

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION
OF DOMINION ENERGY UTAH FOR
APPROVAL OF A SPECIAL CONTRACT
WITH THE CITY OF BLANDING

Docket No. 20-057-12

**DIRECT TESTIMONY OF
AUSTIN C. SUMMERS FOR
DOMINION ENERGY UTAH**

June 22, 2020

DEU Exhibit 1.0

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Q. Please state your name and business address.

A. My name is Austin C. Summers. My business address is 333 South State Street, Salt Lake City, Utah.

Q. By whom are you employed and in what capacity?

A. I am employed by Dominion Energy Utah (“Dominion Energy,” “DEU” or “Company”) as a Manager of Regulation. I am responsible for cost allocation, rate design, gas cost adjustments, and forecasting. My qualifications are detailed in DEU Exhibit 1.01.

Q. Were your attached exhibits DEU Exhibit 1.01 through 1.05 prepared by you or under your direction?

A. Yes, unless otherwise stated. Where otherwise stated, my exhibits are true and correct copies of the documents they purport to be.

Q. What is the Company proposing in its Application in this docket?

A. The purpose of my testimony is to discuss the proposed special contract with the city of Blanding (“Blanding”) to supply Blanding with natural gas using DEU feeder line (“FL”) 98 during emergency or scheduled maintenance situations. Natural gas will be provided to Blanding pursuant to an Agreement for Municipal Transportation Service to Blanding, Utah entered into between the city of Blanding and the Company on May 21, 2020 (“Blanding Agreement”). The Blanding Agreement includes a modified version of the Municipal Transportation (MT) rate. The Blanding Agreement is attached as DEU Exhibit 1.02. I will provide evidence that this agreement is just, reasonable, and in the public interest.

Q. Please provide a brief background of natural gas service in the Monticello/Blanding area.

A. The Blanding and Monticello systems have interconnections with Williams NW pipeline at the same location as DEU’s interconnect, and they have a pipeline that runs parallel to DEU’s FL 98 lines for 12 miles. A map of these systems is shown in DEU Exhibit 1.03.

30 **Q. Has Dominion Energy previously had a contract to provide Blanding with**
31 **natural gas in the event of an emergency or during routine maintenance?**

32 A. Yes. In July of 2001, the Utah Public Service Commission (“Commission”) approved
33 Questar Gas Company’s purchase of Utah Gas Service Company (“UGSC”). Docket
34 No. 01-057-03, Report and Order, issued July 3, 2001 (“Order”). A copy of the Order
35 is attached as DEU Exhibit 1.04. As part of that purchase, Questar Gas Company
36 accepted the assignment of an agreement between UGSC and the City of Blanding.
37 A copy of this prior contract is included as DEU Exhibit 1.05. Under that contract,
38 Questar Gas Company and Blanding would provide transportation service to one
39 another during periods of emergency or scheduled maintenance. The Commission
40 found that the assignment of that contract from UGSC to Questar Gas Company was
41 just, reasonable and in the public interest. Order at ¶ 5. To the Company’s
42 knowledge, Blanding has never availed itself of this contract since that time.

43 **Q. If there is an existing contract to transport natural gas, why is the Company**
44 **proposing a new contract in this Docket?**

45 A. None of the personnel at the Company or at Blanding have any memory of either
46 party transporting pursuant to the old UGSC contract. In fact, I identified that
47 agreement during preparation for this docket. Those responsible for gas supply at
48 both the Company and in Blanding were unaware that it existed. The parties to the
49 Blanding Agreement believe that superseding that earlier agreement with the simpler
50 terms of the Blanding Agreement, was the best way to proceed. As I describe in my
51 testimony, Dominion Energy is now able to purchase supplies at the Company’s
52 meter, and no longer has a need to seek transportation service from Blanding, and
53 therefore a more complicated agreement under which Blanding provides
54 transportation service to the Company is no longer necessary.

55 **Q. How does this contract benefit Blanding?**

56 A. Both Blanding and Monticello are served off one-way feeds from the Williams NW
57 pipeline. When an area is served from a one-way feed, it can cause reliability issues
58 when maintenance or emergencies occur. Because the Blanding line and the DEU
59 line run parallel for 12 miles, the Blanding line could be taken out of service for

60 maintenance or emergencies while the DEU line is used to transport natural gas to
61 both communities.

