

IN THE MATTER OF THE
APPLICATION OF DOMINION
ENERGY UTAH FOR APPROVAL
OF SPECIAL AGREEMENT WITH
RAWHIDE LEASING, LLC FOR
CNG SERVICE

Docket No. 19-057-23

APPLICATION

All communications with respect to
These documents should be served upon:

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APPLICATION
AND
EXHIBITS

September 3, 2019

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR APPROVAL OF SPECIAL AGREEMENT WITH RAWHIDE LEASING, LLC FOR CNG SERVICE	Docket No. 19-057-23 APPLICATION
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Pursuant to Utah Code Ann. §54-4-1 *et seq.*, and Utah Administrative Code §§ R746-1-101 *et seq.*, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Application to the Utah Public Service Commission (Commission), requests approval of the Compressed Natural Gas Tank Filling Service Agreement between Dominion Energy and Rawhide Leasing, LLC (Rawhide Agreement). The Rawhide Agreement is attached as DEU Exhibit 1.2 to the Direct Testimony of Jordan K Stephenson and provided herewith. The Company further requests a waiver of provisions in its Utah Natural Gas Tariff No. 500 (Tariff) to permit the service contemplated by the Rawhide Agreement.

1. Dominion Energy Utah, a Utah Corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by the Commission.

2. Dominion Energy offers CNG filling services pursuant to its Natural Gas Vehicle Rate as set forth in Section 2.04 of the Tariff. Section 2.04 of the Tariff provides that the Natural Gas Vehicle Rate “is used for refueling natural gas-powered vehicles with compressed natural gas at Company-owned refueling stations.” It does not provide service for filling tanks with CNG for redelivery to other locations.

3. Rawhide Leasing, LLC (Rawhide) is a California LLC that provides services to Southwest Gas Corporation (Southwest Gas). Specifically, Rawhide fills large tanker trucks with compressed natural gas (CNG) and delivers the CNG into Southwest Gas’s distribution system in Mesquite, Nevada. Southwest Gas then redelivers that gas to its utility customers in Mesquite.

4. Rawhide has requested, and Dominion Energy has agreed to provide, CNG tank filling services at the Company’s Hurricane, Utah CNG station. The terms of that agreement are set forth in the Rawhide Agreement. The Rawhide Agreement is subject to Commission approval.

5. As set forth more fully in the pre-filed Direct Testimony of Jordan K. Stephenson, attached hereto as DEU Exhibit 1.0, providing the requested service is in the public interest because it utilizes available capacity on the Company’s system at no cost to customers.

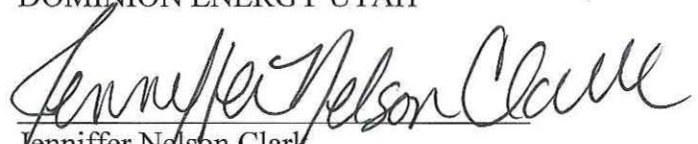
6. Approval of the Rawhide Agreement and waiver of the Tariff provisions set forth above are, therefore, in the public interest, and just and reasonable in result.

WHEREFORE, Dominion Energy respectfully requests that the Commission enter an Order:

- 1) Approving the Rawhide Agreement; and
- 2) Waiving the provisions of the Tariff that may otherwise preclude the service proposed in the Rawhide Agreement.

RESPECTFULLY SUBMITTED this 3rd day of September, 2019.

DOMINION ENERGY UTAH



Jennifer Nelson Clark
Attorney for Dominion Energy Utah

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Application was served upon the following persons by e-mail on September 3, 2019:

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Duane Johnson

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR APPROVAL OF SPECIAL AGREEMENT WITH RAWHIDE LEASING, LLC FOR CNG SERVICE	Docket No. 19-057-23
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DIRECT TESTIMONY OF JORDAN K. STEPHENSON

FOR DOMINION ENERGY UTAH

DEU Exhibit 1.0

September 3, 2019

Q. Please state your name and business address.

1 A. My name is Jordan K. Stephenson. My business address is 333 South State Street, Salt
2 Lake City, Utah.

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

3 A. I am employed by Dominion Energy Utah (DEU or Company) as the Director of
4 Regulatory and Pricing. I am responsible for state regulatory matters in Utah and
5 Wyoming. My qualifications are included in DEU Exhibit 1.01.
6

**Q. Attached to your written testimony are DEU Exhibits 1.1 and 1.02. Were these
7 prepared by you or under your direction?
8**

