

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH TO EXTEND GAS SERVICE TO GOSHEN AND ELBERTA, UTAH	Docket No. 21-057-06
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**REDACTED DIRECT TESTIMONY OF AUSTIN C. SUMMERS
FOR DOMINION ENERGY UTAH**

April 5, 2021

DEU REDACTED Exhibit 1.0

TABLE OF CONTENTS

I. INTRODUCTION.....1

II. RURAL EXPANSION EVIDENTIARY REQUIREMENTS.....2

III. SELECTION OF THE COMMUNITIES AS AN EXPANSION AREA4

IV. CUSTOMER PARTICIPATION.....7

V. COST RECOVERY FOR THE PROJECT.....10

VI. REVENUE REQUIREMENT IMPACT.....12

VII. OTHER INFORMATION14

A. Financial Capability14

B. Gas Supply14

C. Timing Limits of Expansion Program.....14

D. Resources Available to Help Customers.....15

E. Benefits to Customers.....16

F. Certificate of Public Convenience and Necessity.....17

I. INTRODUCTION

1
2
3
4
5
6
7
8
9
10
11
12
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Q. Please state your name and business address.

A. Austin C. Summers, 333 South State Street, Salt Lake City, Utah 84111.

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 1.12 prepared by you or under your direction?

A. Yes, unless 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 Company seeks Utah Public Service Commission (“Commission”) approval to expand its system to serve the currently-unserved communities of Goshen and Elberta, Utah (“Communities”), as permitted by Utah Code Ann. § 54-17-401 *et seq.* The Company proposes to construct approximately 4.5 miles of HP main passing through the community of Elberta and terminating in the town of Goshen, as well as district regulator stations in Elberta and Goshen. The Company also proposes to construct approximately 12,450 feet of IHP mains and 3,785 feet of IHP service lines in Elberta, and approximately 42,750 feet of IHP mains and 19,605 feet of IHP service lines in Goshen. I will refer to the proposed expansion project throughout my testimony as the “Expansion Project”.

Q. What general areas does your testimony address?

A. I discuss several matters including (1) how the Company’s filing satisfies the statutory requirements of Utah Code Ann. §§ 54-17-401, 402, and 403; (2) the selection process that resulted in the Company selecting the Communities as an expansion area; (3) the

29 revenue requirement impacts of expansion to the Communities; (4) the anticipated
30 customer participation; (5) the Company's proposed cost recovery for the Expansion
31 Project; and (6) gas supply and other miscellaneous items.

32 **Q. Please introduce the other witnesses for the Company in this Docket.**

33 A. Michael L. Gill, DEU Director of Engineering, is responsible for managing the
34 Company's Engineering Department with primary responsibility for the design,
35 construction, and mapping of the capital infrastructure projects for the Company's HP
36 and IHP distribution systems. Mr. Gill describes the HP and IHP systems that are
37 proposed to be constructed to serve the Communities as part of the Expansion Project
38 and the construction timeline. Mr. Gill also discusses the costs associated with the
39 construction of the planned facilities. Mr. Gill's testimony and supporting materials
40 are contained in DEU Exhibits 2.0 through 2.14

41 Jeff Bybee, Manager of Regional Operations in Wyoming, is responsible for managing
42 the Company's operations in Wyoming and Summit County in Utah. Mr. Bybee
43 describes the process of converting homes from propane to natural gas and discusses
44 the benefits of natural gas over other fuel sources. Mr. Bybee's testimony is contained
45 in DEU Exhibit 3.0.

46 Steven Staheli is the Mayor of Goshen and was the key contact in Goshen for the
47 Expansion Project. His testimony addresses the community support for the Expansion
48 Project and the benefits that a natural gas system will bring residents and businesses of
49 the Communities. Mayor Staheli's testimony is contained in DEU Exhibit 4.0.

