

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc. of Proposed Merger of Questar Corporation and Dominion Resources, Inc.	Docket No. 16-057-01
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**DIRECT TESTIMONY OF DIANE LEOPOLD**

**FOR JOINT APPLICANTS**

March 3, 2016

**Joint Application Exhibit 5.0**

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I. INTRODUCTION

2 **Q. Please state your name and business address.**

3 A. My name is Diane Leopold. My business address is 120 Tredegar Street, Richmond,  
4 Virginia 23219.

5 **Q. By whom are you employed and what is your position?**

6 A. I am employed by Dominion Resources, Inc. (“Dominion”), and I am President of  
7 Dominion’s operating segment, Dominion Energy, including Dominion Transmission, Inc.  
8 (“Dominion Transmission”), The East Ohio Gas Company (“Dominion East Ohio”), Hope  
9 Gas, Inc. (“Dominion Hope”), Dominion Carolina Gas, LLC (“Dominion Carolina Gas”),  
10 and Dominion Cove Point LNG LP (“Dominion Cove Point”).

11 **Q. What are your qualifications to testify in this proceeding?**

12 A. I have listed my qualifications in Joint Application Exhibit 5.1.

13 **Q. What is the purpose of your testimony in this Docket?**

14 A. My testimony describes Dominion’s natural gas operations in support of the proposed  
15 transaction (“Merger”) in which Questar Gas Company’s (“Questar Gas”) parent, Questar  
16 Corporation, is becoming a wholly-owned subsidiary of Dominion. I will also discuss how  
17 Dominion plans to operate Questar Gas following the Merger, the benefits of the Merger  
18 to Questar Gas and its customers, and the commitments Dominion is making that relate to  
19 operational issues.

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**II. DOMINION'S OPERATIONS AND VALUES**

21 **Q. Please describe Dominion's commitment to natural gas as an energy source for its**  
22 **customers.**

23 A. The Dominion family of companies has been engaged in providing natural gas service to  
24 customers for almost 120 years. Over those years, that legacy has been improved and  
25 expanded such that we now operate 12,200 miles of natural gas transmission, gathering  
26 and storage pipelines, over 22,000 miles of natural gas distribution pipelines and one of the  
27 nation's largest underground natural gas storage systems, with approximately 933 billion  
28 cubic feet ("Bcf") of storage capacity. We are currently engaged in a \$19 billion  
29 investment in gas and electric infrastructure – the largest such build out in our history. The  
30 Merger will extend that program to include Questar Gas and will strengthen Questar Gas'  
31 ability to serve its customers through access to the broad and deep sources of financial and  
32 intellectual capital that have made Dominion's existing electric and natural gas operations  
33 successful.

34 **Q. How does Dominion manage the daily operations of its energy subsidiaries?**

35 A. Dominion manages and reports on its consolidated operations through three primary  
36 operating segments: Dominion Virginia Power ("DVP"), Dominion Generation, and  
37 Dominion Energy.<sup>1</sup> The DVP operating segment includes Dominion's electric  
38 transmission and distribution operations, and the Dominion Generation operating segment  
39 includes Dominion's regulated and merchant electric generating fleet.

40 The Dominion Energy operating segment -- the segment through which the operations of  
41 Questar Corporation and its subsidiaries would be managed and reported -- includes the

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<sup>1</sup> The assets of its subsidiaries remain wholly within those legal entities (each of which has its own officers, directors and management teams).

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42 gas distribution and storage operations of our two gas distribution subsidiaries, Dominion  
43 East Ohio and Dominion Hope. The Dominion Energy operating segment also includes  
44 the gas transmission, storage and gas gathering operations of Dominion Transmission, an  
45 interstate pipeline company. The following summaries provide more detail about these  
46 and other subsidiaries with gas operations.

