

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF THE REQUEST OF  
DOMINION ENERGY UTAH TO EXTEND  
NATURAL GAS SERVICE TO EUREKA, UTAH

Docket No. 19-057-31

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**DIRECT TESTIMONY OF MICHAEL L. GILL**

**FOR DOMINION ENERGY UTAH**

December 2, 2019

**DEU REDACTED Exhibit 2.0**

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## I. INTRODUCTION

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

3 A. My name is Michael L. Gill. My business address is 1140 West 200 South, Salt Lake  
4 City, UT 84104.

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

6 A. I am employed by Dominion Energy Utah (Dominion Energy, DEU, or Company) as the  
7 Director of Engineering and Project Management. I am responsible for the High-  
8 Pressure (HP) Engineering, Intermediate High-Pressure (IHP) Engineering, Systems  
9 Engineering, Integrity Management, Survey, Pre-Construction, IHP Inspection and  
10 Design Drafting Departments. My qualifications are included in DEU Exhibit 2.01.

11 **Q. Have you testified before this Commission before?**

12 A. Yes. I testified in docket number's 18-057-03 and 19-057-13.

13 **Q. Attached to your written testimony are DEU Exhibits 2.01 through 2.09. Were these  
14 prepared by you or under your direction?**

15 A. Yes, unless otherwise indicated. In that case, they are true and correct copies of what  
16 they purport to be.

17 **Q. What is the purpose of your direct testimony?**

18 A. The purpose of my testimony is to provide an overview of the required capital  
19 improvements necessary to extend natural gas service to Eureka. This overview will  
20 include the scope and costs of required facility construction, the timing of that  
21 construction and estimates on the potential number of new customers.

## 22 II. PROJECT SCOPE AND SCHEDULE

23 **Q. Please describe Eureka and the area the Company proposes to serve under the  
24 Application in this matter.**

25 A. Eureka is a city in Juab County, Utah, just west of and abutting the Utah County border.  
26 It has a population of approximately 670 residents and covers approximately 1.5 square

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27 miles. I have attached a map of Eureka as DEU Exhibit 2.02. The shaded area shows the  
28 area the Company proposes to serve under this application.

29 **Q. What facilities does the Company propose to construct in this docket?**

30 A. The Company is seeking pre-approval for the construction of the high-pressure (HP) and  
31 intermediate high-pressure facilities (IHP) necessary to provide natural gas service to  
32 Eureka, including interconnect facilities (Interconnect) between interstate pipelines, HP  
33 and IHP mains, and regulator stations. As Mr. Summers testified, in order to provide gas  
34 service the Company proposes to construct an Interconnect with Dominion Energy  
35 Questar Pipeline Company (DEQP). From there, Dominion Energy plans to construct  
36 approximately 48,000 lf of HP main into Eureka. The Company also proposes to  
37 construct a district regulator station and approximately 48,400 lf of IHP plastic  
38 distribution mains.

39 **Q. Could the Company construct an Interconnect with Kern River Natural Gas  
40 Transmission Company (KRGT) facilities instead of interconnecting with DEQP?**

41 A. Yes, there are two potential Interconnect locations. In order to analyze the two options,  
42 the Company provided anticipated flow and pressure requirements to both DEQP and  
43 KRGT and requested estimates for constructing an Interconnect. DEQP provided an  
44 estimate of approximately \$\*\*\*\*\* to construct an Interconnect near Goshen. KRGT  
45 provided an estimate of \$\*\*\*\*\* million to construct an Interconnect near its Elberta  
46 compressor station property. Both locations are shown on DEU Exhibit 2.03. Both  
47 locations would have provided adequate flow and pressure to serve Eureka.

48 **Q. What facilities are proposed to be constructed the Interconnect with DEQP?**

49 A. Because the Interconnect is the location where gas is delivered from the interstate  
50 pipeline system into DEU's distribution system, both DEU and DEQP would need to  
51 construct facilities. DEQP would be responsible for constructing its own facilities. This  
52 would include tapping the interstate pipeline, constructing associated yard piping, and  
53 constructing custody transfer metering. As noted above, DEQP has estimated its cost at  
54 \$\*\*\*\*\* to complete this work. DEU would be responsible to construct its own

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55 facilities. This would include pressure regulation facilities, odorant facilities, line  
56 heaters, yard piping and associated buildings.

57 **Q. What will it cost DEU to construct its portion of the Interconnect with DEQP?**

58 A. DEU estimates its portion of the work will cost approximately \$\*\*\*\*\*.

59 **Q. What size of HP line would be required to provide natural gas service to Eureka?**

60 A. The Company's Engineering Department conducted a study of expected customer  
61 demand and determined that a 6" diameter HP main would be required to serve Eureka.  
62 A copy of that study is attached as DEU Exhibit 2.04.

63 **Q. Have you forecast the natural gas consumption that will be used by Eureka  
64 customers per Commission Rule § 54-17-402(3)(b)(ii)(C)?**

65 A. Yes. The consumption forecast is included as DEU Exhibit 2.05. This forecast is based  
66 on the anticipated number of customers and appliances in Eureka, assuming 360 total  
67 customers.

68 **Q. What alternatives did the Company explore for constructing the HP main extension  
69 from Goshen to Eureka?**

70 A. The Company investigated three options for extending HP gas main from the proposed  
71 DEQP interconnect site into Eureka. The three options are shown on DEU Exhibit 2.03.