9 A. Yes.

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

10 A. The purpose of my testimony is to discuss the proposed special contract with Rawhide
11 Leasing, LLC (Rawhide) to supply Rawhide with CNG for re-delivery to Southwest Gas
12 Corporation's (Southwest Gas) utility customers in Mesquite, Nevada. The Compressed
13 Natural Gas Tank Filling Service Agreement with Rawhide (Rawhide Agreement) is
14 attached as DEU Exhibit 1.2. I will also provide evidence showing that the Rawhide
15 Agreement is just, reasonable and in the public interest.
16

Q. Please provide a brief background of Rawhide Leasing, LLC.

17 A. Rawhide Leasing, LLC currently provides supply to Southwest Gas Corporation
18 (Southwest Gas). Rawhide delivers CNG into Southwest Gas's natural gas distribution
19 system in Mesquite, Nevada, and Southwest Gas redelivers those volumes to its
20 customers.
21

22 Currently, Mesquite is not connected to the interstate pipeline system, and does not have
23 a pipeline delivering natural gas to the city. Instead, Rawhide hauls this CNG to Mesquite

24 by truck in large tube trailer storage tanks. Rawhide seeks to procure CNG for its tanks
25 from the Company's CNG refueling station in Hurricane, Utah. The Company has agreed
26 to provide CNG at the Hurricane location, subject to the terms and conditions set forth in
27 the Rawhide Agreement, and subject to the Utah Public Service Commission's
28 (Commission) approval.

29 **Q. How long will Rawhide receive service under the Rawhide Agreement?**

30 A. Rawhide anticipates that this arrangement is temporary, as Southwest Gas has indicated it
31 intends to construct a pipeline to Mesquite in order to provide service in the future. The
32 service would commence on the first day of the month following the receipt of
33 Commission approval of the Rawhide Agreement, and would continue for one year.
34 Following the first year, either party may terminate the Agreement with 60 days notice.

35 **Q. What rate will be charged for this service?**

36 A. Paragraphs 3 and 4 of the Rawhide Agreement provide that Rawhide will pay the Natural
37 Gas Vehicle (NGV) rate set forth in Section 2.04 of the Company's Tariff, and will be
38 subject to all terms and conditions included in Section 2.04. The Rawhide Agreement
39 also states that the rate and terms of the Tariff are subject to change from time to time, so
40 the contract contemplates changes in the rate due to general rate cases or pass through
41 proceedings.

42 **Q. Will Rawhide's use of the station, or any other station, negatively impact current
43 NGV customers?**

44 A. No. Paragraph 5 of the Rawhide Agreement specifies that Rawhide may not use any other
45 CNG station at any time and that it may only use the Hurricane station between the hours
46 of 7:00pm to 7:00am. The Company selected the location and time included in this
47 paragraph so as to assure that Rawhide's refueling does not overlap with typical usage of
48 the station.

49 **Q. How many decatherms will the Company provide to Rawhide under this service?**

50 A. Rawhide currently delivers 1,200 gas gallon equivalents of CNG per month. This equates
51 to approximately 150 decatherms. Rawhide anticipates this could grow to as much as
52 2,500 gas gallon equivalents of CNG per month, or approximately 310 decatherms. This
53 would require Rawhide to refill its tanks two to three times per month. This refueling
54 would take place within the allowed window of time over a period of four hours.

55 **Q. Did the Company analyze the capacity at the CNG stations, including above-the-**
56 **ground equipment and below-the-ground infrastructure, to ensure that capacity**
57 **exists to extend this level of service?**

58 A. Yes. The Company conducted a conservative analysis in order to ensure that current
59 service will not be disrupted by additional volumes caused by the Rawhide Agreement.
60 The Company analyzed the upstream capacity, service line capacity, meter capacity, and
61 equipment capacity of each station. Based on this analysis, capacity exists to provide the
62 level of service anticipated.

63 **Q. Would the approval of the Rawhide Agreement be beneficial to customers and, and**
64 **be just, reasonable and in the public interest?**

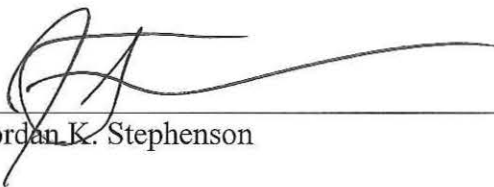
65 A. Yes. The Hurricane NGV station is currently underutilized and volumes in the NGV class
66 have been declining. Trucking CNG from Hurricane to Mesquite is currently the most
67 cost effective way for that community to receive natural gas. This arrangement requires
68 no additional rate base and limits usage to specific times of the day to avoid disruption to
69 current customers, thus utilizing existing capacity with very little risk. Accordingly,
70 Commission approval of the Rawhide Agreement is just, reasonable and in the public
71 interest. The Company therefore requests that the Commission approve the Rawhide
72 Agreement.

