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Attorney for Dominion Energy Utah

#### BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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

#### SETTLEMENT STIPULATION

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 September 3, 2019, the Company filed an Application in this matter seeking the Utah Public Service Commission's (Commission) approval of a special contract with Rawhide Leasing, LLC (Rawhide) and a waiver of provisions within the Company's Utah Natural Gas Tariff No. 500 (Tariff) to permit Rawhide to fill its trucks with Compressed Natural Gas (CNG) at the Company's CNG station in Hurricane, Utah, pursuant to a Compressed Natural Gas Tank Filling Service Agreement dated August 21, 2019 (the Agreement).
- 2. On September 11, 2019, the Commission issued a Scheduling Order and Notice of Hearing setting dates for comments, reply comments and a hearing in this matter.
- 3. Since that time, the Parties have engaged in settlement discussions. The Parties have reached a settlement agreement, as set forth below.

### **TERMS AND CONDITIONS**

- 4. In settlement of the matters raised in this docket, the Parties submit this Settlement Stipulation for the Commission's approval and adoption.
- 5. The Parties agree for purposes of settlement that the Commission should approve the Agreement and the waiver of the specified Tariff provisions, as set forth in the Application;
- 6. The Parties agree for purposes of settlement that two months prior to the expiration of the initial one-year term as described in Paragraph 6, of the Agreement, the Company will notify Parties of any intent to extend the duration of the contract and for how long. The Company will also submit a report to the Commission, with copies to the Division and the Office, setting forth the following:

- a. The status of the Southwest Gas facilities that are under construction for purposes of serving Mesquite, Nevada, including any anticipated delays in the in-service date known to the Company;
- b. An update relating to any complaints to the Company relating to any of Rawhide's trucks at any Company-owned CNG filling station, including a description of any steps taken to resolve such complaints; and
- c. The total volume of CNG sold at the Company-owned Hurricane CNG station during the term of the contract, and the total volume of CNG sold at the Company-owned Hurricane CNG station in the 12-months prior to the commencement of the Contract.
- 7. The Parties agree for purposes of settlement that the Company will notify Parties if it will not terminate the contract at the conclusion of the initial term, or at the time anticipated as described in paragraph 6.
- 8. The Parties agree for purposes of settlement that any party to this Stipulation may challenge the continuation of the Agreement beyond one year. Within 10 business days of receiving an order from the Commission requiring that service to Rawhide be terminated, the Company shall provide Rawhide 60-days written notice terminating the Agreement.

## 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 will and the Division, and the Office may, 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 their statutory authority and responsibility. So that the record in this docket is complete, all testimony, exhibits, and attachments to the Application that have been filed 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 they shall do so in a manner consistent with their 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 either 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:

October 3, 2019.

Kelly B Mendenhall

Dominion Energy Utah

Chris Parker

Division of Public Utilities

Director

Director Regulatory and Pricing

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 October 3, 2019:

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