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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

)	
)	Docket No. 19-057-31
REQUEST OF DOMINION ENERGY UTAH)	
TO EXTEND NATURAL GAS SERVICE TO)	DOMINION ENERGY UTAH’S
EUREKA, UTAH)	REPLY COMMENTS
)	
)	

Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits these reply comments (Reply Comments) in response to the Comments submitted by the Utah Division of Public Utilities (Division) on February 18, 2022 (Division’s Comments), and pursuant to the Request for Response issued by the Utah Public Service Commission (Commission) on February 23, 2022 in the above-referenced docket.

I. BACKGROUND

On November 21, 2019, Dominion Energy filed a notice with the Commission that it intended to file a voluntary request for Commission approval to extend its high pressure and intermediate-high pressure natural gas distribution system to the city of Eureka, Utah. On August 27, 2020, the Commission issued an Order approving the Company’s request with some

conditions. The Order provided, among other things, that the Commission granted the Company a Certificate of Public Convenience and Necessity “subject to DEU filing, as soon as practicable, documentation showing that it has obtained any consent, franchise agreement, or any other permit required by the city of Eureka, or any other local governmental entity having jurisdiction over the project.” Order at p. 31.

On November 17, 2020, The Company submitted the Franchise Agreement to the Commission. On January 10, 2022, The Company submitted three permits to the Commission (“Submission of Permits”). On January 25, 2022, the Commission sent an Action Request to the Division of Public Utilities (“Division”) directing it to review the Company’s submission of permits. On February 18, 2022, the Division submitted its Comments in response to the Action Request. On February 23, 2022, the Commission requested that Dominion Energy respond to the Division’s comments in the Action Request by no later than March 25, 2022.

II. DISCUSSION

The Division initially expressed concern that the Company may not have filed all of the required permits with the Commission. It also expressed concern that the Company may not have complied with requirements related to safety and communications with customers in Eureka. The Company addresses each of these categories of concerns below.

A. The Company has Filed all Required Permits

The Division has identified six permits that it believes the Company may have failed to file: 1) a permit from the Department of Transportation; 2) conditional use permits; 3) building permits; 4) road cut permits; 5) storm water permits; and 6) permits for the disposal of contaminated soils. The Division gleaned its understanding that these permits were necessary

largely from the Company's November 17, 2020 Submission of Franchise Agreement, which said, "The Company notes that immediately prior to, or even during construction, it will be required to obtain permits from the Utah Department of Transportation, conditional use permits, building permits, road cut permits and storm water permitting." Though, at that time, the Company anticipated needing such permits, it ultimately was not required to obtain all of them. As discussed in greater detail below, the Company has already submitted all of the permits it was required to obtain.

First, the Company submitted the permit from the Utah Department of Transportation as DEU Exhibit 2 to the Submission of Permits filed on January 10, 2022. The Division's Response correctly identified this permit.

The city of Eureka did not ultimately require a conditional use permit, and therefore the Company had no such permit to file. A conditional use permit is often needed when the proposed use of property is not a "permitted" use within the current zone. The conditional use process allows the city the opportunity to review projects and place additional requirements on the project. The city's approval of the project is contingent on the Company meeting those requirements. The requirements are usually aesthetic in nature (or for sound attenuation, traffic control, landscaping etc.) and ensure that incompatible users are not adjacent to one another. In this case, the proposed regulator station was not placed in Eureka, but was instead placed in an area in Utah County that was zoned for mining and already allowed for this type of activity. Therefore, no conditional use permit was required.

Nor was the Company required to obtain a building permit for its regulator station. Cities often require building permits depending on the size or location of a particular structure. Because the regulator station serving Eureka was located in a remote part of Utah County, the

Company was not required to obtain a building permit from Eureka. And, though Utah County requires building permits on accessory buildings that are greater than 200 square feet, it does not require building permits on smaller buildings with adequate setbacks. Here, Dominion Energy utilized a small shelter to house its equipment and placed it with proper setbacks. As a result, Utah County did not require Dominion Energy to obtain any building permits.

Similarly, the Company was not required to obtain permits titled “road cut permits.” It was, however, required to obtain an “excavation permit” to excavate the roads in Eureka. That permit was submitted as DEU Exhibit 3 to the Company’s Submission of Permits.

The Company was required to obtain approval of its storm water pollution prevention plan (“SWPPP”). The Company submitted its SWPPP as DEU Exhibit 1 to the Submission of Permits. That exhibit shows the actual plan to prevent storm water pollution but, admittedly, does not show the approvals of that plan. The Company therefore provides two exhibits evidencing the approval of the SWPPP. DEU Exhibit 4 is the approval by the Utah Department of Environmental Quality, Division of Water Quality for the high pressure section of the project. DEU Exhibit 5 is the approval for the intermediate high pressure section of the project.

Finally, the Company was not required to obtain a permit in order to dispose of contaminated soils encountered during construction. The city of Eureka was the sole owner/operator of the repository for soil that may have been contaminated. All excavated soil deemed contaminated was disposed at the city’s repository and no permitting was necessary.