- 47 • **Dominion East Ohio** is a natural gas distribution company serving approximately  
48 1.2 million retail customers in more than 400 eastern and western Ohio  
49 communities, including the cities of Cleveland, Akron, Canton, Youngstown,  
50 Marietta and Lima. Dominion East Ohio operates 19,632 miles of distribution  
51 lines, 994 miles of transmission and storage lines, 758 miles of jurisdictional  
52 gathering lines and 171 Bcf of underground storage capacity. In 2015 its natural  
53 gas throughput was 468.3 Bcf. It is regulated by the Public Utilities Commission of  
54 Ohio.
- 55 • **Dominion Hope** is a natural gas distribution company serving approximately  
56 112,000 retail customers in West Virginia, including the cities of Clarksburg,  
57 Parkersburg and Morgantown. Dominion Hope operates 3,146 miles of distribution  
58 lines. In 2015 its natural gas throughput was 29.0 Bcf. It is regulated by the Public  
59 Service Commission of West Virginia.
- 60 • **Dominion Transmission** is a natural gas pipeline company operating 7,600 miles  
61 of interstate gas transmission, gathering and storage pipelines in six states (Ohio,  
62 West Virginia, Pennsylvania, New York, Maryland and Virginia) and operating one  
63 of the largest underground natural gas storage systems in the United States with  
64 approximately 762 Bcf of storage capacity. Dominion Transmission has multiple  
65 links to other major natural gas pipelines and to markets in the Midwest, Mid-

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66 Atlantic and Northeast regions of the United States. It is regulated by the Federal  
67 Energy Regulatory Commission (“FERC”).<sup>2</sup>

68 • **Dominion Carolina Gas**, an interstate natural gas pipeline company, operates  
69 approximately 1,500 miles of interstate gas transmission pipelines in South  
70 Carolina and Georgia serving wholesale and direct industrial customers throughout  
71 South Carolina. Dominion Carolina Gas is regulated by FERC and was acquired by  
72 Dominion in 2015.

73 • **Dominion Cove Point** operates a FERC-regulated liquefied natural gas import,  
74 storage and shipping terminal on the Chesapeake Bay in southeastern Maryland  
75 with a storage capacity of 14.6 Bcf. Dominion Cove Point provides natural gas  
76 transportation with links to the major pipeline systems of Transco,<sup>3</sup> Columbia Gas  
77 Transmission<sup>4</sup> and Dominion Transmission. Dominion completed an expansion  
78 project in 2009 that increased the facility’s storage and vaporization capacity by  
79 80%. In 2014 we began construction of a conversion designed to liquefy and export  
80 domestically-produced natural gas from the facility, thereby making it a bi-  
81 directional terminal. Dominion Cove Point also provides firm peaking services to  
82 local distribution companies in the Mid-Atlantic region.<sup>5</sup>

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<sup>2</sup> Dominion East Ohio, Dominion Hope and Dominion Transmission all became part of the Dominion family of companies through Dominion’s acquisition of Consolidated Natural Gas in 2000. Dominion Gas Holdings, LLC (“Dominion Gas”) is a limited liability company and holding company subsidiary of Dominion that serves as the intermediate parent company for Dominion East Ohio and Dominion Transmission and for a 24.72% stake in Iroquois that is owned by Dominion. (An additional 25.93% stake in Iroquois is held by Dominion Midstream.)

<sup>3</sup> Transcontinental Gas Pipe Line Company, LLC (“Transco”) is owned by Williams Partners L.P.

<sup>4</sup> Columbia Gas Transmission, LLC is owned by Columbia Pipeline Group, Inc.

<sup>5</sup> Dominion’s general partner and preferred equity interests in Dominion Cove Point and Dominion Carolina Gas, as well as 25.93 % ownership of Iroquois, are held by Dominion Midstream Partners LP, (“Dominion Midstream”), a master limited partnership formed by Dominion in 2014. Dominion owns 100% of the general partner and 64.1% of the limited partner interests in Dominion Midstream.

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83 **Q. Does the Dominion Energy operating segment include partnership interests in other**  
84 **gas operations?**

85 A. Yes. In addition, the Dominion Energy operating segment also includes Dominion's  
86 interest in the following gas partnerships:

87 • **Atlantic Coast Pipeline, LLC** ("ACP") is a joint venture formed in September  
88 2014 by Dominion, Duke Energy Corporation, Piedmont Natural Gas Inc. and AGL  
89 Resources Inc. to construct, own and operate the Atlantic Coast Pipeline project  
90 and is regulated by FERC. The proposed Atlantic Coast Pipeline project is an  
91 approximately 600-mile natural gas pipeline, which will run from West Virginia  
92 through Virginia to North Carolina, to increase natural gas supplies for power  
93 generation and natural gas distribution company customers in the region.  
94 Dominion holds a 45% ownership interest in ACP, and Dominion Transmission is  
95 responsible to design, construct and operate the project.