50 **II. RURAL EXPANSION EVIDENTIARY REQUIREMENTS**

51 **Q. Please describe the requirements for a Voluntary Resource Decision application**
52 **for a Rural Gas Infrastructure Development Project.**

53 A. The Company seeks the Commission's pre-approval for the construction of the
54 Expansion Project pursuant to the Voluntary Resource Decision Statute, Utah Code
55 Ann. §54-17-401 *et seq.*, and applicable Commission rules and regulations. In
56 reviewing an application for a Voluntary Resource Decision relating to a rural natural

57 gas infrastructure development project, the Commission assesses whether approval is
58 in the public interest, taking into consideration: (i) the potential benefits to previously
59 unserved rural areas; (ii) the potential number of new customers; (iii) natural gas
60 consumption; and (iv) revenues, costs, and other factors determined by the commission
61 to be relevant. *See* Utah Code Ann. § 54-17-402(3)(b)(ii).

62 Additionally, a request for approval of a rural natural gas infrastructure development
63 project like the one proposed in this docket must include “(i) a description of the
64 proposed rural gas infrastructure development project; (ii) an explanation of the
65 projected benefits from the proposed rural gas infrastructure development project; (iii)
66 the estimated costs of the rural gas infrastructure development project; and (iv) any
67 other information the commission requires.” Utah Code Ann. § 54-17-402(2)(c).

68 **Q. What are the filing requirements for approval of a Voluntary Resource Decision?**

69 A. Utah Admin. Code § R746-440-1 provides the filing requirements for a Voluntary
70 Resource Decision application. These requirements include: (a) a description of the
71 resource decision; (b) information to demonstrate that the utility has complied with
72 applicable requirements; (c) the purpose and reasons for the resource decision; (d)
73 projected costs and engineering studies, data, information and models used in the
74 utility’s analysis; (e) descriptions and comparisons of other resources or alternatives
75 evaluated in lieu of the proposed resource decision; (f) sufficient data and information
76 to support the proposed resource decision; (g) an analysis of the estimated effect on the
77 utility’s revenue requirement; (h) financial information demonstrating adequate
78 financial capability to implement the resource decision; (i) major contracts proposed
79 for execution or use in connection with the resource decision; (j) information showing
80 that the utility has or will obtain any required authorizations from the appropriate
81 governmental bodies; and (k) other information as the Commission may require.

82 **Q. Has the Company provided evidence relating to each of these requirements?**

83 A. Yes. I have attached as DEU Exhibit 1.02 a summary of the requirements of applicable
84 statutes and regulations and identified where in the Application and accompanying
85 testimony and exhibits the Company has provided evidence satisfying each
86 requirement.

87 As DEU Exhibit 1.02 shows, the Company has addressed each of these requirements
88 in its direct testimony and accompanying exhibits. The Application in this matter,
89 along with my direct testimony and the direct testimony of Mr. Gill, Mr. Bybee, and
90 Mayor Staheli, provide the evidence required to show that approval of the Expansion
91 Project to the Communities is just, reasonable, and in the public interest.

92 **III. SELECTION OF THE COMMUNITIES AS AN EXPANSION AREA**
93

94 **Q. Please explain the process that was used to select the Communities as an area for**
95 **natural gas service expansion.**

96 A. Rural communities in Utah have been working with the Company to find ways to bring
97 natural gas service to currently-unserved communities for years. Unfortunately, the
98 costs associated with extending the Company's system to these communities was such
99 that individual communities could not bear the burden of paying for the facilities on
100 their own. The communities were too small and the costs too great to permit those
101 extensions to occur. However, in 2018, the Utah State Legislature amended existing
102 law to allow gas service to be extended to these rural areas by having all customers
103 share the costs associated with the system expansion. In other words, the Legislature
104 recognized that it could help rural communities meet the cost of gas expansion by
105 spreading the cost over the Company's one-million-plus customers where doing so was
106 determined to be in the public interest. The bill, House Bill 422 (HB422), has paved
107 the way for those expansions to occur.

