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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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PASS-THROUGH APPLICATION OF  
DOMINION ENERGY UTAH FOR AN  
ADJUSTMENT IN RATES AND CHARGES  
FOR NATURAL GAS SERVICE IN UTAH

Docket No. 19-057-04

**DOMINION ENERGY UTAH'S  
REPLY COMMENTS**

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Questar Gas Company dba Dominion Energy Utah (DEU or Company) respectfully submits these Reply Comments in response to the Comments of the Utah Division of Public Utilities (Division) dated March 15, 2019.

**BACKGROUND**

DEU filed its Pass-Through Application for an Adjustment in Rates and Charges for Natural Gas Service in Utah on March 1, 2019 (Application). On March 6, 2019, the Utah Public Service Commission (Commission) issued a Scheduling Order and Notice of Hearing (Scheduling Order) indicating that Comments would be due March 15, 2019, Reply Comments would be due on Tuesday, March 19, 2019, and the hearing would be held Wednesday, March 20, 2019. The Division filed an Action Request Response on March 15, 2019 (Division's

Memo), in accordance with the Scheduling Order. DEU respectfully submits these Reply Comments in response to certain issues raised in the Division's Memo.

### DISCUSSION

In its Memo, the Division accurately noted that though the Company had entered into a new peak-hour contract with Dominion Energy Questar Pipeline (DEQP) for lower volumes than it had in the past as a result of the Commission's Order in Docket No. 17-057-20. The Division also correctly noted that, despite contracting for lower volumes, the cost of the peak-hour services had increased and the total cost of the contract was "very close to the original contract price." Division's Memo at p. 9. DEU offers the following clarification in response to the Division's Memo and in support of its Application.

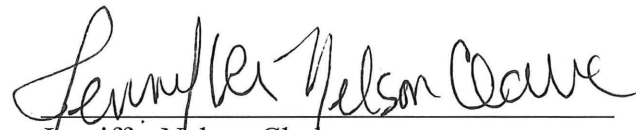
DEU negotiated for Firm Peaking Service with DEQP at a discounted rate, meaning it benefitted from a rate that was lower than the rate that the Federal Energy Regulatory Commission (FERC) approved as just and reasonable. While the level of discounted rates on FERC regulated pipelines can vary, the extension of the contract term also contributed to the overall cost increase to DEU for DEQP's Firm Peaking Service. The most recent Firm Peaking Service Agreement covers both the 2018-2019 heating season and the 2019-2020 heating season. In order to provide a two-year contract term, DEQP was required to reserve off-system capacity on Dominion Energy Overthrust Pipeline (Overthrust) for the entire period through February 14, 2020. DEU's previous contract with DEQP for the 2017-2018 heating season only required DEQP to reserve off-system capacity on Overthrust for the three (3) months of the contract term. DEQP could not provide the service for the longer term without reserving the Overthrust capacity for the entire term of the Firm Peaking Service contract. It is also important to note that

Overthrust is currently fully contracted by other parties. Had DEU contracted for only one year, it would likely have lost the option of contracting for the 2019-2020 heating season because the Overthrust capacity would likely not have been available.

**CONCLUSION**

Based on the foregoing, the Company believes the adjustment in rates and charges as set forth in the Application is just and reasonable and requests that the Commission approve the Application.

DATED: March 18, 2019

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Jennifer Nelson Clark  
*Attorney for Questar Gas Company  
dba Dominion Energy Utah*

**CERTIFICATE OF SERVICE**

I hereby certify that on March 18, 2019 a true and correct copy of the foregoing

**DOMINION ENERGY UTAH'S REPLY COMMENTS** was served by email and U.S. mail

upon the following:

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A handwritten signature in black ink, appearing to read 'Michele Beck', is written over a horizontal line.