96 • **Iroquois Gas Transmission System L.P.** ("Iroquois"), a limited partnership of  
97 three U.S. and Canadian energy companies, operates 416 miles of interstate  
98 transmission pipelines in Connecticut and New York and is regulated by FERC.  
99 Dominion currently holds a total of 50.65% of the ownership interests in Iroquois,  
100 which began operations in 1992.

101 • **Blue Racer Midstream, LLC** ("Blue Racer") is a joint venture formed in 2012 by  
102 Caiman Energy II and Dominion to own, operate, develop and acquire natural gas  
103 midstream assets in the Utica Shale and certain adjacent areas in the Marcellus  
104 Shale. Blue Racer provides gathering, compression, processing and fractionation  
105 services to producers. Dominion holds a 50% ownership interest in Blue Racer.

106 **Q. How do Dominion's natural gas operations benefit from management through the**  
107 **Dominion Energy operating segment?**

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108 A. The common leadership and management of the similarly situated businesses that comprise  
109 the Dominion Energy operating segment provide significant value to each of the individual  
110 businesses through the sharing of best practices in such areas as operations, safety, pipeline  
111 integrity, customer service and environmental stewardship. In this way, each of  
112 Dominion's regulated gas subsidiaries -- including Questar Gas and Questar Pipeline  
113 Company ("Questar Pipeline") post-Merger -- can benefit from the experience and  
114 knowledge of the collective group. I will discuss this subject in more detail later in my  
115 testimony.

116 **Q. Please describe Dominion's electric public utility operations.**

117 A. Virginia Electric and Power Company ("Virginia Power"), headquartered in Richmond,  
118 Virginia and incorporated in Virginia in 1909 as a public service corporation, is a regulated  
119 public utility that generates, transmits and distributes electricity for sale in Virginia and  
120 North Carolina to approximately 2.5 million customer accounts. Virginia Power is  
121 regulated in Virginia by the Virginia State Corporation Commission, and in North Carolina  
122 by the North Carolina Utilities Commission. Virginia Power operates approximately  
123 18,450 MW of electric generation facilities, 6,500 miles of electric transmission lines and  
124 57,300 miles of electric distribution lines. Virginia Power's electric transmission, and sales  
125 for resale, of electric power in interstate commerce are regulated by FERC.

126 **Q. Can you provide examples of the benefit of being part of an organization with both  
127 electric and gas operations?**

128 A. Yes. Dominion's extensive experience with both regulated and merchant electric  
129 operations has given us a deep appreciation of the relationship between gas and electric  
130 operations and markets, including the vital role that gas will play as fuel for power  
131 generation going forward. As a result, we understand the increasing interdependence of



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132 the natural gas and electric generation sectors and the issues driving the need for a reliable,  
133 cost-effective supply of gas for electric utilities.

134 As another example, Dominion's natural gas businesses benefit from the systems adopted,  
135 training provided and lessons learned through cyber security protection programs,  
136 including those developed on behalf of Dominion's electric infrastructure. Cyber security  
137 policies and practices applied to gas operations reflect our ability to leverage Dominion's  
138 experience in implementing a range of preventive, detective and response capabilities for  
139 our bulk electric system operations.

140 **Q. What are some of the investments Dominion is making in its two natural gas**  
141 **distribution companies?**

142 A. Dominion's commitment to its gas distribution business can be seen in both the level of  
143 capital spending and the types of projects undertaken. To date, Dominion East Ohio has  
144 spent over \$1 billion in its Pipeline Infrastructure Replacement program that began in mid-  
145 2008, and Dominion Hope will be embarking on a similar program in West Virginia with  
146 a first year program expenditure of \$20 million. Dominion East Ohio completed an  
147 automated meter reading ("AMR") deployment on its system at a cost of \$91 million, and  
148 Dominion Hope is approximately 97% complete with its AMR deployment at a cost of \$10  
149 million to date. Information technology projects are also a significant focus with a total  
150 expenditure of over \$9 million in 2015 alone. Growth projects are another important driver  
151 of capital spending as evidenced by two recent Dominion East Ohio projects designed to  
152 move Utica shale production into interstate transportation markets that required a total  
153 capital expenditure of approximately \$215 million. In total, Dominion East Ohio and  
154 Dominion Hope's combined capital expenditures were \$372 million in 2014 and \$449  
155 million and 2015.

