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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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FORMAL COMPLAINT OF CHARLES  
WADDELL AGAINST DOMINION  
ENERGY UTAH

Docket No. 21-057-15  
**DOMINION ENERGY UTAH'S  
WRITTEN RESPONSE TO  
COMPLAINT**

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Pursuant to the Utah Public Service Commission's (Commission) Notice of Filing and Comment Period issued on July 14, 2021 in this docket, Questar Gas Company dba Dominion Energy Utah (Dominion Energy) respectfully submits this written response.

**INTRODUCTION**

On July 13, 2021, Charles Waddell submitted a formal complaint with the Commission. Mr. Waddell asserts that Dominion Energy initially estimated the cost of installation of its facilities to be \$13,000 and that later, after Mr. Waddell had spoken to neighbors about sharing those costs, provided him with an updated estimate of \$21,017. Mr. Waddell requests that the Commission require Dominion Energy to coordinate with others in

Mr. Waddell's neighborhood and encourage them to pay a portion of the extension cost.

Dominion Energy responds as follows:

### **BACKGROUND**

On October 29, 2020, Dominion Energy provided Mr. Waddell with a draft Main Extension Agreement that estimated that the cost of installing the mainline would be \$12,332.70. A copy of the October 29, 2020 Main Extension Agreement is attached hereto as DEU Exhibit A.

In late 2020, Dominion Energy conducted a competitive bidding process in all of its construction zones. Dominion Energy conducts a competitive bidding process about every three (3) years to ensure that costs related to the installation of its facilities are competitive and fair. Dominion Energy's last bid process occurred in 2017, and the bids in 2020 reflected an increase in costs in all of Dominion Energy's construction zones. Dominion Energy entered into contracts with the successful bidders, and the new costs became effective on January 1, 2021.

On March 3, 2021, Dominion Energy provided Mr. Waddell with a new Main Extension Agreement with updated costs of \$21,017.00, reflecting the new costs of construction as a result of the new bid prices. A copy of the March 3, 2021 Main Extension Agreement is attached hereto as DEU Exhibit B.

### **DISCUSSION**

Dominion Energy's Utah Natural Gas Tariff No. 500 (Tariff) provides that "[a]n applicant must pay an up-front case contribution in aid of construction in advance of extension of IHP main. The cash contribution will be equal to the sum of the Main Extension

costs for extending a main as defined below.” Tariff at § 9.03. Those costs include “pipe; trenching; asphalt and cement cuts; asphalt and cement replacement; fill and compaction; permit fees” and other construction-related costs. *Id.* Those costs and are “due and payable prior to commencement of construction.” *Id.*

The estimates Dominion Energy provided to Mr. Waddell reflect only those estimated costs associated with the requested main extension. Because Dominion Energy conducted a bidding process for construction contractors after the October, 2020 Main Extension Agreement, and because the contracts with successful bidders became effective on January 1, 2021, the costs reflected in the March, 2021 Main Extension Agreement were higher than the prior estimate.

Dominion Energy has not arbitrarily increased costs. It is simply proposing to charge Mr. Waddell the actual costs associated with the main extension, in accordance with the Tariff. DEU Confidential Exhibit C is a Main Extension Application that provides detail associated with the cost estimates appearing in the March, 2021 Main Extension Agreement. As shown in DEU Confidential Exhibit C, Dominion Energy’s cost estimate only includes costs expected to be incurred in the course of construction—those costs considered “Main Extension” costs in Section 9.03 of the Tariff. Dominion Energy’s cost estimate is appropriate and consistent with the Tariff.

Dominion Energy appreciates Mr. Waddell’s efforts to encourage his neighbors to share these costs. However, it is not required by statute, rule, regulation or Tariff provision to independently take any such efforts on Mr. Waddell’s behalf, or any other similarly situated customer. Dominion Energy declines to do so and should not be compelled to do so.

Dominion Energy has at all times acted in accordance with all applicable statutes, rules, regulations and Tariff provisions and, therefore, Dominion Energy respectfully requests that Mr. Waddell's complaint be denied.

RESPECTFULLY SUBMITTED this 12<sup>th</sup> day of August, 2021.

DOMINION ENERGY UTAH

/s/ Jenniffer N. Clark  
Jenniffer Nelson Clark  
*Attorney for Dominion Energy Utah*

## CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of **DOMINION ENERGY UTAH'S WRITTEN RESPONSE TO COMPLAINT** was served upon the following persons by e-mail on August 12, 2021:

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