108 After the Legislature passed HB 422, the Company assembled a team to discuss the
109 best approach for identifying communities for potential natural gas service under the
110 new statute. That team determined that, for each community, the Company would need
111 to compile and obtain information from the candidate communities in order to conduct
112 its analysis and to make a recommendation about which projects would satisfy the legal
113 requirements and be just, reasonable and in the public interest.

114 **Q. How did the Company obtain information from candidate communities?**

115 A. The Company began the process by sending questionnaires to Dugway, Eureka, Garden
116 City, Genola, Goshen, Green River, Kanab, Rockville, Springdale, and Virgin. The
117 Company originally received responses from Eureka, Green River, Kanab, Rockville,
118 and Springdale. While the Company was in the process of seeking regulatory approval
119 to extend natural gas to Eureka in Docket No. 19-057-32, Goshen and Elberta submitted
120 questionnaires expressing interest in receiving natural gas service. Stockton expressed
121 interest and Genola submitted a questionnaire.

122 **Q. What information did the Company seek?**

123 A. A copy of the community questionnaires filled out by Goshen and Elberta are attached
124 as DEU Exhibit 1.03 and DEU Exhibit 1.04, respectively. The questionnaires were
125 given to local government officials who gathered information specific to the
126 community such as the number of potential customers, growth forecasts for the next 5
127 – 20 years, how natural gas could be helpful to the community and its growth plans,
128 and when the community would want natural gas service.

129 **Q. How did the Company utilize the information that the communities provided?**

130 A. The Company used the responses from the communities as well as its own internal
131 analysis to determine which potential projects best met the statutory requirements and
132 would be just, reasonable and in the public interest. The Company considered such
133 factors as proximity to the existing system, transit times for Company personnel to
134 reach the area, additional employees that might be needed to serve the area, any risks
135 that might slow or halt the project, community interest and support, and cost. The
136 Company developed a matrix to summarize all qualitative and quantitative information
137 that was considered in this process. The Company used the results to prioritize, among
138 those communities that wanted gas service, the communities that could reasonably be
139 served through a natural gas expansion project. The matrix is attached as Confidential
140 DEU Exhibit 1.05.

141 **Q. Did the Company rank the communities shown in Confidential Exhibit 1.05?**

142 A. No. The matrix simply summarizes information that the Company considered.

143 **Q. Why did the Company choose to advance natural gas service to Goshen and**
144 **Elberta?**

145 A. Several factors contributed to the selection of these Communities as a rural area for
146 system expansion now. First, the Communities want gas service. Second, service to
147 the Communities is the lowest-cost project of any of the options. Third, the
148 Communities can also be easily served by existing personnel in the Company's
149 Springville office and are in Utah County, which is currently growing and expected to
150 continue to grow over the coming decades. Fourth, the main line extension currently
151 being built to serve Eureka increases the feasibility of extending service to the
152 Communities, and beyond.

153 **Q. Did the Company prepare a cost-benefit analysis to determine if expanding to the**
154 **Communities is economic?**

155 A. No. The Company is not required to do a cost-benefit analysis for rural expansion
156 projects. As I discussed above, some rural communities have been unable to receive
157 natural gas service because the costs were too high for the communities to bear on their
158 own. The Utah legislature expressly passed HB422 in order to overcome these cost
159 barriers, and to get natural gas service to rural communities that would otherwise go
160 without service. While the Company is required to show that there are benefits to the
161 rural expansion, it is not required to conduct a cost-benefit analysis or show that the
162 economic value of the benefits outweighs the cost of the project.