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156 **Q. Are there investments that Dominion is making in its other natural gas businesses?**

157 A. Yes. In 2014 and 2015, Dominion's other natural gas businesses completed five new  
158 pipeline and storage projects at a cost of approximately \$200 million that expand pipeline  
159 capacity by about 0.75 Bcf per day and storage capacity by about 7.5 Bcf. Dominion is  
160 currently developing another 3 Bcf per day of expansion projects that are scheduled to be  
161 in service by the end of 2018 with a total estimated investment of \$1.5 billion. In addition,  
162 the proposed Atlantic Coast Pipeline Project, which will supply gas to serve multiple gas  
163 and electric public utilities in two states, is estimated to cost \$4.5-5.0 billion in total,  
164 approximately 45% of which will be funded by Dominion. Dominion is also investing  
165 \$3.4 - \$3.8 billion in Dominion Cove Point, which will allow the export of natural gas in  
166 liquid form to its customers in India and Japan. All of these investments will serve  
167 customers for decades and create jobs, generate tax revenues and expand economic  
168 opportunities for local communities.

169 **Q. Will Dominion Questar Gas have access to a shared services company as a result of**  
170 **the Merger?**

171 A. Yes. Through Dominion Resources Services Inc., the Dominion Energy businesses secure  
172 necessary administrative and corporate services support. This shared services organization  
173 provides expert and cost-effective service to the Dominion operating companies in such  
174 areas as information technology, environmental permitting, supply chain, legal matters,  
175 and media relations. By joining the Dominion family of companies, Dominion Questar  
176 Gas will also have access to this shared platform of expert resources, and the economies of  
177 scope and scale that these teams offer, as discussed in more detail by Dominion Witness  
178 Wood. Similarly, Dominion anticipates that our combination with Questar Gas resources  
179 will enable Dominion, post-Merger, to draw upon Questar's experience in numerous areas.

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180 **Q. What values does Dominion employ in connection with its public utility operations?**

181 A. As Company Witness Farrell explains, Dominion is committed to four core values in all of  
182 its operations: safety, excellence, ethics and teamwork. These values help focus our efforts  
183 in cost-effectively meeting our customers’ growing energy needs safely and reliably. I  
184 discuss these efforts in more detail below, with an emphasis on our public gas utility  
185 operations.

186 **Q. Please expand on Dominion’s commitment to safety.**

187 A. Like Questar Gas, Dominion makes workplace safety a priority throughout the company.  
188 In addition to Dominion’s excellent overall safety record discussed by Dominion Witness  
189 Farrell, in recent years Dominion gas distribution and gas transmission operations have  
190 achieved much better Occupational Safety & Health Administration (“OSHA”) incident  
191 rates and Lost Time / Restricted Duty incident rates than our industry peer average. A table  
192 regarding safety performance for Dominion East Ohio is provided below:

2015	Dominion East Ohio
Occupational Safety & Health Administration	1.25
Lost Time / Restricted Duty	0.66
Lost Time / Restricted Duty (2014)	0.89

193  
194 These safety metrics are better than the industry average. These indicators of excellence  
195 should result in better operating performance for both companies and benefit our  
196 customers. Within the Dominion Energy operating segment we have an integrated Safety  
197 group that works across the companies to perform and share root cause analyses, develop  
198 employee safety initiatives, assess new equipment and promote programs focusing on areas  
199 that are leading indicators of future safety performance, such as near misses and

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200 preventable motor vehicle incidents. The Safety group also ensures that Dominion Energy  
201 embraces best practices throughout Dominion and the broader industry.

202 Regarding public safety, Dominion's natural gas distribution companies conduct public  
203 safety campaigns at various locations in Ohio and West Virginia. Like Questar Gas, we  
204 partner with state agencies and meet regularly with emergency responders, local officials  
205 and excavators about pipeline safety procedures. These educational initiatives have  
206 reduced third-party "dig-ins" – the leading cause of damage to the pipelines that are used  
207 to deliver natural gas to Dominion's customers. In addition, at Dominion East Ohio, our  
208 Gas Safety and Training specialists partner with area firefighters at our company-owned  
209 fire-school facilities to provide training, under controlled conditions, in the proper methods  
210 to extinguish natural gas fires.

