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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR THE CREATION OF A VOLUNTARY RENEWABLE NATURAL GAS PROGRAM	Docket No. 19-057-T04 SETTLEMENT STIPULATION
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Pursuant to Utah Code Ann. § 54-7-1, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or the Company), the Utah Division of Public Utilities (Division), the Utah Office of Consumer Services (Office), and the Utah Association of Energy Users (UAE) submit this Settlement Stipulation in resolution of the issues raised in the Company's Application in this docket. Dominion Energy, the Division, the Office, and UAE shall be referred to herein, collectively, as the "Parties."

PROCEDURAL HISTORY

1. On March 29, 2019, the Company filed an Application in this matter seeking the Utah Public Service Commission's (Commission) approval to modify the Company's Utah Natural Gas Tariff No. 500 (Tariff) to permit the Company to offer a voluntary renewable natural gas program.

2. The Commission issued a Scheduling Order, Notice of Technical Conference, Notice of Hearing on April 11, 2019 setting dates for a technical conference, comments, reply comments, and a hearing in this matter. On May 1, 2019, the Commission held the technical conference.

3. On June 5, 2019, the Division and the Office filed comments regarding the Company's proposed program.

4. On June 10, 2019, UAE intervened in this docket.

5. Since that time, the Parties have engaged in settlement discussions and have reached a settlement agreement, as set forth below.

TERMS AND CONDITIONS

6. In settlement of the matters raised in this docket, the Parties submit this Settlement Stipulation for the Commission's approval and adoption.

Tariff Language

7. The Parties agree for purposes of settlement to modify the language proposed for Section 8.09 of the Tariff as shown in Settlement Exhibits A and B. Settlement Exhibit A shows a legislative draft of the agreed-upon tariff language against the originally proposed language. Settlement Exhibit B is the agreed-upon language in final form. For purposes of settlement, the originally-proposed language has been modified consistent with the following:

a. A block of RNG is defined as five therms or one-half dekatherm. The surcharge for a block of RNG will be set at \$5. One block or \$5 will be the minimum monthly surcharge. The Company will identify, on each participating customer's monthly bill, the amount of blocks, therms, and dekatherms selected by the participating customer. The Parties agree for purposes of settlement that if the Company needs to adjust the surcharge price per block in future program years, the Company will seek Commission approval for a change in the Tariff.

b. Section 8.09 of the Tariff will not contain a provision allowing funding of qualifying initiatives, such as energy efficiency and RNG projects using surplus voluntary customer contributions, paid through the GreenTherm program. Voluntary customer contributions under section 8.09 will only be used to purchase RNG green attributes and to cover administrative costs.

c. All actual costs related to administration of the GreenTherm program will be accounted for in the 191.4 account. The Company will seek to manage the administrative costs to a level equal to or less than 30% of total expenditures in the 191.4 account as soon as practicable after the start of the program. The Company will provide the actual ratio of administrative costs to total program expenditures in the annual report to the Commission and will provide a specific explanation if administrative costs exceed 30% in any year.

8. The Parties agree for purposes of settlement that approval of Section 8.09, as shown in DEU Exhibit A, is just reasonable and in the public interest.

Green Attribute Purchase & Retirement Certification

9. The Parties agree for purposes of settlement that the Company will have a contract in place to purchase a sufficient supply of RNG green attributes from a producer prior to offering GreenTherm program enrollment options to customers. The Company also agrees to remove the proposed tariff clause to purchase RNG within two years of a customer's contribution, previously listed under the Special Conditions section.

10. The Parties agree for purposes of settlement that the contract referenced in Paragraph 9 will contain terms and conditions requiring the producer to certify the purchase, production, and retirement of RNG green attributes. Additionally, the Parties agree that the Company will conduct an annual audit of the purchase, production, and retirement of RNG green attributes and provide the results for each program year to the Division and the Office. The Company will provide the first such report by the end of the second quarter of 2021.

Program Promotion and Reporting

11. The Parties agree for purposes of settlement that the Company will provide program enrollment and marketing materials to the Division and the Office for review and comment prior to sending those materials to perspective participants.

12. The Parties agree for purposes of settlement that the Company will provide GreenTherm participants with a "Welcome" letter upon program enrollment. For each participant, this letter will include, at a minimum, number of blocks/therms/Dth subscribed to, cost per month and year, percentage of annual natural gas consumption that will be RNG, explanation that RNG green attributes are being purchased and instructions on how to opt out of the GreenTherm program. The Company will provide a draft of the welcome letter to the Division and the Office for review and comment prior to the Tariff effective date.

13. The Parties agree for purposes of settlement that the Company will send GreenTherm program participants an annual report detailing their individual contributions as well as the total program costs and benefits. The Company will also report annually to the Commission about the GreenTherm program. The Company's annual report to the Commission will contain details about the number of participating customers, the amount of RNG purchased, the number of RNG blocks sold, the total customer contributions, and program expenses. The Company will also provide GreenTherm program participants a link to the Company's annual report to the Commission.

Verification Standard

14. The Parties agree for purposes of settlement that, when an RNG attribute verification standard has been created and a majority of other voluntary RNG programs adopt that standard, the Company will adopt that same verification standard for tracking GreenTherm RNG green attributes. The Company will provide an update about the status of the creation and adoption of an RNG green attribute verification standard in each GreenTherm annual report to the Commission.

15. If an attribute verification standard is not adopted by a majority of utility voluntary RNG programs within three years of the effective date of Tariff section 8.09, the Company will explore options for third-party verification. The Company will provide details for third-party verification in the 2022 program year GreenTherm annual report to the Commission, to include the costs required to support such verification, and make a recommendation for a 2023 RNG green attribute verification standard.

General

16. The Parties agree that settlement of those issues in this matter is in the public interest and that the results are just and reasonable.

17. The Parties have reached a full and final resolution of those issues identified above.

18. 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.

19. Dominion Energy, the Division, and the Office will each make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. So that the record in this docket is complete, all testimony, exhibits, and attachments to the Application shall be admitted as evidence. 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, and nothing in this Settlement Stipulation shall abrogate the authority and responsibilities of the Division or the Office under Utah Code. Ann. § 54-4a-1, *et seq.*

20. 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 it shall do so in a manner consistent with its 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.

21. Except with regard to the obligations of the Parties under paragraphs 19, 20 and 21 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 any 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.

22. 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: July 9, 2019.



Christina M Faust
Dominion Energy Utah

Director Gas Supply & Commercial Support



Michele Beck
Office of Consumer Services

Director



Chris Parker
Division of Public Utilities

Director



Gary Dodge
Hatch, James & Dodge

Attorney for UAE Intervention Group

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 July 9, 2019:

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