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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR APPROVAL OF MODIFICATIONS TO TARIFF SECTION 7.07	Docket No. 18-057-T05 SETTLEMENT STIPULATION
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Pursuant to Utah Code Ann. § 54-7-1, Dominion Energy Utah (Dominion Energy or Company), the Utah Division of Public Utilities (Division), and the Utah Office of Consumer Services (Office) submit this Settlement Stipulation in resolution of the issues raised in the Company’s Application in this docket. Dominion Energy, the Division, and the Office shall be referred to herein, collectively, as the “Parties.”

PROCEDURAL HISTORY

1. On November 1, 2018, the Company filed an Application in this matter seeking the Utah Public Service Commission's (Commission) approval of a change to the Company's Utah Natural Gas Tariff No. 500 (Tariff) to permit the Company to offer a service by which it would transport Renewable Natural Gas (RNG) from a delivery point into its system to its compressed natural gas stations. The transporter of those volumes could sell the RNG to natural gas vehicle fleets and other natural gas vehicles.

2. The Commission issued a Scheduling Order, Notice of Technical Conference, Notice of Hearing and Order Suspending Tariff on November 9, 2018 setting dates for a technical conference, comments, reply comments, and a hearing in this matter. On November 19, 2018, the Commission held a technical conference on this matter.

3. Since that time, the Parties have engaged in settlement discussions. On December 6, 2018, the Company filed a Motion to Modify Scheduling Order requesting that the Commission vacate the dates for comments and reply comments in order to permit the parties to complete settlement discussions and to prepare this settlement stipulation. On December 6, 2018, the Commission issued an Amended Scheduling Order vacating those dates.

4. The Parties have reached a settlement agreement, as set forth below.

TERMS AND CONDITIONS

5. In settlement of the matters raised in this docket, the Parties submit this Settlement Stipulation for the Commission's approval and adoption.

6. The Parties agree for purposes of settlement that Section 7.07 of the Tariff will be amended as shown in DEU Exhibits A and B. The proposed Tariff changes are shown in clean

format in DEU Exhibit A and in legislative format in DEU Exhibit B, both of which are attached hereto. The Parties have agreed that the service proposed by the Company in this docket would be more appropriately placed within the transportation service section of the Tariff (Section 5). Accordingly, Parties propose removing the originally proposed changes to Section 7.07 of the Tariff, and adding language to the “Requirements” portion of Section 7 of the Tariff to make clear that Biomethane producers seeking to take service under the new RNGT Tariff must utilize standard nominating procedures.

7. The Parties agree for purposes of settlement that Section 5.07, Renewable Natural Gas Transportation Service to Natural Gas Vehicle Stations – RNGT, should be incorporated into the Tariff, as shown in DEU Exhibits A and B. The proposed Section 5.07 includes terms and conditions for the proposed service that clearly delineate the requirements for such transporters, and protections for both customers and the Company. The Company initially intended to include such terms and conditions in a special contract with any customer taking service under the proposed Tariff. However, the Parties agreed instead to incorporate those terms and conditions into the Tariff itself. Doing so provides transparency to the public, clarity to potential RNG transporters who will seek RNGT service, and ensures that the Company’s RNGT service will be offered in a fair and consistent way. In addition to language clarifying applicability, definitions, availability, and application for RNGT service, specific additions to Section 5.07 include:

- a) Facility Modifications – This section incorporates facility modification requirements that are applicable under other transportation service. Specifically, if a customer seeks RNGT service that would require upgrades or

modifications, the prospective customer would pay for such system improvements.

- b) Required Contract – This section provides a list of key elements that are to be included in a contract for RNGT service. Those key elements are: 1) a defined receipt point for each NGV station to be used under the service, 2) alternate receipt points, 3) provisions related to indemnification, and 4) fees and charges under the service. In addition, this section requires a QuestLine agreement to be executed in order for the contract to become effective. Again, this addition is consistent with requirements for customers receiving other forms of transportation service.
- c) Fees, Rates, and Charges – This section provides the framework for how billing components will be shaped under the contract. Such components will include a cost-based administrative fee, the distribution non-gas rate shown in Tariff section 2.04 or another alternative rate if approved by the Commission, the transportation imbalance charge shown in section 5.04 of the Tariff, local charges and applicable state sales taxes, and fuel reimbursement of 1.5%. The Parties agree that including this framework will allow the Company to collect the costs associated with this service in a manner consistent with transportation service, avoid any inter-class subsidies, but still allow flexibility for the Company to develop a rate that reflects an RNGT customer's unique characteristics and/or the benefits a particular RNGT customer could bring.

d) Conditions of Service – This section includes various conditions of service and is consistent with the conditions of service included in each transportation service rate class under Section 5 of the Tariff.

8. The Parties agree for purposes of settlement that the glossary to the Tariff should also be updated to reflect the definitions of Approved Receipt Point, Alternate Receipt Point, and Receipt Point. These definitions have been added and are reflected in DEU Exhibits A and B.

General

9. The Parties agree that settlement of those issues identified above is in the public interest and that the results are just and reasonable.

10. The Parties have reached a full and final resolution of those issues identified above.

11. The Parties agree that no part of this Settlement Stipulation, or the formulae or methods used in developing the same, or a Commission order approving the same, shall in any manner be argued or considered as precedential in any future case. This Settlement Stipulation does not resolve, does not provide any inferences regarding, and the Parties are free to take any position with respect to, any issues not specifically identified and settled herein. All negotiations related to this Settlement Stipulation are privileged and confidential, and no Party shall be bound by any position asserted in negotiations. Neither the execution of this Settlement Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Settlement Stipulation.

12. Dominion Energy, the Division, and the Office will each make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. The Parties shall support the Commission's approval of the Settlement Stipulation. As applied to the Division and the Office, the explanation and support shall be consistent with its statutory authority and responsibility, and nothing in this Settlement Stipulation shall abrogate the authority and responsibilities of the Division under Utah Code. Ann. § 54-4a-1, *et seq.* So that the record in this docket is complete, all testimony, exhibits, and attachments to the Application that have been filed prior to the execution of this Settlement Stipulation, and this Settlement Stipulation with its exhibits and attachments, shall be admitted as evidence.

13. The Parties agree that if any person challenges the approval of this Settlement Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Settlement Stipulation, each Party will use its best efforts to support the terms and conditions of the Settlement Stipulation. As applied to the Division and the Office, the phrase "use its best efforts" means that it shall do so in a manner consistent with its statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Settlement Stipulation, no Party shall take a position in that judicial review opposed to the Settlement Stipulation.

14. Except with regard to the obligations of the Parties under paragraphs 11, 12 and 13 of this Settlement Stipulation, this Settlement Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission. This Settlement Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's

approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Settlement Stipulation or imposes any material change or condition on approval of this Settlement Stipulation, or if the Commission's approval of this Settlement Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Settlement Stipulation consistent with the order. No Party shall withdraw from the Settlement Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Settlement Stipulation, the remaining Parties retain the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses and no Party shall be bound or prejudiced by the terms and conditions of the Settlement Stipulation.

15. This Settlement Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

RELIEF REQUESTED

Based on the foregoing, the Parties request that the Commission issue an order approving this Settlement Stipulation and adopting its terms and conditions.

RESPECTFULLY SUBMITTED: December 13, 2018.



Kelly B Mendenhall
Dominion Energy Utah

Director Regulatory and Pricing



Chris Parker
Division of Public Utilities

Director



Michele Beck
Office of Consumer Services

Director

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Settlement Stipulation was served upon the following persons by e-mail on December 13, 2018:

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