BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE REQUEST OF
DOMINION ENERGY UTAH FOR
APPROVAL OF A VOLUNTARY
RESOURCE DECISION TO
CONSTRUCT AN LNG FACILITY

Docket No. 18-057-03

PUBLIC/REDACTED VERSION

Prefiled Surrebuttal Testimony and Exhibit of Kevin B. Holder on behalf of
Magnum Energy Midstream Holdings, LLC

Magnum Energy Midstream Holdings, LLC hereby files the Prefiled
Surrebuttal Testimony and Exhibit of Kevin B. Holder in this docket. Information is highlighted in yellow.

DATED this 20th day of September 2018.

/s/ Kevin B. Holder
Kevin B. Holder
Executive Vice President
Magnum Energy Midstream Holdings, LLC
Q. Please state your name and business address.
A. My name is Kevin Holder. My business address is 3165 East Millrock Drive, Suite 330, Holladay, Utah 84121. I am the Executive Vice President of Magnum Energy Midstream Holdings, LLC, a subsidiary of Magnum Development, LLC (“Magnum”). I filed direct testimony in this docket on August 16, 2018.

Q. What is the purpose of your surrebuttal testimony?
A. I will respond to rebuttal testimony relating to Magnum that was filed by Dominion Energy Utah (DEU) witnesses Gill, Paskett, Mendenhall, Faust and Platt.

Gill Testimony

Q. At page 4-5, lines 111-114 of his Rebuttal Testimony, Mr. Gill states, “Based upon Magnum’s testimony and responses to data requests in this matter, Magnum apparently has not yet begun the permitting process for any proposed pipeline extension beyond Goshen, and, in fact, has not even commenced the necessary engineering studies, analysis and drawings needed for that permitting process to be started.” Is this an accurate statement?
A. No. Magnum has never stated in any testimony or responses to data requests that it is not pursuing route, permitting and/or engineering work associated with extending its header to [redacted]. In fact, Magnum is currently actively pursuing engineering cost and scoping studies with respect to the route to [redacted]. However, with regards to Magnum’s DEU proposal, Magnum is focused solely on [redacted] as per Magnum’s response to DEU’s DR 1.01, whereby DEU stated [redacted] is no longer a viable option.
Q. At page 5, lines 120-121 of his Rebuttal Testimony, Mr. Gill states, “In the face of all of this needed work, it is not accurate for Magnum to claim its project is “shovel ready” as Mr. Holder asserts.” Is this an accurate statement?

A. No. As I stated in my direct testimony, page 7, lines 124-126, Magnum’s project is shovel ready, with all necessary regulatory approvals in hand, with exception of the section beyond Goshen downstream to DEU’s exact desired interconnect location with the DEU system, which was only recently requested by DEU (in March 2018). In addition, as I stated in my direct testimony on page 22, lines 439-442, Magnum would welcome an opportunity to work with DEU to develop a timely, cost-effective, safe and reliable high-deliverability, multi-cycle salt cavern storage facility and associated no-notice storage services to resolve DEU’s supply reliability and/or peak-hour requirements. Magnum eagerly awaits feedback from DEU to help determine the most optimal solution for this service.

Q. At page 5, lines 126-130 of his Rebuttal Testimony, Mr. Gill states, “The Company annually constructs large diameter pipeline projects as part of its Feeder Line Replacement program. These projects are typically within heavily populated areas not unlike portions of the Magnum proposals. Due to this complexity, the design, procurement, property rights acquisition (i.e. easements or permits), and construction could take 4-5 years for a project of similar length as the Magnum proposals.” Do you agree?

A. No. DEU states construction “could” take 4-5 years; It does not state that it “will” take 4-5 years. As indicated in my direct testimony on page 7, lines 124-126, following
execution of a definitive agreement between Magnum and DEU, Magnum expects to be in service within 36 months. Magnum’s owners, employees, consultants and contractors have decades of experience in engineering, procuring, designing, owning and operating energy infrastructure, including large diameter, high-pressure FERC regulated natural gas pipelines (in both sparsely and densely populated areas) and large salt cavern/reservoir storage facilities. Magnum’s employees and consultants have a long and proud history of delivering projects ahead of schedule and under budget. Given decades of experience, Magnum is more than qualified to estimate time and cost associated with building the necessary infrastructure to effectuate the services proposed to DEU.

