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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Dominion Energy of Utah's Integrated Resource Plan (IRP) for Plan Year: June 1, 2017 to May 31, 2018	Docket No. 17-057-12
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**UAE'S REPLY COMMENTS REGARDING DOMINION ENERGY
OF UTAH'S 2017-2018 INTEGRATED RESOURCE PLAN**

Intervenor Utah Association of Energy Users ("UAE") files these comments in reply to comments filed herein by the Division of Public Utilities ("Division") and the Office of Consumer Services ("Office") regarding the 2017-2018 Integrated Resource Plan ("IRP") filed by Dominion Energy Utah ("Dominion") in this docket.

UAE members purchase most of their natural gas supplies from market participants rather than Dominion. UAE has typically not participated actively in natural gas IRP proceedings in the past, given that the IRPs tend to focus primarily on issues of limited relevance to transportation customers. However, in this docket Dominion is seeking acknowledgment of an IRP that includes a short section addressing peak hour demands, including its plan to acquire an

expensive liquefied natural gas (“LNG”) storage facility that is apparently intended, at least in part, to address what Dominion claims are peak hour demand problems.

UAE, like the Division and the Office, resisted Dominion’s efforts in Docket 17-057-09 to collect from transportation customers the costs of a peak hour product purchased from Kern River Pipeline that has not been shown to be necessary or economical. In the context of that docket, UAE also became aware that Dominion was considering acquisition of the LNG storage facility to address claimed peak hour problems. Indeed, Dominion chastised parties in that docket for resisting its proposed solution to the alleged peak hour problems because they had not voiced their opposition during pre-filing IRP meetings.¹ As a result of information learned in Docket 17-057-09, UAE recently intervened in this IRP docket.

UAE was not an active participant in pre-filing IRP processes or meetings and did not know that Dominion was purportedly relying upon presentations made in that process to justify its proposed solutions to claimed peak hour problems. Indeed, UAE was precluded from participating in confidential portions of the pre-filing proceedings.² Thus, UAE could not reasonably have been expected to voice its concerns regarding Dominion’s proposed solutions to claimed, but yet-to-be-demonstrated, “problems” of peak hour usage.

The Division’s initial comments in this docket suggest that the IRP should be acknowledged, but without a guarantee of favorable ratemaking treatment for future resource

¹ See Rebuttal Testimony of Kelly B. Mendenhall, DEU Exhibit 1.0R, Docket No. 17-057-09, Page 2, lines 37-46.

² See Surrebuttal Testimony of Gavin Mangelson, OCS Exhibit 2S, Docket No. 17-057-09, Page 3, lines 51-60.

acquisitions.³ The DPU comments address peak hour issues, but do not purport to support Dominion's plans to proceed with an LNG storage facility.⁴

The Office's initial comments in this docket note that Dominion appears to take a different view than does the Office of the significance of information presented in IRP meetings.⁵ The Office concludes that the IRP fails to sufficiently comply with the Commission's IRP guidelines to justify an LNG storage facility, and asks the Commission not to acknowledge the IRP or, at a minimum, not to acknowledge any aspects of the IRP dealing with peak hour solutions generally, or the proposed LNG storage plant specifically.⁶ The Office comments also note that Dominion has not done an adequate job of informing the public of the import or intentions of its IRP process.⁷

UAE strongly supports the Office's initial comments and urges the Commission not to acknowledge any aspect of Dominion's IRP that purports to address or justify alleged peak hour issues or proposed solutions. UAE asks the Commission to ensure that its IRP order cannot be deemed in any manner to approve or justify an expensive LNG storage facility, particularly given that no technical, economical or other justifications for the same have been provided by Dominion.

In addition, UAE agrees with the Office that Dominion should be instructed to better notify and involve its customers, including transportation customer representatives, when issues

³ See Division's Action Request Response, August 31, 2017, at 1.

⁴ *Id.* at 14-15.

⁵ See Office's initial comments, August 31, 2017, at 7-8.

⁶ *Id.* at 8-9.

⁷ *Id.* at 9.

and proposed solutions discussed in IRP meetings may significantly affect them. Dominion is certainly aware that UAE has been an active and consistent advocate for large natural gas consumers and transportation customers for decades, yet UAE was unaware that IRP proceedings might be used to evaluate significant new types of facilities that they would be expected to help support through rates. UAE submits that Dominion should be expected to do a better job of communicating with customers and customer advocates in such contexts.

In summary, UAE supports the Office's initial comments in this docket and urges the Commission to ensure that none of Dominion's proposed "peak hour" solutions, and particularly an expensive LNG storage plant, can reasonably be considered to have been accepted or acknowledged in any manner in this docket. Any such determinations should be made solely on their own merits and in proper Commission proceedings that are open and noticed to all affected parties, and only after Dominion has been required to meet its burden to prove that any such expenditures or proposals are necessary, prudent, economical and in the public interest.

DATED this 10th day of October 2017.

HATCH, JAMES & DODGE



/s/ _____
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Certificate of Service
Docket No. 17-057-12

I hereby certify that a true and correct copy of the foregoing was served by email this day 10th day of October 2017 on the following:

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