211 We believe that insights gained from Dominion's safety experience can be applied to  
212 improve upon the already strong, safe operating practices at Questar Gas.

213 **Q. How does Dominion fulfill its commitment to sustainability of the environment?**

214 **A.** Dominion is fully dedicated to meeting its customers' energy needs in a manner consistent  
215 with protecting the environment.

216 From 2008 to 2014, Dominion's total equivalent carbon dioxide emissions have been  
217 reduced by approximately 37 percent. During that same timeframe, Dominion's carbon  
218 intensity rate – carbon emissions per unit of electric output from its generating fleet –  
219 declined by 28 percent. Of special emphasis in the natural gas businesses are methane  
220 emissions. Dominion has developed a comprehensive program for management of  
221 methane emissions through measurement, mitigation and disclosure. Dominion  
222 Transmission has been voluntarily participating in the EPA's Natural Gas STAR program  
223 for more than four years. Since 2008, Dominion Transmission's methane reduction

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224 program has resulted in more than 1.5 Bcf of methane emission reductions. Dominion East  
225 Ohio started to participate in the Natural Gas STAR program in 2014, and Dominion Hope  
226 began its participation in in 2015. In addition, Dominion continues to incorporate cost-  
227 effective best practices in engineering design to reduce methane emissions from new  
228 projects.

229 In terms of renewable energy, Dominion has expanded its fleet of solar electric generating  
230 facilities. Dominion currently has ownership interests in approximately 650 MW of solar  
231 generating facilities in eight states. In Utah, Dominion owns 100% interest in a 50 MW  
232 project (Pavant Solar) and 50% ownership interests in two projects under development or  
233 construction (Three Cedars Project and Four Brothers Project) totaling 530 MW in  
234 generating capacity.

235 Dominion incorporates environmental sustainability concepts in the design of its newly  
236 constructed buildings as well. Most recently, the administrative buildings at Dominion  
237 Transmission's new headquarters in Bridgeport, West Virginia and the new technical  
238 training facility being built in Ohio have been designed to the LEED Silver standard.<sup>6</sup>

239 **Q. You have also mentioned Dominion's commitment to customer service. Please**  
240 **provide some detail on this aspect of Dominion's operations.**

241 A. Dominion East Ohio and Dominion Hope respond to customers' outage-related service  
242 requests quickly – with particular emphasis on emergency situations. In 2015, Dominion  
243 East Ohio responded to 98.4%, and Dominion Hope responded to 95.7%, of all emergency  
244 calls within 60 minutes. These results are similar to Questar Gas' 2015 response rates as

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<sup>6</sup> Leadership in Energy and Environmental Design ("LEED") program developed by the U.S. Green Building Council.

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245 shown in Joint Application Exhibit 2.2. Dominion East Ohio is proud of its most recent  
246 record of compliance with the Ohio Commission's minimum Customer Service Standards:

Customer Service Standards	Goal	Year End Results
Average Speed of Answer	<90 seconds	34.3 seconds
Appointments Met within 4 Hour window	>95%	99.3%
Gas Service Requirements New Piping $\leq$ 20 Days	$\geq$ 90%	96.8%
Gas Service Requirements No New Piping $\leq$ 5 Days	>90%	100%
Customer Complaint Resolution	< 3 days	1 day

247  
248 Dominion's commitment to customer service also includes a focus on maintaining  
249 reasonable customer rates. Dominion East Ohio's current base rates were last adjusted in  
250 December of 2008, while Dominion Hope's base rates have not changed since June 2010.

251 **Q. Can you highlight some examples of Dominion helping low-income users of natural  
252 gas?**

253 A. Yes. Assisting low-income customers in the community is a priority for Dominion, as  
254 demonstrated by Dominion's significant contributions to low-income energy assistance,  
255 EnergyShare, and essential community services, as discussed by Dominion Witness  
256 Farrell. Dominion partners with the Salvation Army to administer energy assistance  
257 funding in the Dominion East Ohio region. As a further example, of the \$9.5 million  
258 Dominion East Ohio invests annually in conservation and energy efficiency programs, \$6.5  
259 million is targeted to home weatherization programs for qualified low-income customers.