Q. At page 6, lines 153-156 of his Rebuttal Testimony, Mr. Gill states, “Based on these meetings and conversations, it does not appear that obtaining future permits will be a lengthy or difficult process. DEU is confident it will be able to meet the 2022 in-service date of the LNG facility to be operational.” How do you respond?

A. I find the above statement very inconsistent. DEU believes it has completed sufficient “prep” work that “it does not appear that obtaining future permits will be a lengthy or difficult process.” In contrast, when Magnum states it believes obtaining regulatory approval to extend Magnum’s header beyond the Goshen Hub to may be accomplished quickly via either Magnum’s FERC Blanket Certificate, an amendment to its existing FERC 7(c) certificate, a new FERC filing or other regulatory options, DEU cites it somehow as evidence of Magnum’s unpreparedness that supposedly will create a significant delay.
Magnum holds a FERC Section 7(c) certificate and all necessary BLM permits and rights of way to construct a header up to 36” in diameter, which will support potential interconnections at the Goshen Hub. Based on Magnum’s experience with obtaining its existing certificate, permits and rights of way, Magnum is comfortable that obtaining permits to extend its header to does not appear to be a lengthy or difficult process.”

Q. At page 6, lines 157-167 of his Rebuttal Testimony, Mr. Gill states, “What timeline could be expected on the design, permitting and construction phases of Magnum’s proposals? As stated above, based on experience with similar projects, the pipeline project timeline could be 4 to 5 years. In addition, DEU has recently designed, permitted and constructed a large tap facility (Hunter Tap) to interconnect with Kern River Gas Transmission Company (KRGT) and is currently in the process of designing another in North Salt Lake. The planning, permitting and construction of the Hunter Tap project took approximately 36 months to complete. Likewise, it is anticipated that 31 months will be needed to design, permit and construct the North Salt Lake project. I would expect it to take at least that long for Magnum to design and permit the required interconnect facilities.” How do you respond to this statement?

A. Magnum does not believe that Mr. Gill is qualified to opine on the design, permitting and construction of the Magnum facilities. Based on the experience of Magnum’s employees, owners and consultants, 36 months to design, permit and construct the pipeline and large tap facility seems to be way beyond industry norm. Magnum estimates the required time for the tap to be in the 18 month timeframe. However, even if it did take 31 months to place a large tap facility into service, that falls well within Magnum’s estimated range of
placing Magnum’s project into service with 36 months, following execution of a definitive agreement with DEU.

Q. At page 8, lines 199-210 of his Rebuttal Testimony, Mr. Gill states, “…it does not appear that Magnum has performed the necessary engineering due diligence on which to base its proposals. In fact, its price proposals actually decrease in price, the farther the proposed delivery point is from its storage caverns. A longer pipeline constructed for less cost makes no sense. The Company also has serious concerns that Mangum may not be in service in a timely fashion, and that there is a significant risk that the actual construction costs of any of the Magnum storage options that require a pipeline extension beyond Goshen could be much higher than that the estimated costs used to develop Magnum’s business proposals. While it is true, that Magnum says it would bear these risks, it would not be wise for DEU to enter into a contract with an entity where the economic viability of the project – once construction costs are finalized – is questionable. The Company simply cannot give serious credence or rely upon a project that is only conceptual, and not proven to be feasible.” Do you agree?

A. Absolutely not. In fact, I find Mr. Gill’s statement both wholly unsupported and objectionable. Magnum absolutely has performed the necessary engineering due diligence on which to base its proposal and Mr. Gill has no basis to suggest to the contrary. Magnum has received a FERC 7(c) certificate to construct the necessary facilities to the Goshen Hub. A company does not receive a FERC certificate without completing the necessary steps to demonstrate all things necessary to complete a project,
including engineering due diligence. This includes proposed storage cavern design,
proposed compression designs, proposed interconnect designs, proposed header and
pipeline designs, ROW work, and environmental work. Everything necessary on which to
base Magnum’s proposal, including all the work outlined in Magnum’s responses to
DEU’s DR-1 questions 1.01 through 1.25 (a copy of which is attached as Magnum Exhibit
1.1SR), has been thoroughly vetted. Indeed, given that DEU has access to this
information it is preposterous for Mr. Gill to reach such a conclusion.

