's officers and employees are probably individually Questar customers. For purposes
92 of these proceedings and my testimony here, the Home Builders Association represents the
93 interests of its members generally.

94 The Home Builders Association does note that representatives of Questar have been
95 cooperative in providing information requested by me and by the Home Builders Association.
96 The Home Builders Association expresses its gratitude to Questar for the assistance that it has
97 offered.

98

99 **Can you generally describe the Home Builders Association's concerns with the proposed**
100 **changes to service line and main extension cost allocations?**

101 The Home Builders Association is generally concerned that the proposed changes to the
102 cost allocation scheme for main extensions and service lines will change the costs paid directly
103 by developers, builders, and Questar customers. In particular, the Home Builders Association is
104 concerned that the proposed changes will place a greater burden on Questar customers in
105 smaller-than average homes and/or customers with homes on relatively small lots with shorter
106 main extensions and service lines. In other words, the Home Builders Association is worried
107 that the Questar customers least able to bear increased costs will, in fact, be bearing a
108 significantly greater proportion of the costs under the proposed scheme as compared to the
109 existing cost allocation scheme. Correspondingly, the Home Builders Association believes that

110 Questar's proposed cost allocation will leave customers in larger and more-expensive homes to
111 bear a comparatively smaller proportion of the costs of service lines and main extensions.

112 the Home Builders Association does not necessarily endorse a particular progressive or
113 regressive system to allocate costs involved in connecting newly-constructed properties to
114 Questar's existing natural gas distribution system. The Home Builders Association also
115 recognizes that some formula or system must be used by Questar to effectively manage the
116 numbers of new connections. However, the Home Builders Association is concerned that lower-
117 income customers who generally live in lower-end homes will be adversely affected by the
118 proposed changes to the cost allocation system.

119 Although the housing market has begun to rebound, the recovery is anything but a sure
120 thing and even moderate increases in cost to individual homebuyers—particularly those buying
121 relatively modest homes—may have a noticeable negative effect. Indeed, the Home Builders
122 Association is concerned that the changes proposed by Questar will make newly-constructed
123 homes relatively more expensive than the same homes under the current cost allocation scheme
124 and that such an increase will make it more difficult for home buyers to afford new homes and
125 likewise dampen an already tenuous housing recovery.

126

127 **II. Service Line Extensions**

128 **Can you explain the current cost allocation system for service lines?**

129 Questar's formula for calculating the customer's cost for a new service line basically
130 takes the total cost of the service line and then subtracts a calculated allocation from that cost,
131 with any leftover amount to be paid by the customer. The allocation for service line costs

132 (essentially the amount of a new service line that Questar will pay for) for a service line to a new
133 house is written as follows (from Questar's application for tariff changes in Docket 11-057-T02,
134 attached as **Exhibit UHBA 1.1**):
135

$$(NC + EC) \times .50 \times .43$$

Where: NC = Average cost of adding a new customer.
EC = Average net cost of existing customers.
.50 = The percent of cost sharing between the new
customer and the existing customer.
.43 = The service line and meter cost as a percent of
average cost of adding a new customer.

136 That formula results in an "allocation" that offsets the actual costs of the new service line that
137 would be charged to a customer. Based on my understanding of Questar's formula, the "NC"
138 variable is based on the cost of the service line for an "average" new customer, which Questar
139 notes as having a 46 foot service line in 2011 (see **Exhibit UHBA 1.2**). The "EC" variable is
140 calculated by dividing Questar's net investment in service lines by the total number of customers
141 in the particular class. The 0.43 number is the average distribution of costs between mains and
142 service lines, meaning that for the average new customer, 43 percent of the cost of connecting
143 gas service is attributable to the service line costs. Finally, the 0.50 is ostensibly to share costs
144 "50-50" between new customers and existing customers (see Summers testimony at line 518).

