

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE REQUEST OF
DOMINION ENERGY UTAH FOR
APPROVAL OF A VOLUNTARY
RESOURCE DECISION TO CONSTRUCT
AN LNG FACILITY

Docket No. 19-057-13

REBUTTAL TESTIMONY OF TINA M. FAUST

FOR DOMINION ENERGY UTAH

September 12, 2019

DEU Exhibit 2.0R

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

2 A. My name is Tina M. Faust. My business address is 333 S. State, Salt Lake City, UT.

3 **Q. Are you the same Tina Faust that filed direct testimony in this matter?**

4 A. Yes.

5 **Q. What is the purpose of your rebuttal testimony?**

6 A. I address certain issues raised in the direct testimony filed by Alex Ware and Douglas D.
7 Wheelwright.

8 **Q. Mr. Ware claims that the Company arbitrarily set a solution level at 150,000**
9 **Dth/day with an eight-day duration for supply replacement. How do you respond?**

10 A. Mr. Ware's claim is contrary to the evidence on the record. For example, the following
11 was discussed on lines 74-93 in Mr. Gill's direct testimony, "The vaporization capacity
12 of the DEU-owned LNG Facility was determined by DEU's Gas Supply and System
13 Planning and Analysis Department as discussed in the pre-filed direct testimony of
14 William F. Schwarzenbach. System Planning analyzed how much natural gas could
15 reasonably be taken onto the Company's system at the specified sites, and determined
16 that 150 MMcfd is the maximum volume that the current system could effectively utilize
17 at each individual site. The chosen rate of vaporization coincides with the curtailed
18 volumes of recent supply shortfalls. The tank size was selected both to achieve the
19 capacity described above, and to minimize costs. The selected tank size is typical for a
20 project of this nature. Larger or custom tanks would cost significantly more than the
21 selected tank." The selected tank size will accommodate a 150 MMcfd withdrawal for 8
22 days. Mr. Gill also described the justification for these parameters in lines 84-100 of his
23 direct testimony in Docket 18-057-03.

24 In addition, Mr. Allen Neale, an expert witness for the Division of Public Utilities
25 testified as follows in Docket 18-057-03, "And so I think the company did demonstrate
26 that it had this need, and I would, my recollection, I think the shortfall on one of the days
27 was like 139,000 decatherms. And from that, I think the company came to the conclusion,
28 and I am sure it was after they looked at the sizes of vaporization equipment and so forth,

29 that they should put together something that met 150,000 decatherms a day, provide eight
30 days of service and store 1.2 million decatherms of supply. So I found the company's
31 conclusions to be reasonable.” Allen R. Neale, Hearing Transcript, Vol 2, at 381, Docket
32 18-057-03. Mr. Neale also states that the LNG Facility is correctly sized in lines 272 –
33 288 of his direct testimony in this docket.

34 **Q. In his testimony, Mr. Ware claims that Dominion Energy Utah (DEU or the**
35 **Company) failed to perform a robust evaluation of the supply reliability problem or**
36 **the possible solutions. Do you agree?**

37 A. I do not. In now two successive proceedings, the Company has provided extensive
38 testimony and materials describing the supply reliability issues experienced by the
39 Company, the reliability issues encountered by others in the industry, the risks giving rise
40 to the reliability concerns, and the solutions considered by DEU to address those
41 concerns. In this docket, a detailed analysis of the alternative solutions to supply
42 reliability is documented in DEU Highly Confidential Exhibit 3.03.

43 **Q. Mr. Ware also asserts the Company did not conduct a robust risk analysis or**
44 **adequately quantify the supply reliability risks. How do you respond?**

45 A. As discussed in Michael Platt’s rebuttal testimony, the Company conducted a
46 comprehensive risk analysis, which is set forth in the detailed analysis document
47 provided in DEU Exhibit 2.04. That analysis assessed the most likely risks that could
48 affect system reliability.

49 **Q. Mr. Ware states that, historically, a service outage has not occurred on the Wasatch**
50 **Front regardless of supply shortfalls. How do you respond?**

51 A. As discussed previously, supply shortfalls previously experienced by the Company have
52 not occurred on a peak day. The fact that customers have not lost service to date does not
53 reduce the risk of it happening in the future. The Company has identified the problem
54 and evaluated the costs and risks of potential solutions in an effort to address and mitigate
55 the supply reliability issue in advance to avoid a catastrophe. It would be imprudent to
56 wait for a service outage to occur before taking action to ensure supply reliability.

57 **Q. Mr. Wheelwright points to historical supply cuts being less than 150,000**
58 **MMBtu/day for eight days. Does this mean the proposed LNG facility is being**
59 **overbuilt as Mr. Wheelwright implies?**

60 A. No. As discussed in my direct testimony, at the end of 1990, DEU's system experienced
61 a loss of supply (some days in excess of 150,000 MMBtu/day) during arctic weather that
62 lasted from December 19, 1990 through January 2, 1991. DEU was able to maintain
63 service at the time using mechanisms that no longer exist because all gas supply functions
64 were being performed by the upstream pipeline, Mountain Fuel Resources. As a result,
65 Mountain Fuel Resources was able to use extra storage and supply purchased by
66 transportation customers to help with the shortfalls and serve the firm sales customers. In
67 addition, in more recent years, supply shortfalls have exceeded 130,000 MMBtu/day.
68 Given this, constructing a facility that provides up to 150,000 MMBtu/day of natural gas
69 is a reasonable means of addressing previously encountered shortfalls and potentially
70 larger shortfalls, which, if they occurred on a peak day, could result in a service outage.

71 **Q. Could the Company use the same mechanisms that were available in 1990 during a**
72 **supply shortfall today?**

73 A. No. As discussed in my direct testimony, prior to FERC Order 636 in 1992, pipelines
74 bought natural gas from producers and sold it to customers. "Bundled" rates existed that
75 included charges for the commodity as well as transportation and storage services. Order
76 636 required that pipelines no longer offer gas sales and instead only offer unbundled
77 transportation and storage services. Customers (like DEU) who transport on upstream
78 interstate pipelines are now obligated to nominate under NAESB cycles. If the capacity
79 is fully allocated on the pipeline or from the storage facilities, any new nominations (in
80 later cycles) are not allowed to flow for that gas day. On December 22, 1990, storage
81 sources were able to provide the Company 36% of its supply. Currently, the Company's
82 contracts for storage only guarantee deliveries for about 20% of the Company's Design
83 Day demand. In addition, it is very important to note that DEU's system - and its Design
84 Day demand - both have grown significantly over the past three decades and are
85 projected to continue to grow. Also, DEU can no longer rely on interrupting
86 transportation customers to help replace supply shortfalls for its firm sales customers, as


87 many of the same risks that could impact DEU supplies, would also likely impact the
88 supplies being delivered for its transportation customers.

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

90 **A. Yes.**

State of Utah)
) ss.
County of Salt Lake)

I, Tina M. Faust, being first duly sworn on oath, state that the answers in the foregoing written testimony are true and correct to the best of my knowledge, information and belief. Except as stated in the testimony, the exhibits attached to the testimony were prepared by me or under my direction and supervision, and they are true and correct to the best of my knowledge, information and belief. Any exhibits not prepared by me or under my direction and supervision are true and correct copies of the documents they purport to be.



Tina M. Faust

SUBSCRIBED AND SWORN TO this 12th day of September 2019.





Notary Public