Based on Magnum’s experience in obtaining a FERC 7(c) Certificate, Magnum is
confident it can accurately determine the capital necessary to extend its header system
from Goshen to [REDACTED]. To insinuate otherwise is to completely disregard everything
that Magnum and its affiliates have accomplished. As stated in my direct testimony and in
Magnum’s response to DEU’s DR-1 question 1.24, Magnum is prepared to move forward
immediately with its project as proposed, subject to a definitive agreement with DEU.

Based on current negotiations and expectations of successful outcomes, Magnum
wishes to share the anticipated cost savings associated with these negotiations directly
with DEU, and ultimately its ratepayers, through its extremely economic proposal.
Magnum cannot understand why DEU would not embrace Magnum’s offer, as opposed
to challenging and disparaging it. While DEU may have internal company reasons to
prefer to build the LNG plant, the best interests of its customers and ratepayers are clearly
better served by the more economical option that Magnum offers.

As discussed in my direct testimony at lines 93-100, 130-149 and 151-183,
following a review of DEU’s initial testimony filed on April 30, 2018, Magnum
understood DEU was focused primarily on “supply reliability” as opposed to “peaking and supply reliability,” and that an appropriate “apples to apples” comparison was needed as opposed to the “apples to oranges” comparison done by DEU. Those apples-to-apples comparisons clearly demonstrate that the most economical and efficient option is the one offered by Magnum.

Q. At page 9, lines 239-241 of his Rebuttal Testimony, Mr. Gill states, “Magnum has provided no engineering studies for these proposed facilities that indicate that Magnum has designed its facilities to withstand earthquake risks.” Is this an accurate statement?

A. No, and DEU has no basis for making such a statement. DEU has never requested that Magnum provide any engineering studies associated with potential earthquakes. However, DEU did ask in its DEU DR-1 1.19, “What protective measures will Magnum use to mitigate damage at fault crossings and other at-risk areas,” and Magnum responded as follows:

Q. At page 10, lines 256-266 of his Rebuttal Testimony, Mr. Gill states, “DEU affiliates have a wealth of experience in design, construction, commissioning, operations and
maintenance of LNG facilities. Dominion Energy Inc. owns and operates one of the largest LNG import/export facilities in the country in Cove Point, Maryland. The Dominion Energy Cove Point project team has been heavily involved with the LNG project proposed in this docket, and DEU will continue to benefit from this shared knowledge as it develops standard practices, reviews construction plans, trains its personnel and commissions and operates the plant.” Would you like to address this comment?

A. Absolutely. DEU responds to its lack of direct experience with LNG facilities by pointing to “affiliates” with such experience. Yet, DEU wholly discounts the extensive experience that Magnum’s affiliates have in constructing and operating natural gas pipelines and associated equipment. DEU has not challenged my direct testimony (lines 312-313) that DEU has no experience in constructing or operating an LNG facility.

Just as DEU’s affiliates may have experience with LNG plants, Magnum’s affiliates, employees, consultants and owners have decades of experience engineering, constructing, owning and operating multiple energy infrastructure projects including large diameter natural gas pipelines with pressure up to 1480 pounds per square inch, up to 42” in diameter and providing well over 5,000,000 Dth/day of capacity. Additionally, Magnum affiliates, employees, consultants and owners have engineered, constructed and/or operated multiple intrastate and interstate reservoir and salt cavern underground natural gas storage facilities with more than 100,000,000 Dths of natural gas capacity, including Lodi Gas Storage, Bobcat Gas Storage, Arcadia Gas Storage, Cadeville Gas Storage and Perryville Gas Storage. Magnum has assembled and continues to assemble
some of the best talent with proven experience with placing these types of facilities into
service on-time and under budget.