72 Option 1 (shown in yellow) is a 9.1 mile 6" HP extension that begins at the DEQP  
73 Goshen Interconnect and heads south following the KRGT pipeline corridor. At SR-6,  
74 the alignment heads west along the highway until it terminates at the proposed Eureka  
75 regulator station location site. The estimated cost for this option, inclusive of  
76 Interconnect and regulator station construction costs, is approximately \$\*\*\*\* million.  
77 The estimate summary for Option 1 is shown in DEU Confidential Exhibit 2.06.

78 Option 2 (shown in blue) is a 7.6 mile 6" HP extension that begins at the proposed KRGT  
79 Interconnect location and heads west along SR-6 until it terminates at the proposed  
80 Eureka regulator station site. The estimated cost for this option, inclusive of Interconnect  
81 and regulator station construction costs, is approximately \$\*\*\*\* million. The estimate  
82 summary for Option 2 is shown in DEU Confidential Exhibit 2.07.

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83 Option 3 (shown in green) is an 8.5 mile 6” HP extension that begins at the DEQP  
84 Goshen Interconnect and heads west along an existing dirt road. The route follows the  
85 dirt road until it intersects with SR-6. At this point, the alignment turns west along SR-6  
86 until it terminates at the proposed Eureka regulator station site. The estimated cost for  
87 this option, inclusive of Interconnect and regulator station construction costs, is \$\*\*\*\*  
88 million. The estimate summary for Option 3 is shown in DEU Confidential Exhibit 2.08.

89 **Q. Which of these options has the Company selected?**

90 A. The Company proposes to construct the HP pipe shown as “Option 1.” Though it is not  
91 the lowest-cost of the options, this option provides the best alignment to serve customers  
92 within Eureka as well as other potential customers along the route. As shown on DEU  
93 Exhibit 2.03, the area between the Goshen Interconnect location and SR-6, is a prime  
94 location for future commercial development. The DEU proposed HP line to Eureka, using  
95 the alignment specified in Option #1, will run through this property and make it very  
96 attractive to future development; benefiting the state, surrounding counties and rural  
97 cities.

98 Additionally, representatives from Goshen and Elberta have recently contacted the  
99 Company to discuss extension of gas service to those communities. This alignment  
100 provides better access to potentially serve Goshen and Elberta in the future. For these  
101 reasons, Option # 1 is the preferred option.

102 **Q. What else will the Company need to construct in order to serve Eureka?**

103 A. The Company plans to construct IHP main lines from the HP line discussed above,  
104 throughout Eureka. DEU Exhibit 2.09 shows the proposed route of IHP mains within  
105 Eureka based upon the current proposed location of the district regulator station. As is  
106 clear, the Company proposes to install approximately 3,300 lf of 6” IHP plastic main,  
107 11,300 lf of 4” IHP plastic main, and 33,000 lf of 2” IHP plastic main. The estimated  
108

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109 total cost for the installation of the IHP main is approximately \$\*\*\*\*\* million. DEU  
110 Confidential Exhibit 2.10 shows the calculation of this estimate.

111 **Q. How did the Company determine the required IHP main sizes?**

112 A. The Company's IHP Engineering department determined the main sizes by building a gas  
113 network model to determine the appropriate size of mains to serve the community at full  
114 build out.

115 **Q. The Company is estimating that the majority of IHP mains will need to be installed  
116 with directional drilling (bores). Why is this necessary?**

117 A. The soil within the town of Eureka is contaminated with trace levels of lead and other  
118 contaminants. If the Company were to dig in these contaminated soils, it would be  
119 required to dispose of the trench spoils and import clean back-fill for the trench after pipe  
120 installation. The Company compared the price of installing the mains via directional drill  
121 vs. the costs associated with disposing of contaminated soil and importing clean back fill  
122 and found that it was less costly to install the mains with directional drills.

123 **Q. What contracts will be required to construct the facilities you have described.**

124 A. The Company would conduct separate bid processes for the HP and IHP projects  
125 identified above. The Company would prepare request for proposals for each scope of  
126 work and conduct two independent bids (HP and IHP). While the bids may be  
127 independent, the Company will allow contractors to bid on both projects if they wish.  
128 The bids will be evaluated for cost, construction schedule, and the contractor's safety and  
129 performance metrics.

130 **Q. What governmental authorizations are required to construct these facilities?**

131 A. Construction of the IHP mains will be permitted and approved by Eureka City. The HP  
132 mains will be constructed under approval of UDOT.

133 **Q. How much will the project cost in total?**

134 A. The facilities I have described including the Interconnect, the HP extension, regulator  
135 station, and IHP mains are estimated to cost \$\*\*\*\*\* million.

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136 **Q. Have you developed a project schedule for the proposed expansion of service to**  
137 **Eureka?**

138 A. Yes. I estimate that the entire project would take approximately 9 months to construct. If  
139 the Commission approves including the project costs in a tracker cost recovery  
140 mechanism, the Company would commence construction during the first quarter of 2021  
141 and expect mains to be in service by October 2021. If the Company must wait for its  
142 next general rate case for cost recovery, it would commence construction around the first  
143 quarter of 2022 with an anticipated in-service date of October 2022.

144 **Q. Can you please summarize your testimony?**

145 A. Yes. The Company proposes to invest \$\*\*\*\* million in mains and facilities required to  
146 serve the community of Eureka, Utah. The facilities will include an interconnect with  
147 DEQP's system, an HP main from that interconnect to the town of Eureka, various IHP  
148 main lines throughout the town of Eureka.

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

150 A. Yes.

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

I, Michael L. Gill, 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.

  
\_\_\_\_\_  
Michael L. Gill

SUBSCRIBED AND SWORN TO this 2<sup>nd</sup> day of December, 2019.



  
\_\_\_\_\_  
Notary Public