145

146 **What is your opinion of the current service line cost allocation system?**

147 The current system has been in place for a number of years and is a known quantity.
148 That said, I remain skeptical of Questar's claim that costs are shared 50-50 between new and
149 existing customers. Firstly, I am not sure the claim that existing customers share part of the cost

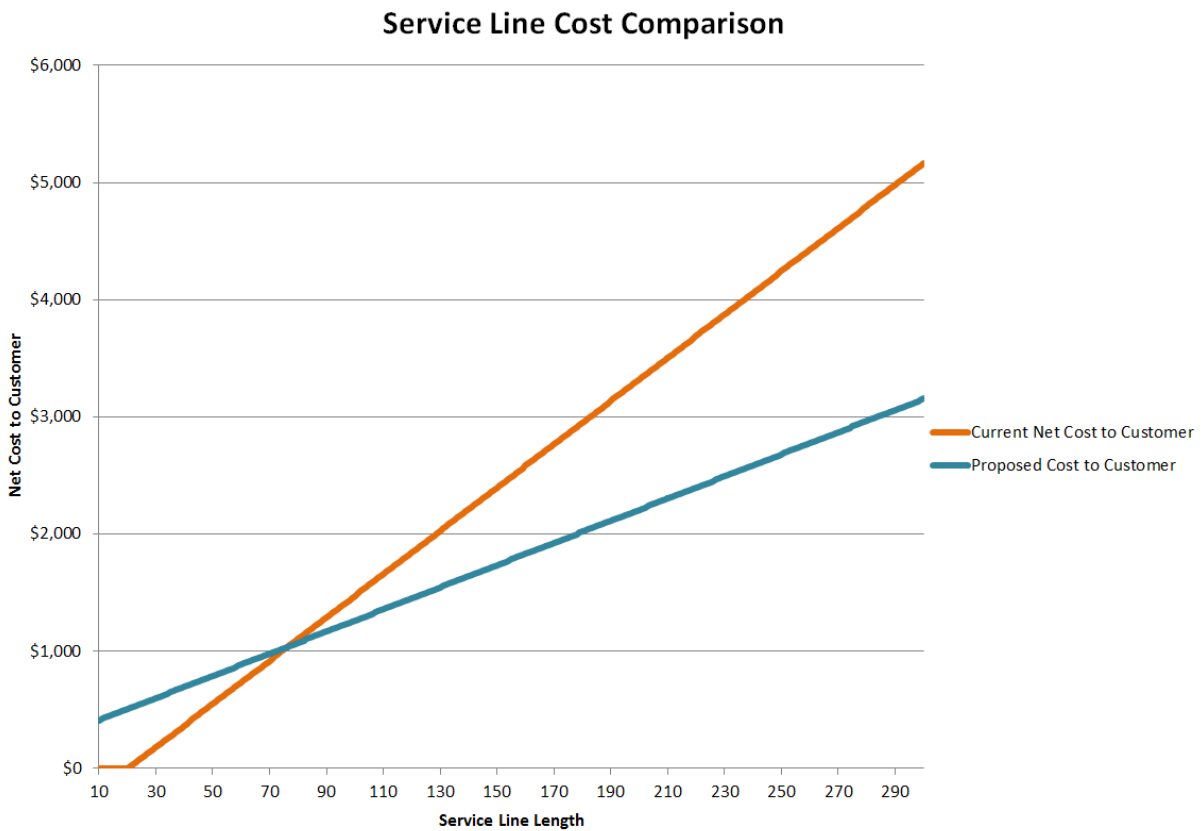
150 is accurate; indeed, it seems to me that capital investments by Questar are really paid for by all
151 existing and future customers as Questar will presumably be earning the rate of return allowed
152 by the Commission on any new capital assets not paid for by customers—including portions of
153 service lines paid for by Questar. Additionally, based on my understanding of the formula, the
154 cost allocation is really only 50-50 for customers with a certain length of service line.

155

156 **Can you explain further?**

157 A spreadsheet calculating the cost—both total cost and costs paid by the customer—of a
158 given length of service line is included as **Exhibit UHBA 1.3**. The numbers used in that
159 spreadsheet were provided to me by Questar (Questar presentation attached as **Exhibit UHBA**
160 **1.4**). I note that, under the current system, a customer pays nothing for a new service line of 20
161 feet or less. That is, the current allocation of \$781 is greater than the actual cost to install the
162 service line, including the actual gas line, the meter, and the riser assembly, which leaves nothing
163 to be paid by the particular customer. As illustration of the opposite scenario, a customer
164 requiring a 100 foot service line would pay \$1,472 of a total cost to install the service line of
165 \$2,253 (with Questar again covering the \$781 allocation). Clearly, for an individual customer,
166 the costs are not distributed 50-50 as suggested by Questar. That, in and of itself, may not
167 necessarily be inherently good or bad, but the proposed changes should not be justified under the
168 assertion that costs are shared 50-50 when the costs, under either the current system or the
169 proposed system, are not in fact shared equally.