At page 10, lines 267-269 of his Rebuttal Testimony, Mr. Gill asks, “Does
Magnum have a similar base of experience for the development of natural gas storage, or
for the construction and operations FERC regulated pipelines and facilities?” The answer
is a resounding “yes.” Moreover, DEU intends to retain a world-class “Owner’s
Engineer” to help facilitate the execution of the Engineering, Procurement and Construct
cornts, provide design and contractor oversight, and provide assistance with final
permitting and commissioning of the project.

Q. At page 11, lines 281-285 of his Rebuttal Testimony, Mr. Gill states, “No, Magnum is
not an on-system solution. Interconnecting with Magnum would be no different than
other interconnects DEU has with other interstate pipeline companies.” Is this
accurate?

A. No, absolutely not. An interconnect with Magnum would provide DEU with an
instantaneous, on-system, no-notice supply option, exactly where it is needed most and in
complete control of DEU and DEU Gas Control that is outside of the current normal
NAESB nomination cycles. That’s a true definition of “on-system” supply and there is
currently no other remotely similar interstate (or intrastate) option that is available to
DEU.

Paskett Testimony

Q. At page 2, lines 24-27 of his Rebuttal Testimony, Mr. Paskett states, “DEU has an
in-depth understanding of the most current information regarding the various
options available for cold weather supply reliability solutions, including the
different Magnum options.” Is this an accurate statement?

A. Unfortunately, no, at least insofar as it pertains to the Magnum options. It appears that
DEU either does not fully understand, or chooses to ignore or distort, the various
Magnum options. This is evident by the extensive amount of misstatements and
misinformation contained in DEU’s testimony and exhibits. Magnum felt the need to
intervene and file testimony in this case specifically because the public record relating to
the Magnum proposals was inaccurate and incomplete.

Q. At page 2, lines 31-33 of his Rebuttal Testimony, Mr. Paskett states, “Since the
Magnum Storage facility is located approximately 80-100 miles away from the DEU
distribution system, it is, by definition, an off-system resource.” Is that accurate?

A. Only if one adopts a strained definition of “off-system.” Given the fact that the proposed
DEU/Magnum interconnect will allow for DEU-owned natural gas supplies to be
delivered directly into the DEU gas distribution system on a no-notice basis, with flow
controlled at the interconnect under the direct supervision of DEU as proposed by
Magnum, it is every bit an “on-system” supply point as would be an LNG facility.
Indeed, other large, publicly owned gas distribution systems consider such facilities to be
on-system resources. For example, Pacific Gas and Electric Company (PG&E), one of
the largest combined natural gas and electric energy companies in the United States,
provides natural gas and electric service to approximately 16 million people throughout a
70,000-square-mile service area in northern and central California, including 42,141
miles of natural gas distribution pipelines and 6,438 miles of transmission pipelines.¹

PG&E defines “off-system” as “a delivery outside of the Pacific Gas and Electric Company service territory. PG&E defines “on-system” as “delivery to end-use or wholesale loads located within the PG&E service territory, PG&E storage facilities, Golden Gate Market Center Citygate and, a third-party’s storage facilities located within the PG&E service territory.” Further, PG&E defines an On-System Storage Facility as “An entity, acknowledged by the California Public Utility Commission as providing storage services within California, which is physically connected to the PG&E pipeline transmission system with facilities dedicated to the transmission, injection and withdrawal of gas supply. The storage facility either has an interconnection and a storage operating agreement with PG&E or it belongs to PG&E.” Also, PG&E defines “on-system” supply as “the supply brought onto the system by any particular path for destination on the system. On-system supply = Total system supply - Off-system deliveries.”²

Moreover, Magnum’s proposed “on-system” deliveries and supply are consistent with the view of such supplies of the U.S. Energy Information Administration (EIA). The EIA collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment. The EIA definition for on-system is “Any point on or directly interconnected with a transportation, storage,

or distribution system operated by a natural gas company.” EIA defines “on-system sales” as “Sales to customers where the delivery point is a point on, or directly interconnected with, a transportation, storage, and/or distribution system operated by the reporting company.”  