163 The Utah Public Service Commission ("PSC") addressed this issue in its Order dated
164 August 27,2020 in Docket No. 19-057-31, the docket addressing the Company's
165 expansion to Eureka, Utah. It said:

166 We do not interpret either Utah Code Ann. § 54-17-
167 402(3)(b)(ii) or Utah Admin. Code R746-440-1 as requiring
168 a cost benefit analysis in this Docket. While all other project
169 acquisitions under the Voluntary Resource Decision Act
170 must demonstrate that the acquisition will most likely result
171 in the lowest reasonable cost project for customers as set
172 forth in Utah Code Ann. § 54-17-402(3)(b)(i)(A), a rural
173 infrastructure development is not subject to the same
174 showing. The public interest inquiry for rural gas
175 infrastructure developments is unique and includes

176 consideration of entirely different factors. Whereas we
177 acknowledge that a cost benefit analysis would be useful in
178 the public interest determination applicable to project
179 acquisitions requiring a showing of “lowest reasonable
180 costs,” it is not as useful (nor is it required) for a rural gas
181 infrastructure development like the Eureka Rural Expansion
182 Project. Accordingly, we conclude DEU provided
183 information that both is sufficiently reliable and
184 appropriately satisfies the requirements in our applicable
185 statutes and rules

186 **Q. If the Company began conducting its analysis for expansion communities in 2018,**
187 **why didn’t it discuss its plans to extend its system to the Communities in its 2020-**
188 **2021 Integrated Resource Plan (“2020-2021 IRP”)?**

189 A. At the time the 2020-2021 IRP was filed, the Company was still conducting analysis
190 regarding all of the candidate communities to determine which could best be served.
191 In the 2020-2021 IRP, the Company said it would provide updates about its analysis of
192 future rural expansion projects. The Company made its decision to file this Application
193 seeking approval to serve the Communities after the Company filed the first quarter
194 variance report. As such, the Company discussed the selection of the Communities in
195 its second quarter variance report, which was filed on February 22, 2021.

196 **IV. CUSTOMER PARTICIPATION**

197 **Q. How many potential customers are there in the Communities?**

198 A. In their survey responses, DEU Exhibits 1.03 and 1.04, the Communities indicated
199 there were potentially 340 customers. As discussed by Mr. Gill, the Company’s due
200 diligence showed potentially 317 residential and commercial customers in Goshen.
201 The proposed Elberta system could serve 62 residential and commercial customers.

202 **Q. How did the Company determine if these potential customers would have any**
203 **interest in receiving gas?**

204 A. The Company held virtual open houses on February 16 and February 18, 2021. During
205 these meetings, residents had the opportunity to speak with Company representatives
206 from the Operations, Engineering, Regulatory, Key Accounts, Pre-Construction, and
207 Customer Experience departments. During the open houses, visitors were asked to fill

208 out an online survey that gathered information about their home/business, what
209 appliances they have, what their current source of energy is for certain appliances, and
210 whether they would be interested in receiving natural gas service. A copy of the survey
211 is attached as DEU Exhibit 1.06. The Company recorded the open house from February
212 16th, and it can be viewed at: <https://vimeo.com/515280918/e04428c8da>.

213 **Q. Did the Company utilize other methods to reach out to the Communities to**
214 **determine interest?**

215 A. Yes. Due to restrictions imposed by the current COVID-19 pandemic, the Company
216 utilized the virtual open houses and the online survey to determine interest.
217 Unfortunately, Company personnel were not able to communicate with residents face-
218 to-face. The online survey was the best way to get input from the community, so a lot
219 of emphasis was placed on asking residents to answer the survey. The survey was also
220 advertised on Goshen's Facebook page, and on fliers at the Goshen and Elberta post
221 offices, and the Goshen city offices. The Company also sent personnel to the
222 Communities on March 3 to distribute flyers to each home or business, inviting
223 potential customers to take the survey. The flier that was left is attached as DEU
224 Exhibit 1.07. Ultimately, surveys were received from 207 of the potential 379 potential
225 customers.