170 Below is a chart showing the cost of a service line of a given length under the existing
171 and proposed systems. Note that this chart is included (on tab 2), along with underlying data (on
172 tab 1), in **Exhibit UHBA 1.3**.
173



174

175

176 **How does that analysis apply to the proposed cost allocation system?**

177 Again, the costs are not shared 50-50 as claimed. Under the proposed system, the
178 analysis is similar in that the individual customer bears an increasingly greater proportion of the
179 service line cost as the length of the service line increases. As I noted previously, the fact that
180 the costs are not shared equally is not inherently good or bad. I do, however, have other

181 concerns about the effects of the proposed changes as applied to differing lengths of service
182 lines.

183

184 **Can you elaborate on your concerns?**

185 To illustrate, I've provided a few different scenarios in the table below using information
186 from my spreadsheet attached as **Exhibit UHBA 1.3**. For a given length of service line, I've
187 listed the cost to the customer under the current and proposed cost allocation schemes as well as
188 the percent change in the customer's portion of the new service line under the proposed system.

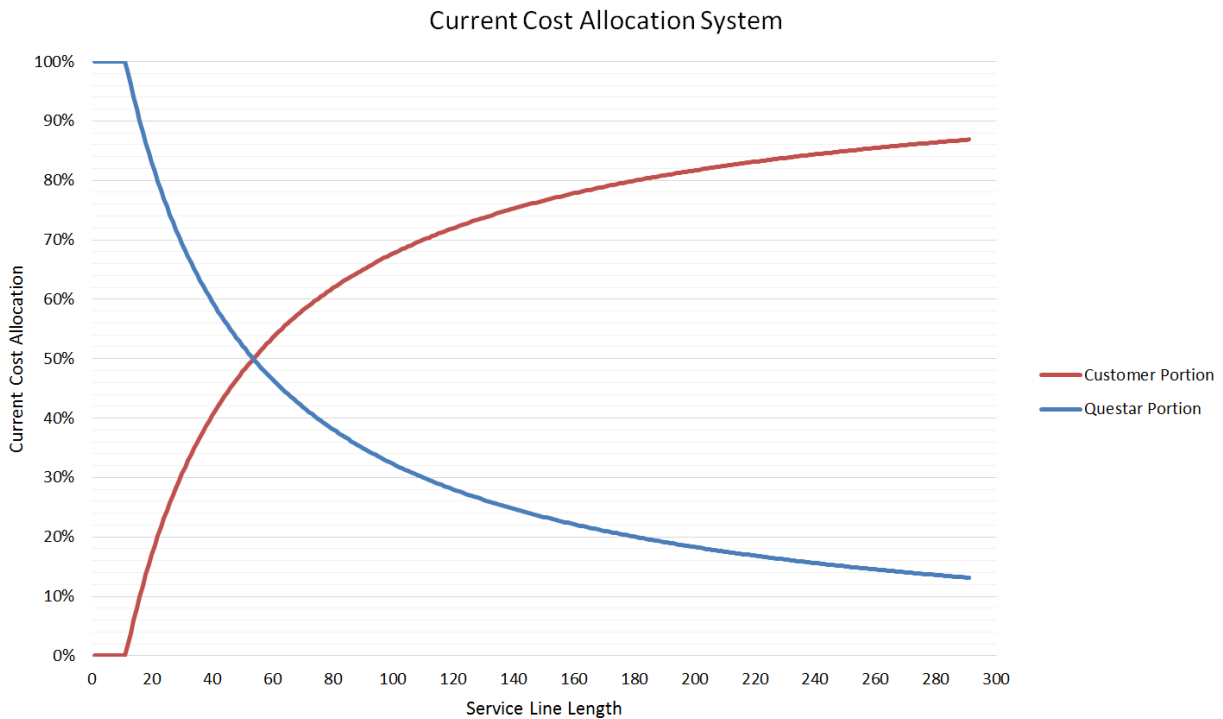
Service Line Length	Current Net Cost to Customer	Proposed Cost to Customer	Percent Change
15	\$0	\$457	∞
30	\$179	\$599	234%
60	\$733	\$883	20%
90	\$1,287	\$1,166	-9%
120	\$1,841	\$1,450	-21%