Most importantly, the Magnum Gas Storage facility will serve the precise function as an on-system resource. It will involve a direct interconnection with DEU’s distribution system that will give DEU direct control over a natural gas supply. To challenge the Magnum options as anything but on-system options is to make the distinction between on- and off-system resources meaningless.

Q. At page 8, lines 148-158 of his Rebuttal Testimony, Mr. Paskett states, “The assertion that there is no distinction between the proposed Magnum facility located 80-100 miles away and an LNG facility located on the DEU system is incorrect. It is incongruous to state that being 100 miles away is the equivalent to being on-system. Further, to assert that Magnum is an “on-system” storage facility is without merit and clearly an attempt to portray that option as being directly comparable to the proposed LNG facility when it is abundantly clear that it is not. Since the Magnum storage facility would be located 80-100 miles away from the DEU distribution system (depending on the pipeline route and ultimate interconnect location) and therefore storage gas must be transported through a 80-100 mile long transmission
pipeline to reach the DEU system, there is no way the Magnum storage facility can reasonably be characterized as being on-system.” How do you respond?

A. As I stated in my direct testimony, lines 328 through 346, DEU will not have to wait for natural gas to travel 80-100 miles to reach Goshen and/or before this gas supply will be available for service. Based on pipeline size, design, pressure and line pack, the “on-system” natural gas supply proposed by Magnum is a no-notice service that will be available instantaneously whenever DEU requires the supply and at a pressure necessary to effectuate delivery of the service for which DEU has contracted. Additionally, DEU can have primary flow control at the interconnect with DEU and can call on this supply at any time it is contracted for, without prior notice to Magnum. Again, whether the supply is one mile away or 100 miles away, if the pressure necessary to maintain the flow is accomplished, distance to the supply source for operational reasons is irrelevant.

Q. At pages 8-9, lines 160-162 of his Rebuttal Testimony, Mr. Paskett states, “The fact that Magnum isn’t even fully permitted, much less constructed, places it at a distinct disadvantage compared to those other options.” Is that a fair statement?

A. No, and it is far from clear what other options Mr. Paskett may be referring to that can come close to duplicating Magnum’s capabilities. Magnum knows of no other options besides its own—including the proposed LNG facility—that are fully permitted and/or constructed and that can meet DEU’s supply reliability or peaking requirements, store the necessary quantities of supply, deliver supply to the DEU system at on a no-notice basis, at an interconnect that is owned and controlled by DEU Gas Control and maintain the necessary pressures to effectuate the required service. Magnum is the only
option that can provide all the necessary tools needed to meet DEU’s supply reliability and/or peaking requirements.

Q. At page 11, lines 216-218 of his Rebuttal Testimony, Mr. Paskett states, “There is a serious question as to whether the Magnum storage option will ever be built and become available to provide reliable gas supplies to DEU (or other subscribers). There are currently no subscribers to the Magnum storage option(s) and DEU is not confident that the Magnum storage option(s) will ever materialize.” How do you respond?

A. That claim is inaccurate, unsupported and reprehensible. If DEU signs an agreement with Magnum, the facilities absolutely will be built. Indeed, if DEU truly believed such claims, it makes no sense why it would have considered Magnum as an alternative option to the LNG facility or requested proposal after proposal and multiple revised options. Magnum would hope that the many hours and thousands of dollars spent by Magnum in responding in good faith to DEU’s multiple requests for proposals and information were not wasted as part of a process designed to lead to a pre-determined decision favored by DEU’s owner—as some have testified. Magnum prefers to believe that this process is a legitimate search involving a common goal by all involved—DEU, third-party suppliers, regulators and utility customers alike—to identify and pursue the most appropriate and cost-effective option. Magnum’s continued participation in this docket is predicated on that belief.
Mendenhall Testimony

Q. At page 9, lines 217-221 of his Rebuttal Testimony, Mr. Mendenhall states, “The fourth Magnum option is comparable in annual cost to the LNG option, but it is worth noting that this option was provided to Dominion a couple of weeks before this docket was filed and would require more capital investment by Magnum than the other three options. Mr. Gill provides additional evidence questioning the validity of the Magnum cost estimate in his rebuttal testimony.” What is your response?