B. The Company Fulfilled its Obligations Pertaining to Safety and Customer Communication.

The Division has suggested that the Company has an obligation to provide additional information pertaining to safety and customer communications. In doing so, the Division

quoted the Commission's Order in this Docket that said, "Additionally, we will hold DEU to its commitment to submit more information about its selection process including completed surveys (rather than the blank survey in DEU Exhibit 1.04), clear messaging to potential customers about the safety aspects of appliance conversions, and all other information that DEU committed to file in response to DPU's initial concerns." However, a careful review of this language, along with sworn testimony in this proceeding for context, shows that no further filing in this docket is required.

On March 18, 2020, Eric Orton submitted Direct Testimony in this docket where he testified that he saw five shortcomings of the Eureka project as it was proposed by the Company. The Company addressed these items in the Supplemental Direct Testimony of Austin Summers (Summers Supplemental) on April 15, 2020 and offered suggested solutions. On May 27, 2020, Mr. Orton submitted Supplemental Direct Testimony (Orton Supplemental) that indicated that Mr. Summer's suggested solutions were satisfactory. The following discussion contains greater detail about this testimonial exchange.

The Division's first concern was that "The Company's team that made the recommendation to serve Eureka provided insufficient evidence of its work and decisions." Orton Supplemental at line 55. In line 82 of Orton Supplemental, Mr. Orton said that, "The Division notes that in the future this identification and demonstration should be contained in the Company's application when filed to facilitate a full and efficient record and evaluation." The Division did not suggest that the Company provide additional information *in this docket*. The Company did agree to provide such information in future rural expansion dockets, and, indeed, it did include this data with the application seeking Commission approval to serve Goshen and Elberta in Docket No. 21-057-06 (DEU Confidential Exhibit 1.05) and with its

application seeking Commission approval to serve Green River in Docket No. 21-057-12 (DEU Confidential Exhibit 1.04).

The Division's second concern was that "[t]he Company provided the information to the potential Eureka customers of the expected benefits of its service but did not provide a clear delineation of the expected costs." Orton Supplemental at line 57. At lines 85 through 98, Mr. Orton discussed how the Company committed to provide more detail to customers in Eureka, but he did not indicate that the Company should file anything more with the Commission in this Docket. Nonetheless, the Company attaches as DEU Exhibit 6, a copy of an insert that was included in prospective customers' water bills in January and February of 2021. Additionally, Company representatives attended the Eureka Annual Town Days on August 21, 2021, where they handed out additional information, copies of which are provided as DEU Exhibit 7. Dominion Energy also included additional information on its website, and Company representatives have been meeting in person with residents as they consider natural gas as an energy source.

The Division also expressed concern about "[t]he Company's optimism in estimating the number of connections may have exaggerated the revenue estimations." Orton Supplemental at line 60. Mr. Orton went on to discuss how the number of customers that sign up will have very little effect on the overall cost of the project. Orton Supplemental at lines 99-111. Again, the Company was not obligated to provide additional information about this item in this docket.

The Division next worried that "[t]he Company provided insufficient information regarding the possible safety hazards resulting from providing service to Eureka." Orton Supplemental at 62. In response, the Company committed to ensure that each home or business

is inspected before a meter is installed and to include safety information in a water bill insert. As noted above, the Company included information, including safety information, in prospective customers' water bills. *See* DEU Exhibit 6. The City of Eureka has a qualified inspector that inspects every connection for safety before the meter is set. Company representatives also meet with customers to sign them up for service and, during those meetings, the representatives discuss safety with each individual customer. The Company has complied with these commitments and no additional supplemental filings are required.

Finally, the Division expressed concern that “[t]he plant project estimation did not provide enough substantial evidence to justify the interstate pipeline interconnection choice of DEQP, which the Company made.” Orton Supplemental at 64. The Company did not agree to file additional information in this docket, but it did explain that if the Company is in danger of materially exceeding its estimates, it will seek Commission approval to do so. At this time, the Company anticipates completing construction within the estimated costs, and its choice to use DEQP as in interconnection point allowed the Company to expand service to the Goshen/Elberta. *See* Docket 21-057-06. Nothing in the Commission’s Order in this docket requires the submission of additional information relating to the selection of DEQP as an interconnecting pipeline.

III. CONCLUSION

The Company previously filed all of the permits required for the construction of the Eureka facilities, and has offered other supplemental information with this Reply for the interest and convenience of the Commission and other parties. The Company has fulfilled all of the requirements set forth in the Commission’s Order in this docket.

DATED this 25th day of March, 2022.

Respectfully submitted,
QUESTAR GAS COMPANY dba
DOMINION ENERGY UTAH

A handwritten signature in blue ink that reads "Jennifer Nelson Clark". The signature is written in a cursive style and is positioned above a horizontal line.

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of Dominion Energy Utah’s Reply Comments was served upon the following by electronic mail on March 25, 2022:

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/s/ Ginger Johnson