189

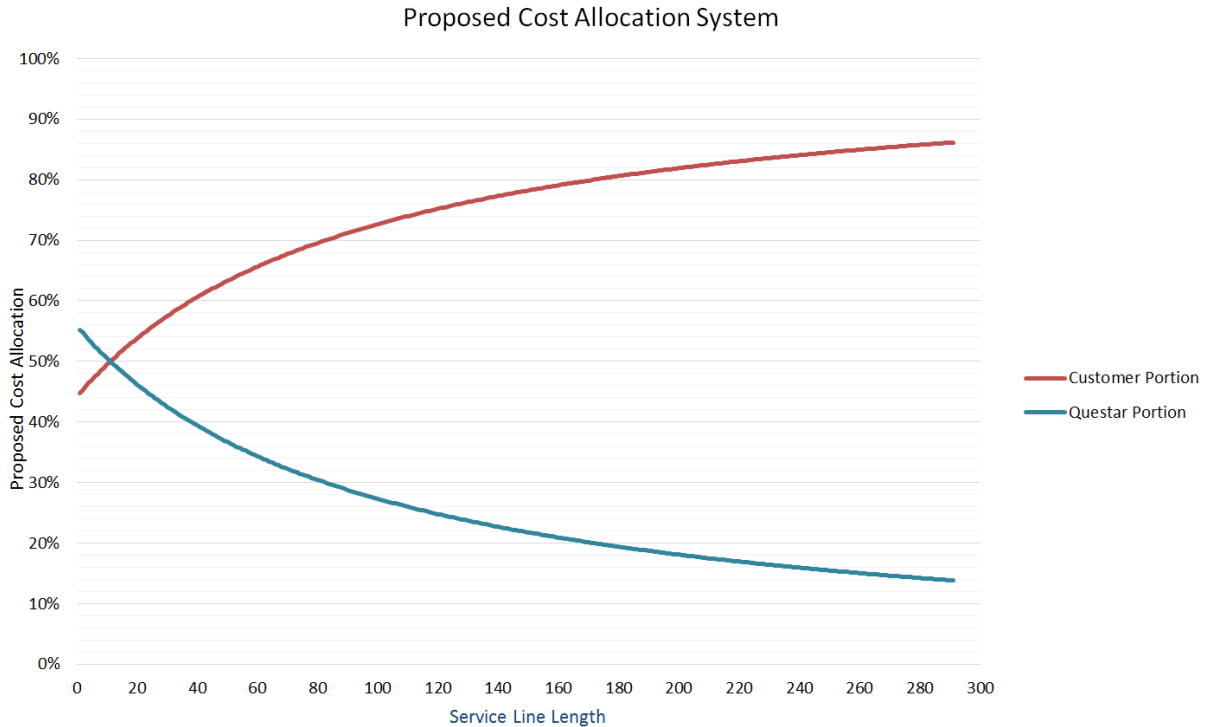
190 The table above illustrates that the proposed changes will cause homebuyers purchasing
191 relatively modest homes with short service lines to bear a greater proportion of the overall cost of
192 new service lines, while customers with longer service lines (and larger lots) will pay
193 comparatively less under the proposed system. As noted previously, homebuyers with short
194 service lines are likely to be the least able to bear an increase in initial cost.

195 The two charts below show the percentages of service line costs borne by both the
196 developer or customer and Questar, under the current system and the proposed system. Note that
197 the charts (on tab 4) and underlying data (on tab 3) are included in **Exhibit UHBA 1.3**.

198 The information on Questar’s “internal” costs for service line extensions is based on the
199 average company for a new service line as stated by Questar in Docket (see **Exhibit UHBA 1.2**,
200 tab 3) as \$506. I recognize that a small portion of this amount likely varies to a certain extent
201 based on the length of the extension, but I also believe that the large part of this cost is fixed
202 regardless of the length of the physical service line that is constructed. I encourage interpretation
203 of the chart below showing allocations under the proposed system with that in mind. That is, on
204 the second chart below, showing the cost allocation under the proposed system, the difference in
205 allocation between Questar and customers would be smaller to the extent that Questar’s internal
206 costs vary with the physical length of the service line. Even with that limitation, I believe the
207 charts effectively illustrate just how much the cost allocation varies from the claimed 50-50
208 when examined from the perspective of an individual customer.
209



