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Application of Dominion Energy Utah for Approval of Special Agreement with Rawhide Leasing, LLC for CNG Service	<u>DOCKET NO. 19-057-23</u> <u>ORDER APPROVING SETTLEMENT</u> <u>STIPULATION AND CANCELING</u> <u>HEARING</u>
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ISSUED: October 15, 2019

**SYNOPSIS**

The Public Service Commission approves the Rawhide Agreement and settlement resolving the issues raised in this docket.

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**PROCEDURAL HISTORY**

On September 3, 2019, Dominion Energy Utah (DEU) filed an application (“Application”) with the Public Service Commission (PSC) requesting approval of the Compressed Natural Gas Tank Filling Service Agreement (“Agreement”) between DEU and Rawhide Leasing, LLC (“Rawhide”). DEU also requested the PSC waive the provisions of its tariff that may otherwise preclude service under the Agreement.

On September 11, 2019, the PSC held a scheduling conference and, thereafter, issued a scheduling order (“Scheduling Order”). The Scheduling Order established comment and intervention deadlines, and a hearing date.

On October 4, 2019, DEU, the Division of Public Utilities (DPU), and the Office of Consumer Services (OCS and, collectively, the “Parties”) filed a settlement stipulation resolving issues pertaining to the Application (“Settlement”) and requesting PSC approval thereof.

On October 10, 2019, the DPU filed comments recommending the PSC approve the Settlement and also recommending the PSC cancel the hearing set for October 21, 2019.

**THE AGREEMENT AND SETTLEMENT**

The Agreement sets forth the terms and conditions under which DEU will provide compressed natural gas (CNG) filling services to Rawhide at DEU's Hurricane, Utah CNG station. Rawhide will be subject to the Agreement's terms and conditions and will pay the Natural Gas Vehicle (NGV) rate set forth in Section 2.04 of DEU's tariff, subject to change. In addition, to assure that Rawhide's refueling does not overlap with typical usage of the station, Rawhide may only use the Hurricane CNG station between 7 p.m. and 7 a.m. The initial term of the contact is one year. Thereafter, the Agreement shall continue until terminated by either party upon 60 days' written notice. DEU may terminate the Agreement immediately upon any breach.

DEU states that providing the requested service is in the public interest because it utilizes available capacity on DEU's system at no cost to customers. Further, the arrangement requires no additional rate base and limits usage to specific times of the day to avoid disruption to current customers, thus utilizing existing capacity with very little risk. DEU asserts approval of the Agreement and waiver of the tariff provisions are in the public interest and just and reasonable in result.

In the Settlement, the Parties agree the PSC should approve the Agreement and waive the specified tariff provisions, as set forth in the Application. In addition, the Parties agree to certain notification and reporting requirements relating to, among other things, contract expiration, contract renewal, complaints, and volume of CNG sold.

The Parties agree the Settlement's terms are just, reasonable, and in the public interest and recommend the PSC approve the Settlement. The DPU represents that approval of the

Agreement, along with the Settlement, will not harm DEU's CNG customers or its other ratepayers.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Settlements of matters before the PSC are statutorily encouraged at any stage of a proceeding.<sup>1</sup> In considering whether to adopt a settlement proposal, we must find that the settlement, as a whole, is just and reasonable in result and that the record evidence supports this finding.<sup>2</sup>

The record evidence in this docket is uncontested. The Parties agree in paragraph 9 of the Settlement "that settlement . . . is in the public interest and that the results are just and reasonable." No other party intervened or otherwise objected to the Settlement.

Based on our review of the filings in this docket, and hearing no opposition, we find the Settlement is just and reasonable in result and the record supports this finding.

**ORDER**

1. We approve the Rawhide Agreement and the Settlement as filed.
2. We waive the otherwise applicable provisions of Section 2.04 of DEU's tariff as DEU requested in the Application.
3. At the DPU's request and there being no opposition, the hearing previously noticed for October 21, 2019 is canceled.

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<sup>1</sup> Utah Code Ann. § 54-7-1(3)(a).

<sup>2</sup> See Utah Code Ann. § 54-7-1(3)(d).

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DATED at Salt Lake City, Utah, October 15, 2019.

/s/ Michael J. Hammer  
Presiding Officer

Approved and confirmed October 15, 2019, as the Order of the Public Service  
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#310307

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on October 15, 2019, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

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Administrative Assistant