226 **Q. Is the Company satisfied with the number of surveys it received?**

227 A. Yes. While the Company would ideally like to hear from all of the residents of the
228 Communities, it is very pleased with the response rate it received, given the current
229 circumstances. The COVID-19 pandemic has changed the way we all go about our
230 lives, and it also limited the methods the Company was able to use to reach out to the
231 people in the Communities. For example, when the Company surveyed the Eureka
232 community, it was able to meet with potential customers face to face at open house
233 meetings and at their doorsteps while canvassing. This approach was simply not
234 possible during the pandemic. The Company utilized alternate methods that, while not
235 ideal, were effective. Of those who did respond, 87% are interested in receiving natural
236 gas service.

237 **Q. What information did the Company provide to prospective customers to help**
238 **them evaluate natural gas service?**

239 A. The open houses had slides that provided information about natural gas, Dominion
240 Energy, and the Expansion Project. These slides are attached as DEU Exhibit 1.08. In
241 addition, as I mentioned above, the virtual open houses were recorded and are available
242 for residents to view at their convenience. All of this information was available to
243 residents on the Company's rural expansion website
244 (www.DominionEnergy.com/UtahRuralExpansion)

245 **Q. What did the surveys show?**

246 A. A summary of the survey results is attached as DEU Exhibit 1.09. This exhibit shows
247 that, of the homes and business surveyed, 87% have expressed interest in signing up
248 for natural gas service, with 7% stating that they are undecided. Only 6% of the
249 respondents said they were not interested in natural gas. This high level of interest
250 exists largely because of the cost and inconvenience of the existing energy sources
251 available in the Communities. While the survey data shows the percentage of
252 customers using a certain source of energy, I found their responses to question #12 on
253 the survey to be the most informative measure of why they would want natural gas.
254 That question asked, "What do you see as the benefits of having natural gas in Goshen
255 or Elberta?" Below, I have listed several comments that were written by Goshen and
256 Elberta residents.

257 "Cost to heat my home would lower. No more running out of propane because
258 someone forgot to check the gauge."

259 "Better price for heating and it will make my home value increase."

260 "Propane is a hassle to schedule and receive. The propane tank take up a lot of
261 space and getting rid of it would be nice."

262 "Reliable, cheap fuel option to heat and cook with."

263 "Winter propane cost per gallon is outrageous in Goshen! We had natural gas in
264 So. Utah and the cost was significantly lower!"

265 “Continual Service, Reduced Cost, Remove danger of propane tank, improved
266 aesthetics (no tank)”

267 “Not having to regularly schedule Propane delivery”

268 **Q. Did any customers indicate that they did not have interest in natural gas service?**

269 A. Yes. There were 12 respondents (6%) that indicated they were not interested. Only
270 one of the 12 respondents commented on why they would not be interested. That reason
271 was cost related. The other respondents did not say why they were not interested.

272 **Q. Does the Company consider all of the positive responses to be firm commitments
273 to sign up for service?**

274 A. No. If the Commission approves this Application, the Company still intends to reach
275 out to all of the prospective customers to discuss costs, appliances, construction
276 schedule, and other aspects of the expansion. The Company will obtain firm
277 commitments from customers during that process.

278 **V. COST RECOVERY FOR THE PROJECT**

279 **Q. Mr. Gill discusses the capital costs associated with the infrastructure for the
280 Expansion Project to serve the Communities. How does the Company propose to
281 recover those costs?**

282 A. The Company proposes to treat the costs associated with the Goshen/Elberta expansion
283 the same way it treated costs associated with the Eureka expansion. Specifically, the
284 Company proposes that the construction costs of the main and service lines be included
285 in the Rural Expansion Rate Adjustment Tracker that was approved in Docket No. 19-
286 057-31, the proceeding relating to the expansion to the town of Eureka, Utah. This
287 program is set forth in Section 9.02 of the Company’s Utah Natural Gas Tariff No. 500
288 (Tariff). When construction is complete, the Company will file an application with the
289 Commission requesting rate recovery of the investment made to serve the
290 Communities.