211



212

213 I also note that the majority of new residential gas customers added to Questar's system
214 in any given year are customers with shorter than average new service lines, presumably on
215 smaller lots to relatively modest homes. According to information provided to me by Questar
216 (attached as **Exhibit UHBA 1.5**), 70 percent of new service lines installed in 2012 were between
217 zero and 35 feet in length. According to information provided by Questar in docket 11-057-T02
218 on March 17, 2011 (attached as **Exhibit UHBA 1.2**), the average length of a new service line is
219 46 feet from the property line to the riser. Taking those two facts together, and assuming that the
220 2011 average new service line length is a good indicator of current average length, it is clear that
221 a significant majority of new connections—greater than 70 percent—involve shorter-than-
222 average service lines. The Home Builders Association feels that such a shift in cost allocation

223 will be detrimental to those homebuyers looking for modest homes and will have a deleterious
224 effect on the housing market generally, and particularly at the lower end of the new home market
225 with smaller lots and less expensive homes.

226

227 **What effect will the proposed changes have on revenue to Questar?**

228 I can't give a perfect answer on that point as I simply don't have enough detailed
229 information about new service line installed in any given year. I presume that with information
230 about how many service lines, the length of service lines, and the amounts of actual customer
231 contributions, for perhaps the previous 5 years, it would be possible to generate accurate
232 predictions about the effects of the proposed changes on Questar revenue.

233 From what I do know, it seems likely that the proposed changes will lead to more
234 revenue for Questar. According to Questar, 70 percent of new service lines in 2012 were 35 feet
235 or less. Also, again according to Questar, 24 percent of new service lines in 2012 were between
236 36 and 75 feet in length. Taken together, that tells me that 94 percent of new service lines
237 installed in 2012 were 75 feet or less in length. That is, nearly all new service lines in 2012 were
238 75 feet or less. Those numbers seem very plausible to me, as most new homes are not built on
239 lots that would require 75 feet of new service line to connect to the existing main.

240 From my calculations (as shown on my spreadsheet attached as **Exhibit UHBA 1.3**),
241 under the proposed service line cost allocation system, all new customers with new service lines
242 of less than 77 feet will pay *more* than they would have under the existing system. Since 94
243 percent of new service lines in 2012 were 75 feet or less in length, the proposed changes mean
244 than more than 94 percent of customers will be paying *more* under the proposed changes.

245 Perhaps cost decreases to the upper 6 percent or so of new service lines would offset the
246 additional revenue collected from the lower 94 percent, but I do not have the information needed
247 to make that determination. I recognize that my analysis assumes that 2012 numbers are a good
248 proxy for 2013 and beyond, but I believe the conclusion suggested by the analysis above merits
249 further consideration.

250

251 **Do you have any other concerns about changes to the service line cost allocation system?**

252 Yes, I am concerned about the proposed change that would require customers to pay the
253 full cost of the gas meter. Note that my analysis above includes the costs of the meters in the
254 cost calculations for both the current and the proposed systems. The difference can be seen
255 poignantly at the shorter service line lengths where the meter makes up a significant portion of
256 the cost to the customer. For example, a customer needing a 15 foot service line would pay a
257 total of \$457 to get the house connected to the existing gas main. Of that \$457, \$190 is from the
258 meter and \$125 is from the riser cost. That is, 69 percent of the cost to that hypothetical
259 customer is due to the meter and riser, which are required for every gas customer.

260 The Home Builders Association believes that these costs should generally not be passed
261 on to the customer directly at the time of construction. The gas meter and related facilities are
262 clearly Questar property and are necessary for Questar to generate profits through provision of
263 gas service. Additionally, the Customer has no ability or authority to treat that gas meter like his
264 own. Even if the customer's house were destroyed, that hypothetical customer has no ability to
265 take that meter and put it to use elsewhere. As such, we respectfully submit that it makes much
266 more sense for that meter to be paid for by Questar, to be treated as an asset by Questar, and to

267 generate profits as part of Questar's capital investment in the gas distribution system. We also
268 submit that the customers benefit as Questar is more likely to be able to easily generate capital to
269 pay for meters, whereas individual homebuyers may not have the same sort of resources. We
270 believe that the current system is better as it allows for the meter and riser to be covered as part
271 of Questar's allowance amount. In fact, the Home Builders Association would likely prefer that
272 the costs of meters and risers be capitalized by Questar and not charged directly to customers
273 upon connection at all.

274 Mr. Summers noted that future changes may allow some additional rebates through
275 ThermWise programs that could offset the full cost of meters being passed on to customers.
276 While that may be true, the Home Builders Association feels that nonbinding promises to do
277 something in the future provide scant justification for current cost increases to customers.