A. As explained in my direct testimony, Magnum’s “fourth” proposal referenced by Mr. Mendenhall would allow up to 3 billion cubic feet of natural gas storage (more if needed) and would deliver the quantities of gas needed for supply reliability and/or peaking hour demands and at a cost that will save ratepayers approximately every year (or over 30 years) compared to LNG options. It is not comparable to the LNG option.

Magnum did provide multiple options to DEU, at DEU’s request, but there is currently only one specific Magnum proposal still in front of DEU. As Magnum stated in its last updated proposal to DEU on April 19, 2018:

While Magnum has made and would consider many other options, Magnum’s current proposal to provide service to is the only Magnum proposal up for
consideration. The annual cost of this Magnum proposal is in no way comparable to the annual cost of an LNG option. My direct testimony provides “apples to apples” comparisons of the Magnum options and LNG options and, clearly illustrates significant cost advantages of the Magnum proposal.

Finally, as discussed above, there is no basis for DEU to question the validity of the Magnum project. Magnum will provide the services described in its proposal and at the rate proposed. All that is required is execution of a definitive agreement with DEU.

**Faust Testimony**

**Q.** At page 13, lines 328-332 of her Rebuttal Testimony, Ms. Faust states, “After almost eight years, Ryckman Creek is still struggling to become a reputable storage resource, despite all of its representations early on about its ability to be fully operational by 2013. Given this experience, the Company is wary of relying on a third-party like Magnum to provide a solution to the supply reliability problem.” Is Ryckman Creek a fair comparison to the Magnum Project?

**A.** No, not at all. Publicly available information confirms that the Ryckman Creek facility has had operational issues. However, Ryckman Creek is an outlier as it pertains to how natural gas storage should be engineered and constructed. Based on the latest information from the EIA, there is over 4 trillion cubic feet of working natural gas stored in hundreds of underground natural gas caverns and reservoirs in the United States safely, economically, and reliably, at any given time. In fact, DEU currently relies on third party natural gas storage and transportation to maintain system reliability every day. It is disingenuous to point to an isolated exception like Ryckman Creek to challenge what is
nearly-universally accepted as safe, economical, and reliable underground natural gas storage facilities. That would be like Magnum referencing the Plymouth-Liquefied Natural Gas (LNG) facility that experienced a catastrophic failure and a resulting explosion on a portion of the facility’s LNG-1 purification and regeneration system, as being indicative of all LNG facilities.4

Q. At page 13, lines 342-346 of her Rebuttal Testimony, Ms. Faust states, “The Company is also concerned the Magnum facility will not be placed in service in a timely fashion or that it will encounter permitting, construction, property or other roadblocks or delays. To claim the Magnum project is “shovel ready” as Mr. Holder does several times does not accurately represent the status of the proposed project that specifically extends to an interconnect with DEU.” Is Magnum “shovel ready?”

A. The Magnum underground storage facilities and pipeline header to Goshen is absolutely shovel ready, with all necessary regulatory approvals in hand. The last-minute request from DEU for a Magnum proposal to extend the pipeline beyond Goshen is the only part of the project that requires additional permitting. Upon execution of a definitive agreement, Magnum can complete the facilities necessary to effectuate the services described in its proposal within the stated timeframe and at the stated price.

Platt Testimony

Q. At page 10, lines 249-257 of his Rebuttal Testimony, Mr. Platt states, “I am not aware of an alignment that is immune to the effects of earth movement. Magnum’s

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planned alignment to Goshen will most likely intersect either the East Tintic Mountain fault or the Long Ridge fault (as shown in Figure 1). Reviewing Utah’s fault lines, there are a number of fault lines located in between the Magnum facility and either of its options for tying into the Company’s high pressure system. The fault lines and folds identified in this map are “the most likely sources of large earthquakes in the future.” Id. While the Magnum facility may be a facility that can augment supplies from upstream third-party sources in the future, it cannot provide guarantees against earthquakes.” What is your response?

