

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

)	
)	Docket No. 19-057-31
)	
In the Matter of the Application of)	Surrebuttal Testimony
Dominion Energy Utah to Extend Natural)	Of Alex Ware
Gas Service to Eureka, Utah)	On behalf of the
)	Office of Consumer Services
)	

July 8, 2020

1 **Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?**

2 A. My name is Alex Ware. I am a utility analyst for the Office of Consumer
3 Services (OCS). My business address is 160 East 300 South, Salt Lake
4 City, Utah.

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. I respond to Dominion Energy Utah's (DEU) June 24, 2020 rebuttal
7 testimony in this docket submitted by witness Austin Summers.

8 **Q. HOW DOES MR. SUMMERS RESPOND TO YOUR SUPPLEMENTAL**
9 **DIRECT TESTIMONY?**

10 A. Mr. Summers agrees with my recommendation that there should be a
11 deadline for a Eureka resident or business to become a DEU customer if
12 they elect to have the company install a no-charge service line to their
13 home or business under the rural expansion program. Mr. Summers also
14 agrees that if the resident or business does not become a DEU customer
15 by the deadline, then the resident or business should be required to repay
16 the cost of the service line.

17 However, Mr. Summers disagrees with my proposed timeline by
18 which a customer must be either taking natural gas service or repay the
19 cost of the service line.

20 **Q. HOW DO YOU RESPOND TO MR. SUMMERS' RECOMMENDATION**
21 **FOR A TWO-YEAR GRACE PERIOD?**

22 A. First, I direct the Commission's attention to page 2 of Mr. Summers'
23 rebuttal testimony where he makes a distinction between what he calls the

24 “sign up period” and the “grace period.” The sign up period lasts until two
25 years after gas is flowing to Eureka, during which time a resident or
26 business can elect to receive a no-charge service line as part of the rural
27 expansion program by signing a service line agreement with DEU. The
28 grace period is a two-year period that starts at the signing of the service
29 line agreement during which signers must begin using and being billed for
30 natural gas service or they will be required to repay the cost of the service
31 line.

32 Thus, if a potential customer signed a service line agreement on
33 the last day of the sign up period and waited until the last day of its grace
34 period to begin actually using natural gas, it could be a total of nearly four
35 years from when gas is flowing to Eureka to when a customer is actually
36 utilizing natural gas. The longer this total time period is, the more likely
37 that unusual situations could arise that are not addressed in the tariff and
38 could lead to ratepayer investments that are not actually used. For
39 example, a resident or business could sell its property after receiving a no-
40 cost service line but before becoming a natural gas customer. If the new
41 property owner decides not to sign up for natural gas service, DEU would
42 not have a way to collect repayment for the service line not being used by
43 the new owner.

44 It is important to note that a potential customer can sign a service
45 line agreement with DEU prior to when gas is flowing to Eureka. In my
46 opinion, the new tariff language proposed by DEU in this docket

47 (discussed more in the next Q and A) clearly allows for this timeline and
48 Mr. Summers' rebuttal examples contemplate it, although Mr. Summers'
49 testimony on lines 34 – 36 incorrectly implies that customers do not start
50 signing up until gas is flowing to Eureka.

51 Additionally, due to the fact that a Eureka resident or business will
52 be able to sign a service line agreement (activating their individual grace
53 period) before gas is flowing to the city, it is possible for an individual's
54 grace period to end before the sign up period ends. Therefore, DEU has
55 proposed tariff language that states it will not seek repayment of service
56 line costs until after the later of the two periods' end dates.

57 **Q. DOES MR. SUMMERS PROPOSE ADDITIONAL TARIFF LANGUAGE**
58 **AS YOU RECOMMENDED?**

59 A. Yes. Mr. Summers included new tariff language in Exhibit 1.01R
60 (Legislative Tariff Sheets) including a paragraph under the heading
61 "Service Lines In Rural Expansion Areas" which explains the requirement
62 to begin taking gas within a certain time period or repay the cost of the
63 service line. This tariff language generally responds to the issues I raised
64 in supplemental direct testimony.

65 **Q. WHAT IS THE OCS POSITION AFTER REVIEWING DEU'S REBUTTAL**
66 **TESTIMONY?**

67 A. The OCS generally supports the revised tariff language presented in Mr.
68 Summers' rebuttal testimony but remains concerned that the more than

69 two-year sign-up period plus the two-year grace period may be longer
70 than ideal.

71 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

72 **A.** Yes, it does.