278

279 **III. Main Line Extensions**

280 **Can you describe the portion of Mr. Summers' testimony that addresses main extensions?**

281 Mr. Summers addresses main extensions starting at approximately line 485 of his
282 testimony. His testimony describes a change in main extension policy that would be a significant
283 change from current policy.

284

285 **Can you describe Questar's current main extension policy?**

286 In very basic terms, the current main extension policy requires that the builder or
287 homebuyer pay for the main extension in full, and Questar then offers a refund of the calculated
288 allowance amount if the customer installs a gas space heater and a gas water heater.

289 Additionally, the customer (or builder) that originally paid for the main extension can receive
290 additional allowance refunds for up to five years if other houses both connect to the extension
291 and install a gas space heater and a gas water heater.

292

293 **And what is the proposed main extension policy as describes by Mr. Summers?**

294 Mr. Summers describes the proposed main extension policy at line 523 in his testimony.

295 Questar proposes to do away with the allowance and the refunds and instead require an initial
296 payment from the customer or builder when the main is installed. This initial payment from the
297 customer/builder would be the “external” costs of the main extension, while Questar would be
298 covering the “internal” costs. Questar claims that costs would be shared 50-50, much as I
299 previously described with service line extensions.

300

301 **What do you think of the claim that costs are currently split 50-50?**

302 This testimony will be similar to my testimony regarding the service line cost allocation
303 above. The current costs may indeed be split 50-50 at particular combinations of main extension
304 lengths and number of allowances. Even so, if costs are split 50-50 for those combinations, as
305 soon as the situation for a particular customer varies from those specific combinations, the cost
306 allocation unavoidably varies from the claimed 50-50 distribution.

307

308 **And what about the cost split and allowance refunds under the current system?**

309 Questar uses per-foot estimates of its “internal” costs to support its claim that costs will
310 be split evenly. However, I suggest that the split will only be even for a particular length of main

311 extension. As noted by Questar, a main extension involves costs such as trenching, pipe,
312 materials, backfill, pavement restoration, and so on. Most or all of these costs vary quite directly
313 with the physical length of the main extension being installed. Digging a 500 foot trench and
314 putting 500 feet of pipe in it likely costs almost exactly twice as much as digging a 250 foot
315 trench and laying 250 feet of pipe. Questar's internal costs, however, likely do not have such a
316 direct relationship with the length of main extension being installed. Without having access to
317 Questar's detailed internal information, I suspect that the internal costs for main extensions are
318 relatively constant regardless of the length of the main extension being installed.

319 Without significant amounts of detailed data about new main extensions and allowances
320 actually refunded, it is difficult to make assertions about the overall effects of the allowance
321 refund system as currently structured. However, the Home Builders Association believes that
322 allowances are a worthwhile incentive for customers and builders.

323

324 **What is your opinion of the proposed changes to the main extension policy as detailed by**
325 **Mr. Summers?**

326 Mr. Summers touts lower up-front costs to developers as a benefit of the proposed policy.
327 I agree that up-front costs will be lower and that will benefit some developers. However, the
328 absence of refunds for additional connections shifts much of the risk connected with future
329 development from developers and builders to Questar. I'd like to illustrate with a hypothetical
330 situation. Under the current system, if a developer is considering a residential development
331 project that would involve main extensions, that developer will necessarily consider both the up-
332 front costs of the extensions and the allowance refunds that developer expects within the

333 proceeding five years. Under the proposed system, the economics of a development project are
334 changed. The up-front costs will be lower, but the developer will also not have the opportunity
335 to recover his initial investment in a main extension. I believe that the current system serves as a
336 good economic incentive that motivates developers to invest in infrastructure that will be well-
337 utilized. For example, a developer may pursue a residential development project that requires a
338 significant main extension if he is confident that the extension will be used by other development
339 in the near future, thus getting back a large portion of his initial investment in the main
340 extension. Without the promise of future allowance refunds, that developer will analyze the
341 proposed development differently. That is, the savvy developer will happily shift the risk of
342 future development back to Questar. I do not think this makes sense as the developer, not
343 Questar, likely has the best information about the sort of future development that will take place
344 in a certain area and the developer is in the best position to predict the economic value of the
345 main extension. As the developer is in the position to make the best decision about the main
346 extension, I also suggest that leaving that decision with the developer will lead to more
347 productive expansion of Questar's system, and ultimately keep rates lower than they would be if
348 Questar were bearing the full risk when constructing main extensions.