291 **Q. Could the Company include the costs of rural expansion in its 2022 general rate**
292 **case rather than using a tracker mechanism?**

293 A. The bulk of construction will happen in 2022, but there may be some service lines and
294 meters that will not be completed during the test period. The ongoing nature of the
295 expansion projects makes a tracker the best mechanism for recovering the costs of
296 construction.

297 **Q. Is the Company proposing any changes to the Tariff sheets in Section 9.02 that**
298 **describe the rural expansion rate adjustment mechanism?**

299 A. No. The Tariff provisions were established in Docket No. 19-057-31 and no changes
300 are necessary or proposed at this time.

301 **Q. Have you calculated the rates that will be charged to existing customers?**

302 A. Yes. Using the cost estimates provided by Mr. Gill, I have calculated illustrative rates
303 that would be charged to existing customers, including those in the Communities.
304 These illustrative rates are calculated in DEU Confidential Exhibit 1.10 page 3. The
305 actual rates will not change until construction is completed and the Company files an
306 application to include the investment in the Rural Expansion Rate Adjustment.

307 **Q. Have you calculated the effect of these changes on a typical customer bill?**

308 A. Yes. Using these illustrative rates, a typical customer using 80 Dth of gas each year
309 would see an annual increase of \$1.08 or about 0.16% as shown on DEU Confidential
310 Exhibit 1.10, page 4.

311 **Q. What costs is the Company proposing to include in the Expansion Project?**

312 A. Commission Rule 54-17-401(1)(c) defines Rural Gas Infrastructure as “The planning,
313 development, and construction of an extension or expansion of natural gas utility
314 facilities to serve previously unserved rural areas of the state.” Therefore, in this
315 docket, the Company seeks Commission approval to construct main lines
316 (interconnects, regulator stations, high-pressure main lines, and intermediate high-
317 pressure main lines), as well as service lines, and to recover the associated costs through
318 the tracker mechanism described in Section 9.02 of the Tariff.

319 **Q. Will the customers in Goshen and Elberta incur costs in order to receive natural**
320 **gas service?**

321 A. Yes. As Mr. Bybee explains in his pre-filed direct testimony, some customers may
322 need to have internal fuel lines replaced. Some may need to modify or replace
323 appliances. Some may need to modify plumbing or duct work in order to safely operate
324 the appliances. These costs will be the responsibility of the customer and will vary
325 from home to home, or business to business.

326 **VI. REVENUE REQUIREMENT IMPACT**

327 **Q. Commission Rule R746-440-1(g) requires that the Company perform an analysis**
328 **of the estimated effect that a resource decision will have on the utility's revenue**
329 **requirement. Has the Company performed such an analysis?**

330 A. Yes. A detailed revenue requirement calculation is shown in DEU Confidential Exhibit
331 1.11, which is attached to my testimony.

332 **Q. Why does this analysis need to be performed in a Rural Gas Infrastructure**
333 **Development Application?**

334 A. The analysis needs to be performed to ensure that the Company's revenue requirement
335 does not increase beyond the level permitted by statute as a result of making the
336 required capital expenditures. Utah Code § 54-17-403(1)(c) provides that Rural Gas
337 Infrastructure Development costs may be included in base rates if two conditions are
338 met. First, the inclusion of those costs will not increase the base distribution non-gas
339 revenue requirement by more than 2% in any three-year period. Second, the
340 distribution non-gas revenue requirement increase related to the infrastructure
341 development costs does not exceed 5% in the aggregate. The applicable distribution
342 non-gas revenue requirement is the annual revenue requirement determined in the
343 Company's most recent general rate case.

344 **Q. Does the capital spending in the Communities keep the change in revenue**
345 **requirement below the cap?**

346 A. Yes. The distribution non-gas revenue requirement approved in Docket No. 19-057-
347 02 is \$391,436,970. Two percent of this amount is \$7,828,739, which is therefore the
348 dollar limit of revenue requirement increase permitted in any three-year period. The
349 2% or \$7.8 million of revenue requirement corresponds to about \$69.5 million of
350 capital spend. The \$69.5 million is, therefore, the amount the statute would permit the
351 company to spend over the course of three years. The 5% aggregate cap is calculated
352 to be \$173.8 million as a result of the most recent general rate case.