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

74 A. Yes.

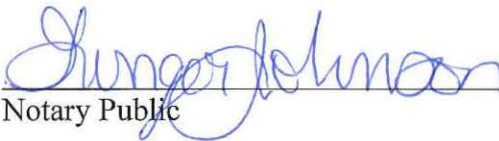
State of Utah)
) ss.
County of Salt Lake)

I, Jordan K. Stephenson, 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.



Jordan K. Stephenson

SUBSCRIBED AND SWORN TO this 3rd day of September, 2019.



Notary Public



Qualifications of Jordan K. Stephenson

Educational Background

I received a Bachelor of Science degree in Accounting from the University of Utah in 2010 and a Masters of Business Administration from Utah State University in 2014. I am a Certified Public Accountant (CPA) in the state of Utah and belong to the Utah Association of Certified Public Accountants (UACPA).

Current Responsibilities

I am currently employed by Dominion Energy as Manager Regulation. I am responsible for various regulatory filings including the semi-annual results of operations, infrastructure replacement rate adjustment filings and reports, as well as other regulatory policies and dockets.

Prior Experience

I was hired by Questar Gas Company (Dominion Energy) in 2010 as a plant accountant. I joined the regulatory affairs department in 2012 and have assisted in the preparation of testimony and exhibits in several rate cases and other tariff filings. In addition, I have previously presented testimony before the Utah Public Service Commission.

**DOMINION ENERGY UTAH
COMPRESSED NATURAL GAS TANK FILLING SERVICE AGREEMENT**

This Compressed Natural Gas Tank Filling Service Agreement ("Agreement") is entered into this ____ day of April, 2019, by and between Questar Gas Company dba Dominion Energy Utah, a Utah corporation ("Company") and Rawhide Leasing, LLC, a California LLC ("Customer"). Company and Customer may be referred to herein individually as "Party" and collectively as "Parties."

RECITALS

- A. Customer transports Compressed Natural Gas ("CNG") from various locations to the town of Mesquite, Nevada, for delivery to Southwest Gas Corporation ("Southwest Gas") and re-delivery to Southwest Gas's utility customers in Mesquite, Nevada.
- B. Customer has requested to utilize Company's CNG station identified herein for purposes of filling compressed natural gas storage tanks on Customer's trucks to transport natural gas to the Southwest Gas system in Mesquite, Nevada.
- C. Company has agreed to provide such service, subject to the terms and conditions set forth below.

THE PARTIES THEREFORE AGREE AS FOLLOWS:

1. CNG Filling Service. This Agreement, and any obligations set forth hereunder, is subject to the review and approval of the Utah Public Service Commission ("Commission"). Any service provided hereunder will be provided only upon receipt of and in accordance with express Commission approval.
2. Commencement Date. Commencing on the first day of the month following the receipt of Commission approval of this Agreement ("Commencement Date"), Company shall provide the CNG Filling Service to Customer, as described herein.
3. Rate. Beginning upon the Commencement Date, Customer agrees to pay the NGV rate set forth in Section 2.04 of Company's Utah Natural Gas Tariff No. 500 ("Tariff"), as it may change from time to time.
4. Terms and Conditions of Service. Service hereunder shall be subject to all terms and conditions of service applicable to those receiving service under Section 2.04 of the Tariff, as they may change from time to time. Unless expressly otherwise stated herein, or in a Commission Order approving this Agreement, the terms and conditions of the Tariff shall govern.
5. Location and Time of Use. Customer shall only utilize the CNG Tank Filling Service at Company's CNG station located at 40 N. 6300 W. Hurricane, Utah, and between the hours of 7:00 p.m. and 7:00 a.m., Mountain Time (MT). Customer shall not utilize any other CNG station at any time, and shall not utilize the CNG station identified above to fill the tanks on its trucks outside the hours specified herein.
6. Term, Termination. Service under this Agreement shall commence on the Commencement Date and continue for a period of one (1) year. Thereafter, this Agreement shall continue until terminated by either party upon 60 days written notice. If Customer breaches any term of this Agreement, including those set forth in Section 5, above, Company may immediately terminate this Agreement.
7. No Warranty. The Parties acknowledge and agree that Company's CNG stations require maintenance, are available for use by Company's customers, and that sometimes access is limited or delayed. Company makes no representations or warranties as to the availability of access to or supply at the CNG station at any time. Nothing in this Agreement prevents Company from selling or otherwise disposing of or closing any CNG station. The Company makes no warranties or representations regarding the compatibility of the facilities at

its CNG station and Customer's trucks, tanks and equipment, or regarding the ability of the equipment at the CNG station to adequately fill Customer's tanks, or adequate supply to fill Customer's tanks at any time.