349

350 **IV. Self-Installation**

351 **Can you describe the reasoning that Mr. Summers gives for the proposed changes?**

352 Mr. Summers, at line 539 of his testimony, states that the proposed changes benefit
353 customers by lowering up-front costs for service lines and main extensions.

354

355 **What is your opinion on that claim?**

356 As I've described previously, the proposed changes will, to a certain extent and in certain
357 situations, reduce up-front costs. However, in the case of main extensions, such up-front
358 reductions must be viewed in light of the allowance refunds that would no longer be available. I
359 do, however, agree in principle with Mr. Summers that reduced costs are beneficial to customers.
360 I believe that Mr. Summers and Questar have ignored another approach that may go even further
361 toward reducing costs to developers and customers.

362

363 **Can you describe this cost-reduction approach you are suggesting?**

364 I believe, and the Home Builders Association believes, that up-front costs could be
365 reduced significantly by allowing builders and developers to handle much of the installation
366 process. That is, I believe that developers could handle much of work that makes up the
367 "external" costs as described by Mr. Summers, and perhaps even some of the "internal" costs in
368 the case of larger residential development.

369

370 **What benefit would customers experience from allowing developers to self-install gas lines?**

371 At a very basic level, allowing developers, builders, or customers to self-install gas lines
372 would open up the market for such services, allowing more competition, and bringing prices
373 down. Currently, I believe that Questar awards the contract for all gas line installations,
374 including service line and main extensions, to a few select contractors throughout the state. The
375 competition for the exclusive contract with Questar is obviously limited to large contractors with
376 the capacity to cover their portion of Questar's installation needs.

377 If developers had other options for contractors to perform the gas line installations, the
378 market would be more competitive and more efficient. More so, such an arrangement would
379 allow smaller contractors and excavating companies, who would not have the capacity to handle
380 the large Questar contracts as currently awarded, to compete for gas line installation jobs. Such
381 an arrangement would also allow more flexibility in timing for gas line installations, making the
382 homebuilding process more efficient, making homes less expensive, and encouraging home
383 sales.

384

385 **Do you foresee any problems with such an arrangement?**

386 Gas line installations are subject to myriad regulations from various levels of
387 government. All contractors performing such installations would obviously need to meet all
388 applicable requirements. That said, I believe there are already a variety of contractors who could
389 currently meet all requirements to install gas lines and I believe there would be more contractors
390 willing to gain the necessary expertise and qualifications to do so. Questar could even have a list
391 of approved contractors to perform gas line installations, which would allow Questar control
392 over the quality of work while providing lower costs and more flexibility to developers and
393 customers.

394

395 **What involvement would Questar have in the process if developers were able to self-install**
396 **gas lines?**

397 Clearly Questar needs to be assured of the quality of the installation work and the
398 integrity of the gas distribution system as a whole. Quester would still have the same inspection

399 authority and would still approve all installations before they are actually hooked to the existing
400 Questar infrastructure. That aspect of the process would, necessarily, continue basically
401 unchanged.

402 Questar may have less control of the installation schedule under such an arrangement,
403 which could possibly create scheduling difficulties with Questar's inspection staff. However, I
404 suggest that it would be better to have an individual inspector, or even several inspectors, with
405 some underutilized time if it means that entire building crews, multi-person excavating crews,
406 and many thousands of dollars in related equipment could be more fully utilized.

407

408 **V. Concluding Comments**

409 **Do you have any concluding remarks and/or recommendations to the Commission?**

410 On behalf of the Home Builders Association, I appreciate the opportunity to participate in
411 these proceedings. I again want to recognize Questar's willingness to provide me with
412 information.

413

414 **Does this complete your testimony?**

415 Yes, it does. Thank you.

CERTIFICATE OF SERVICE

I hereby certify that on the 12th day of December, 2013, I served a true and correct copy of the foregoing **Rebuttal Testimony of Ross Ford** by causing the same to be delivered to the following:

Via hand delivery and email to:

UTAH PUBLIC SERVICE COMMISSION
c/o Gary Widerburg, Commission Secretary
160 East 300 South, Fourth Floor
Salt Lake City, Utah 84111
psc@utah.gov

Via hand delivery to:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

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EXHIBIT UHBA 1.1

EXHIBIT UHBA 1.2

EXHIBIT UHBA 1.3

EXHIBIT UHBA 1.4

EXHIBIT UHBA 1.5