A.  Magnum has never claimed that its alignment is immune to earth movement and no facility can guarantee absolute protection against earthquakes. The intent of my previous testimony was to highlight that the location of the Magnum facility enhances supply reliability and system redundancy in the event of catastrophic seismic activity along the Wasatch fault. Magnum's header pipeline will not cross the Wasatch fault like most natural gas supply lines to the Salt Lake and Utah Valleys, including the Dominion Energy Questar Pipeline and Kern River Pipeline interstate pipelines. By any reasonable measure it would be advantageous to have stored natural gas supply located further away from the Wasatch fault as opposed to being in immediate proximity to it.

Further, Magnum's Certificate requires Magnum to complete and file with the Secretary, for review and written approval by the FERC Director of Office of Energy Projects, reports of detailed investigations of all potentially active faults that will be crossed by the proposed pipeline and include site-specific design measures that will be implemented to minimize the potential for pipeline rupture in the event of a fault
movement. Magnum will complete this detailed study to identify all active faults and any
potential risks to the Magnum header from seismic activity. If identified, any fault
crossing would then be designed in accordance with standard engineering designs for
natural gas pipelines and be matched to the hazard, as required by 49 CFR 192.

**Q.** At page 11, lines 263-269 of his Rebuttal Testimony, Mr. Platt states, “The distance
between Magnum’s proposed storage facility and the customers matter in this
designation, regardless of what Mr. Holder believes. In addition, the pipeline that
will not be owned by the Company and will require equipment (valves, compressors,
cathodic protection, and gate station, etc.) along the way that will be maintained and
operated by Magnum. This is not remotely similar to a short tap line (approximately
1 mile in length) from the proposed LNG storage facility that connects directly to
the DEU’s system and is owned and operated by DEU.” What is your response?

**A.** As stated in my direct testimony, lines 328 through 346, DEU will not need to wait for
natural gas to travel 80-100 miles to reach Goshen and/or before this gas supply
will be available for use. Based on pipeline size, design, pressure and line pack, the
natural gas supply proposed by Magnum is an on-system, no-notice service that will be
available instantaneously whenever DEU requires the supply and at a pressure necessary
to effectuate delivery of the service for which DEU has contracted. Additionally, DEU
can have primary flow control at the interconnect with DEU and can call on this supply at
any time it is required and contracted for, without prior notice to Magnum. Again,
whether the supply is one mile away or 100 miles away, if the pressure necessary to
maintain the flow is accomplished, distance is irrelevant with regards to operational
issues. That distance is, however, extremely relevant with regards to the safe storage of natural gas supplies, given its distance from the Wasatch fault.

Q. At page 11, lines 263-269 of his Rebuttal Testimony, Mr. Platt states, “The straight-line distance from the Magnum facility … is 58 miles. Such a route, however, is not a viable option, and Magnum would have to account for changes in geography, economics, and other hurdles to construct a pipeline to [Redacted] This in turn would extend the pipeline from Magnum’s facility well beyond 60 miles.” Is this statement accurate?

A. No. Magnum is not familiar with a cited distance of 58 miles to [Redacted], Goshen, or any location for that matter. The official distance to Goshen, per Magnum’s FERC filing and alignment sheets, is 61.5 miles. Magnum is not sure where Mr. Platt obtained this information. Additionally, Mr. Platt is in no position to evaluate or criticize the extensive siting work that has been done by Magnum.

Q. At page 11, lines 278-281 of his Rebuttal Testimony, Mr. Platt states, “When the Company estimated the distance, educated assumptions about the path that the pipeline would need to be installed in were made. Those assumptions were based on the geography and existing pipeline alignments. Magnum did not account for these factors, as they do not have an engineering design prepared.” Is this statement accurate?

A. No, it is a baseless and unsupported claim. It is unclear what factors Magnum allegedly did not account for. In fact, Magnum has accounted for all relevant factors. Magnum has carefully measured and evaluated the distance and routing from the Magnum site to
and has taken into account all relevant factors in submitting its proposal to DEU.

Q. Does this conclude your testimony?

A. Yes.
Certificate of Service

Docket No. 18-057-03

A true and correct copy of the foregoing was served by email this day 20th day of August 2018 on the following:

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