62 **Q. What rate will be charged for transporting the natural gas?**

63 A Since Blanding is a municipality, DEU would charge the Municipal Transportation
64 (“MT”) volumetric rate, as set forth in the Company’s Utah Natural Gas Tariff No.
65 500 (“Tariff”) for any volumes that are transported. However, we expect that
66 Blanding will utilize this contract rate very infrequently, it doesn’t make sense to
67 charge Blanding for the Basic Service Fee (“BSF”) or the Administrative Charge.
68 Therefore, the contract excludes these costs.

69 **Q. What is included in the BSF paid by most customers?**

70 A. The BSF is made up of recurring fixed costs. The biggest component of the BSF is
71 the return on investment in meters, service lines, and mains. The BSF also includes
72 costs for billing, meter reading, and property taxes. These items are required to serve
73 other customers regardless of their usage each month.

74 **Q. What is included in the Administrative Charge?**

75 A. The Administrative Charge pays for costs associated with transporting natural gas,
76 such as the employees that manage gas nominations and transportation contracts. It
77 also includes costs associated with managing imbalances and maintaining telemetry
78 equipment.

79 **Q. Is it appropriate to waive these fees for Blanding?**

80 A. Yes. Use of this contract is anticipated to be very infrequent. Blanding will not be
81 using DEU plant, nominating gas, receiving a bill, or any of the other services that the
82 BSF and Administrative Charge are used for on a monthly basis with other customers.
83 Applying the principle of cost causation, since these customers are not causing any of
84 the monthly costs, they should not pay for them.

85 **Q. Is Dominion Energy going to receive a reciprocal benefit from Blanding?**

86 A. Yes, though it will be structured differently and does not need Commission approval.
87 If Dominion needs to transport natural gas on the Blanding line, it will simply buy the
88 natural gas from Blanding’s supplier and have it delivered to the meter, which is
89 located at the regulator station shown in DEU attachment 1.03. Since the gas will be

90 delivered directly to the meter, the commodity will have transportation costs included
91 in the price. No additional transportation costs will be paid to Blanding.

92 **Q. If this contract were not in place, how would maintenance and emergencies be**
93 **handled?**

94 A. In the summer of 2019, DEU did some maintenance on its line. The Company
95 brought LNG trucks to the Monticello system to maintain service while the work was
96 done. This was a costly but necessary solution to ensure reliable service during
97 maintenance activities.

98 **Q. Will additional plant be required to allow the lines to be shared?**

99 A. No. There is currently a connection between Blanding and DEU at the regulator
100 station. DEU is planning to upgrade the regulator station as part of its normal
101 maintenance in 2020 and will make very minor adjustments to the system to
102 accommodate better measurement.

103 **Q. Do both the lines have enough capacity to feed natural gas to both communities?**

104 A. If the line is being used to allow maintenance, it will likely be done in the summer
105 months when gas demand is low. If the line is being used during an emergency with
106 cold weather, paragraph 5 of the contract outlines the limitations on volumes and
107 pressures that DEU can deliver. These limits should allow Blanding customers to
108 receive natural gas in an emergency without limiting service to DEU customers in
109 Monticello.

110 **Q. Would approval of this contract be just, reasonable and in the public interest?**

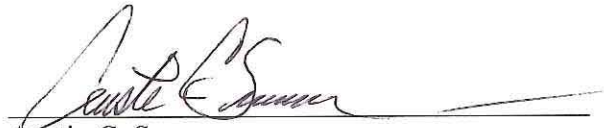
111 A. Yes. The contract simply memorializes a practical and inexpensive solution to an
112 infrequent problem. It will permit Blanding to receive MT service during
113 emergencies or maintenance work. It will not result in any additional cost to the
114 Company and will ensure that Utahns continue to receive safe and reliable service.

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


116 A. Yes.

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

I, Austin C. Summers, 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. 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.


Austin C. Summers

SUBSCRIBED AND SWORN TO this 22nd day of June, 2020.


Notary Public