260 **III. PLANS FOR OPERATING QUESTAR GAS FOLLOWING THE MERGER**

261 **Q. How does Dominion plan to operate Questar Gas following the Merger?**

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262 A. Following the Merger, Dominion Questar and Dominion plan to operate Questar Gas  
263 (which will then be known as Dominion Questar Gas) in the same manner as it is operated  
264 today. Dominion Questar Gas' headquarters will remain in Salt Lake City, Utah, and  
265 Dominion Questar Gas will be managed as a separate regional business under Dominion,  
266 with responsibility for making decisions that achieve the objectives of customer  
267 satisfaction, reliable service, public and employee safety, environmental stewardship, and  
268 collaborative and productive relationships with customers, regulators, other governmental  
269 entities and interested stakeholders. Dominion Questar Gas will continue to receive certain  
270 shared or common services provided to it as part of a larger organization, as discussed in  
271 more detail by Dominion Witness Wood. And further, Dominion will maintain Dominion  
272 Questar Gas' customer service at or better than current levels and will strive for continued  
273 improvements to such service.

274

**IV. OPERATIONAL BENEFITS OF THE MERGER**

275 **Q. What are the operational benefits of the Merger to Questar Gas and its customers?**

276 A. Questar Gas' customers, communities and regulators will see benefits from the ownership  
277 of Dominion Questar Gas by Dominion, an entity with substantial financial strength,  
278 buying power, expertise in utility operations and a focus on safety, reliability and customer  
279 service over the long term. The operations of the utility subsidiaries of Dominion provide  
280 demonstrable evidence that Dominion Questar Gas will continue its emphasis on key utility  
281 performance areas such as reasonable customer rates, reliable customer service, customer  
282 and employee safety, and commitment to employees and communities served. Dominion  
283 East Ohio is very similar to Dominion Questar Gas in both operating scale and the nature

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284 of services provided, thus Dominion anticipates post-Merger opportunities to identify best  
285 practices for the benefit of both Questar Gas and Dominion gas distribution customers.

286 **Q. Please discuss some of those best practices.**

287 A. In addition to the safety measures I described earlier in my testimony, Questar Gas and  
288 Dominion East Ohio each have strong pipeline integrity programs. For example, Dominion  
289 places a strong emphasis on inline inspection of pipelines where feasible. Both companies  
290 will benefit from an exchange of best practices in this visible and important program area.

291 Dominion and Dominion Questar Gas will also be able to share best practices with regard  
292 to damage prevention. Both Dominion East Ohio and Questar Gas' third party damages  
293 per 1000 tickets received have decreased steadily over the past few years. Since damage  
294 prevention is a key element of Distribution Integrity Management Programs, exchanging  
295 best practices will better equip the companies to continue to improve on this critical  
296 integrity metric.

297 Implementing advanced metering technology is another area where Dominion and  
298 Dominion Questar Gas can share knowledge and best practices. Our shared experience  
299 with this equipment and associated meter reading and billing can provide Dominion  
300 Questar Gas, Dominion East Ohio and Dominion Hope with additional perspectives in the  
301 effective implementation of these systems under a variety of operating conditions.



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302           **V.       OPERATIONAL COMMITMENTS AND UNDERSTANDINGS**

303   **Q.     Is Dominion willing to make commitments and to provide assurances relating to**  
304   **operations of Dominion Questar Gas?**

305   A.     Yes. I believe that the commitments I sponsor, as well as those sponsored by Dominion  
306   Witnesses Fred G. Wood III and Thomas F. Farrell, II, will protect and benefit Questar  
307   Gas, its employees, its customers, and the communities served by Questar Gas.