8. Liability. In no event shall Company be liable to Customer for any indirect, incidental, special, consequential or punitive damages arising out of or related to this Agreement, however caused, under any theory of liability, whether an action in contract, tort, or otherwise, and whether or not Company has been advised of the possibility of such damage. Customer agrees to indemnify, hold harmless, and defend Company, its parent Company(s) and affiliates at any tier, and their respective directors, officers, employees, and agents, from and against any and all liabilities, losses, claims, demands, liens, fines, and actions of any nature whatsoever, including but not limited to attorney fees and defense costs, arising out of, related to, or in connection with service to Customer or the use of CNG station(s) pursuant to this Agreement, except to the extent caused by Company's gross negligence or willful misconduct. The provisions of this Paragraph are supplemental to and in addition to those indemnity provisions set forth in Section 5.07 of the Tariff.
9. Applicable Law. This Agreement shall be governed by and construed in accordance with Utah law, the Tariff and any applicable rules and regulations of the Commission and to the extent that the Tariff or any applicable rules or regulations of the Commission conflict with or are inconsistent with this Agreement, now or in the future, the Tariff, Commission rules and regulations shall control. If any term of this Agreement is held to be illegal or in conflict with Utah law, the Tariff, or any applicable Commission rule or regulation, the validity of the remaining portion of the Agreement shall not be affected, and the rights and obligations of the Parties shall be construed as if the Agreement did not contain the particular term held to be invalid. Any legal action concerning this Agreement shall be filed in Salt Lake County, Utah and the Parties consent to personal jurisdiction and venue in Salt Lake County. The Parties agree to waive their rights to trial by jury.
10. Attorney's Fees. In the event it becomes necessary for either Party to enforce its rights under this Agreement, with or without litigation, the prevailing Party shall be entitled to recover all reasonable expenses, including attorney fees and costs, arising out of the enforcement of its rights.
11. Assignment. Customer may not assign this Agreement without the written consent of Company, and any assignment without consent shall be void. Assignment of this Agreement may be permitted in Company's sole discretion; however, consent will not be unreasonably withheld. The Commission need not approve such assignment.
12. Notice. All communications other than day-to-day communication shall be in writing and shall be deemed to have been given when personally delivered, or three (3) business days after being mailed by certified or registered U.S. Mail, return receipt requested, or when receipt is acknowledged if sent by e-mail or other electronic transmission means. All notices will be given to:

(a) If to Customer:

Rawhide Leasing, LLC
Ken Laird, President
5135 Solano Ave.
Napa, CA 94558

(b) If to Company:

Dominion Energy Utah
Attention: Manager Gas Operations, Business and Community Development
P.O. Box 45360
Salt Lake City, Utah 84145-0360
Brett.Brown@dominionenergy.com

Any notice or mailing so given shall be effective when received, but in any event no later than three (3) days following the date of mailing. A Party may change the notification address or recipient at any time by written notice to the other Party.

13. Entire Agreement. This Agreement contains the entire agreement between the Parties concerning the provision of CNG Tank Filling Service to Customer and it supersedes any prior agreement, verbal or written, regarding the provision of natural gas service.
14. Authority. Each person signing this Agreement warrants that the person has full legal capacity, power, and authority to execute this Agreement for and on behalf of the respective Party and to bind such Party.

IN WITNESS WHEREOF, the undersigned, do hereby consent to the above actions as of the date first above written, by subscribing their signatures hereto and do hereby consent to the execution of this Agreement as of the date first above written.

RAWHIDE LEASING, LLC

M. Norron
Signature

MERRITT NORRON
Name

VICE PRESIDENT
Title

8/21/2019
Date

QUESTAR GAS COMPANY dba
DOMINION ENERGY UTAH

Colleen Larkin Bell
Signature

Colleen Larkin Bell
Name

Vice President & General Manager
Western Distribution Operations

8-15-19
Date