353 In addition to building the system to serve the Communities, the Company is also
354 building the system to serve Eureka, which will also affect the cap. DEU Confidential
355 Exhibit 1.11 was used to calculate the increased revenue requirement using the
356 combined construction estimates from both projects. Constructing the systems for
357 Goshen and Elberta, combined with the Eureka project, would increase revenue by
358 \$█ million, which is well under the 2% and 5% statutory caps.

359 **Q. Have you forecast the revenue that will be provided by the Goshen and Elberta**
360 **customers, per Utah Code Ann. § 54-17-402(3)(b)(ii)(D)?**

361 A. Yes. I anticipate that the existing Goshen and Elberta residents and businesses will be
362 GS customers and will provide the same CET revenue as other customers in the state.
363 At current Tariff rates, that revenue is \$314.34 per year, per customer. Assuming all
364 of the 379 potential customers sign up for service, this would provide annual revenue
365 of \$119,135. If a lesser amount of customers were to sign up for service, the annual
366 revenue would be reduced by \$314.34 per customer.

367

VII. OTHER INFORMATION

368

A. *Financial Capability*

369 **Q. Commission Rule R746-440-1(h) requires that the Company provide financial**
370 **information demonstrating adequate financial capability to implement the**
371 **Resource decision. Does the Company have this financial capability?**

372 A. Yes. While the Expansion Project will be a considerable investment, it is
373 comparatively small when compared to the \$3.2 billion in assets that the Company
374 currently has on its balance sheet. The Company is financially capable of
375 implementing the expansion of its system to the Communities. Additionally, using the
376 tracker mechanism eliminates regulatory lag and ensures that the Company is receiving
377 cost recovery on a reasonable basis.

378

B. *Gas Supply*

379 **Q. Will Dominion Energy need to enter into new gas supply or transportation**
380 **contracts to supply Goshen and Elberta with gas?**

381 A. No. The Communities will be supplied by the same transportation contracts that the
382 Company currently has in place. Though the Company may need to increase
383 commodity purchases to serve Goshen and Elberta, there is no need for new or
384 additional contracts due to the relatively small size of the communities.

385

C. *Timing Limits of Expansion Program*

386 **Q. How long will the benefits of this expansion be available to new customers?**

387 A. The main lines described in Mr. Gill's pre-filed direct testimony will be installed as
388 part of the expansion program. These main lines will be ready for any currently-
389 anticipated customer to use. Any future main lines will be installed and paid for
390 pursuant to Section 9.03 of the Tariff.

391 The timing limits for service lines will be treated according to Section 9.02 of the Tariff
392 under the heading, "Service Lines in Rural Expansion Areas." Specifically, that section
393 states:

394 Where the Commission approves inclusion of service line costs in
395 the Rural Expansion Infrastructure Tracker, customers who qualify
396 for a no-charge service line must enter into a contract for installation
397 of that service line within two years of the completion of main lines
398 to the subject community. The contract will specify the service line
399 costs and will provide that if the customer has not commenced
400 taking natural gas service either (1) within two years of the
401 completion of the main lines to the community, or (2) within two
402 years of the execution date of the service line agreement, whichever
403 later occurs, then the customer must repay the Company for the
404 specified service line costs.

405 ***D. Resources Available to Help Customers***

406 **Q. What resources are available to help customers convert their appliances or get**
407 **their homes ready for natural gas?**

408 A. There are two programs that are available for these residents. The Housing Authority
409 of Utah County offers a home rehab program that assists households that would like to
410 switch a furnace to natural gas or do any other home repair by offering low-interest
411 loans. These loans have an interest rate between 0-3%, depending on the annual
412 income level.