308   **Q.     Please summarize the commitments Dominion is willing to make related to operations**  
309   **of Dominion Questar Gas.**

310   A.     Dominion plans to operate Dominion Questar Gas in the same manner as it is currently  
311   operated and, as referenced in Witness Farrell's testimony, intends the Merger to position  
312   Questar Gas for growth, rather than to place emphasis on cost reductions. The  
313   commitments that Dominion is making and which I am sponsoring are:

- 314       •     Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt  
315       Lake City, Utah; this operating location will be referred to as Dominion's "Western  
316       Region" operating headquarters.
- 317       •     Dominion Questar Gas will be managed from an operations standpoint as a separate  
318       regional business under Dominion, with responsibility for making decisions that  
319       achieve the objectives of customer satisfaction, reliable service, customer, public  
320       and employee safety, environmental stewardship, and collaborative and productive  
321       relationships with customers, regulators, other governmental entities and interested  
322       stakeholders.
- 323       •     Dominion intends to maintain Dominion Questar Gas' customer service at or better  
324       than current levels and will strive for continued improvements thereto.

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- 325           •       The Merger will not result in any changes to Questar Gas' existing filed rates, rules,  
326                    regulations and classifications under its existing Tariff on file with the Commission,  
327                    except to revise the Tariff to change the name of the operating entity.
- 328           •       Dominion Questar Gas will maintain the billing requirements as described in Tariff.
- 329           •       Dominion Questar Gas will continue to follow the Commission's Integrated  
330                    Resource Plan process and guidelines.
- 331           •       Dominion Questar Gas will maintain established gas-supply interchangeability  
332                    Wobbe indices for Questar Gas' receipt points in compliance with Commission  
333                    requirements.
- 334           •       Dominion will give employees of Dominion Questar and its subsidiaries due and  
335                    fair consideration for other employment and promotion opportunities within the  
336                    larger Dominion organization, both inside and outside of Utah, to the extent any  
337                    such employment positions are re-aligned, reduced or eliminated in the future as a  
338                    result of the Merger.
- 339           •       Dominion will increase Questar Corporation's historic level of corporate  
340                    contributions to charities identified by local leadership that are within Dominion  
341                    Questar Gas' service areas by \$1,000,000 per year for at least five years and  
342                    maintain or increase historic levels of community involvement, low income  
343                    funding, and economic development efforts in Dominion Questar's current  
344                    operation areas.
- 345           •       Dominion will establish a newly-formed advisory board for its Western Region  
346                    operations composed of regional-based business and community leaders. This  
347                    Board will meet several times each year to receive information and provide  
348                    feedback on community issues, government relations, environmental stewardship,  
349                    economic development opportunities and other related activities that affect

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- 350 Dominion's and Questar Gas' local stakeholders, with such advisory board to  
351 include the current regional-based members of Questar Corporation's Board.
- 352 • Questar Gas and Dominion share a common focus on installing, upgrading and  
353 maintaining facilities necessary for safe and reliable operations. This focus will not  
354 be diminished in any way as a result of the Merger.
  - 355 • Dominion is committed to the environment and will maintain the environmental  
356 monitoring and maintenance programs of Dominion Questar Gas at or above  
357 current levels.

358 **Q. Will Dominion commit to honoring the Wexpro agreements?**

359 A. Yes. Dominion and its subsidiaries will continue to honor the Wexpro Agreements and the  
360 conditions and obligations therein. Dominion will not contribute Wexpro to Dominion  
361 Midstream or to any master limited partnership without Commission approval.

362 **VI. CONCLUSION**

363 **Q. Would you please summarize your testimony?**

364 A. Yes. I have described Dominion's commitment to our natural gas operations, as evidenced  
365 by our existing facilities and our plans to strengthen them with significant new investments  
366 for the future. Now Dominion seeks to expand that commitment to include Questar Gas,  
367 the customers and communities that it serves, and I have described the operating benefits  
368 of the Merger for Questar Gas and those stakeholders. I have presented a series of specific  
369 operational commitments that will protect Questar Gas and this Commission's ability to  
370 regulate it in the public interest. These commitments will be of substantial value to the  
371 customers, employees, communities and states served by Dominion Questar Gas, which

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372 will remain a Utah-based company, and its operations will continue in the same manner as  
373 before the Merger.

374 Dominion and Questar Gas have a shared commitment to the future of natural gas and to  
375 customer satisfaction, reliable service, customer and employee safety, environmental  
376 stewardship and productive relationships with customers, regulators, other governmental  
377 entities and interested stakeholders. We hope the Commission will enable those shared  
378 commitments to go forward by approving the Merger.

379 **Q. Does this conclude your testimony?**

380 A. Yes.