413 Additionally, the Mountainland Association of Governments offers a weatherization
414 program that makes homes more energy-efficient. Changing out an old furnace is one
415 of the items this program can address, but based on the results of an energy audit,
416 additional work could be completed. This program can assist households that are at or
417 below 200% of the poverty level. Income is verified through the HEAT program.

418 **Q. Does Dominion Energy offer any programs that could help customers with new**
419 **appliances?**

420 A. Yes. The Company's Thermwise™ program offers rebates on qualifying high-
421 efficiency appliances. These rebates could be used by Goshen and Elberta customers
422 to obtain new furnaces and water heaters. In addition to appliance rebates, the
423 Thermwise programs also offer a Home Energy Plan, Weatherization Rebates, and a
424 Low-Income Efficiency Program.

425 *E. Benefits to Customers*

426 **Q. How do the customers in the Communities stand to benefit from this system**
427 **expansion?**

428 A. The residents in Goshen and Elberta will benefit significantly from the proposed system
429 expansion. Bringing natural gas to the Communities will reduce energy costs for many
430 of the residents who take natural gas service, and will provide cost stability and
431 predictability, making budgeting easier for those customers, especially those on fixed
432 incomes. The Commission's oversight of natural gas costs will ensure that the rates
433 these residents pay is just and reasonable, rather than paying for propane and other fuel
434 sources with prices that fluctuate in an unregulated market.

435 These customers will also benefit from future economic growth. The Communities
436 will be better able to compete for future economic development opportunities once
437 natural gas service becomes available there.

438 **Q. Would customers who use natural gas in the Communities save money?**

439 A. Yes, I believe they would. It's true that there is a cost to convert appliances to natural
440 gas and that will remove some savings. However, the investment in natural gas is a
441 long-term investment and, when compared to other sources of energy, natural gas offers
442 significant savings. DEU Exhibit 1.12 compares the costs a customer would expect to
443 pay to use propane or electricity, compared to natural gas. Column E, row 2 shows that
444 a customer switching from propane to natural gas could save nearly \$800 each year.

445 **Q. What assumptions did you use to calculate the expected usage and pricing in DEU**
446 **Exhibit 1.12?**

447 A. For natural gas, the Company used 80 Dth per year, which is the amount of natural gas
448 the Company uses to calculate a typical customer bill. I used the Company's currently
449 effective rates to show an estimated annual cost of \$669.18.

450 Column A, row 1 of DEU Exhibit 1.12 shows that 873 gallons of propane would be
451 used. This 873 gallons of propane would provide the same energy as 80 Dth of natural
452 gas. The price for propane came from the U.S. Energy Information Administration

453 (“EIA”)¹. The lowest price recorded since January 2020 was \$1.56/gallon, which was
454 used in the calculation as a conservative estimate. The highest price in that same period
455 was \$2.12/gallon in March 2021. Using this higher, more recent cost would increase
456 savings for natural gas users. Column C, row 1 shows an estimated delivery/tank rental
457 fee of \$100. This cost will be different for each customer but it is included as a
458 conservative estimate.

459 *F. Certificate of Public Convenience and Necessity*

460 **Q. Is the Company requesting a Certificate of Public Convenience and Necessity**
461 **(“CPCN”) to serve in Goshen and Elberta?**

462 A. No. Utah Code Ann. § 54-4-25(2)(b) provides that a CPCN is not necessary for an
463 extension “into territory, either within or without a city or town, contiguous to its line,
464 plant, or system that is not served by a public utility of like character. . . .” The
465 Communities are contiguous to the line the Company is currently constructing to serve
466 Eureka, Utah and the Communities are not served by any other public utility of like
467 character. Because the Company will be connecting to its existing main system and
468 will be serving customers in Utah County, near its existing system, a CPCN isn’t
469 necessary.

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

471 A. Yes.

¹ https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W_EPLLPA_PRS_SUT_DPG&f=W

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 5th day of April, 2021.

Notary Public