
Application of Dominion Energy Utah to Make Tariff Modifications Relating to Transportation Service	<u>DOCKET NO. 18-057-T04</u> <u>ORDER APPROVING SETTLEMENT</u> <u>STIPULATION</u>
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ISSUED: October 23, 2018

SYNOPSIS

The Public Service Commission (“PSC”) approves a settlement stipulation related to Dominion Energy Utah’s (“DEU”) proposed changes to Sections 3, 4, 5, 8, 10, 11, and 12 of its Utah Natural Gas Tariff No. 500 (“Tariff”) applicable to interruptible and transportation customers.

PROCEDURAL HISTORY

On August 1, 2018, DEU filed with the PSC an application (“Application”) requesting approval to modify the following sections of its Tariff: 3 (Interruptible Service), 4 (Interruptible Sales Service), 5 (Transportation Service), 8 (General Billing Provisions), 10 (Appendix), 11 (Glossary), and 12 (Index). DEU represents it filed the Application in order to provide clarity and specificity with respect to the terms and conditions of transportation service. DEU and the Division of Public Utilities (“DPU”) filed written testimony with respect to the Application, as did intervenors Utah Association of Energy Users (“UAE”) and the American Natural Gas Council, Inc. (“ANGC”).

On October 15, 2018, DEU filed a Settlement Stipulation (“Settlement”), including three Exhibits,¹ executed by DEU, the DPU, UAE, and ANGC. The Settlement and Exhibit A are attached as an appendix to this order.

¹ Settlement Exhibit A is a list of receipt point groups, Settlement Exhibit B is a clean version of the stipulated changes to DEU’s Tariff, and Settlement Exhibit C is a redlined version of the stipulated changes to DEU’s Tariff. The PSC notes that Exhibit B, the clean version of the stipulated changes, is not consistent with Exhibit C, the redlined version of the stipulated changes.

The PSC held a hearing on October 16, 2018 to consider the Settlement during which DEU and the DPU testified and UAE, through its counsel, stated its support for the Settlement. DEU provided a brief summary of the Settlement, including how the stipulated changes to its Tariff compare with its original filing. DEU testified the Settlement is just, reasonable, and in the public interest, and recommended the PSC approve it with an effective date of November 1, 2018. DEU further testified that the Tariff sheets attached to the Settlement include an incorrect effective date, which should be November 1, 2018 rather than September 1, 2018, and that it would file updated Tariff sheets. The DPU also testified, stating the Settlement is an acceptable compromise to resolve differing positions, reflects a fair and reasonable outcome, and is in the public interest. No party opposed the Settlement.

On October 23, 2018, DEU filed updated Tariff sheets with the correct effective date in the clean version only (“Updated Tariff Sheets”). DEU further represented in its filing that, after the hearing, DEU became aware that Settlement Exhibit C contains errors. DEU explained that Settlement Exhibit B is an accurate and correct representation of the intent of parties, and Settlement Exhibit C, which was supposed to reflect the same Tariff changes as Settlement Exhibit B in redline, contained errors. DEU represented it circulated the Updated Tariff Sheets to counsel for all parties who confirmed they accurately represent the stipulated changes.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Settlement of matters before the PSC is encouraged at any stage of a proceeding. Utah Code Ann. § 54-7-1. In evaluating a settlement, we consider it as a whole and must find whether the settlement is just and reasonable in result and whether the record evidence supports this finding. *Id.*

The parties agree in Paragraph 6 of the Settlement that settlement of the issues identified in the Settlement “is in the public interest and that the results are just and reasonable.” (Settlement at 3, ¶ 6.) DEU and the DPU provided testimony at hearing in support of this contention, and the evidence favoring approval of the Settlement is uncontested.

Accordingly, based on the filed comments and exhibits, the testimony at hearing, and our review of the Settlement, we find settlement of these issues is in the public interest and the Settlement is just and reasonable in result.

ORDER

Based on the foregoing findings and conclusions,

- 1) We approve the Settlement filed in this docket on October 15, 2018; and
- 2) We approve the Updated Tariff Sheets filed in this docket on October 23, 2018, with an effective date of November 1, 2018.

DATED at Salt Lake City, Utah, October 23, 2018.

/s/ Michael J. Hammer
Presiding Officer

Approved and confirmed October 23, 2018, as the Order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#305157

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on October 23, 2018, a true and correct copy of the foregoing was served upon the following as indicated below:

By E-Mail:

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APPENDIX

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH TO MAKE TARIFF MODIFICATIONS RELATING TO TRANSPORTATION SERVICE	Docket No. 18-057-T04 SETTLEMENT STIPULATION
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Pursuant to Utah Code Ann. § 54-7-1, Questar Gas Company dba Dominion Energy Utah (Dominion Energy Utah or Company); the Utah Association of Energy Users (UAE); the American Natural Gas Council, Inc. (ANGA); and the Utah Division of Public Utilities (Division) (collectively Parties or singly Party) submit this Settlement Stipulation. This Settlement Stipulation shall be effective upon the entry of a final order of approval by the Utah Public Service Commission (Commission).

PROCEDURAL HISTORY

On August 1, 2018, the Company filed the Application in this matter seeking to modify certain portions of its Utah Natural Gas Tariff No. 500 (Tariff). On August 14, 2018, the Commission held a Scheduling Conference in this matter and on August 17, 2018, the Commission issued a Scheduling Order, Notice of Technical Conference, Notice of Hearing and Order Suspending Tariff. On August 29, 2018, the Commission held a

technical conference wherein Company representatives provided information and answered questions relating to the proposed Tariff provisions. On August 22, 2018 the UAE filed a Petition to Intervene in this matter, and on August 23, 2018, the ANGC also petitioned to intervene. The Commission subsequently granted intervention to both. On September 12, 2018, the Division, UAE and ANGC all submitted testimony in this matter. On September 26, 2018, the Division, ANGC and the Company submitted rebuttal testimony in this matter. Since that time, the Parties have engaged in settlement discussions and propose the following terms of settlement.

TERMS AND CONDITIONS

The Parties agree for purposes of settlement that the Commission should approve the proposed Tariff, attached to the Application in this matter, with the following modifications:

1. The penalty for violating a Hold Burn to Scheduled Quantity restriction will be \$5/Dth, plus the Gas Daily Market Index Price gas cost, applied to the lesser of 10% of the customer's usage during the restriction period or the customer's gas usage in excess of the customer's confirmed scheduled quantity of gas received into the DEU system. For all additional usage in excess of the customer's confirmed scheduled quantity, the penalty will be \$25/Dth, plus the Gas Daily Market Index Price gas cost.
2. Hold Burn to Scheduled Quantity imbalances may be aggregated by nominating party within a given receipt point group (as defined in Settlement Exhibit A, attached hereto and incorporated herein by reference) in order to avoid or mitigate penalties for Hold Burn to Scheduled Quantity restrictions. Penalties incurred during Hold Burn to Scheduled Quantity restrictions that are

not totally avoided by aggregation shall be borne by the customer or prorated among the customers causing the penalty as directed by the nominating party. If no direction is received, the Company will assign the imbalance to each of the nominating party's accounts on a pro-rata basis for all such accounts that are contributing to a negative imbalance.

3. DEU will allow positive imbalances (packing) during Hold Burn to Scheduled Quantity restrictions and incorporate Tariff language stating "Positive daily imbalances (packing) will be allowed during a Hold Burn to Scheduled Quantity restriction. If there is a limit to allowable positive daily imbalances, the Company will detail that limit in the communication surrounding the restriction." The language from Section 5.06 of the proposed Tariff dealing with Hold Burn to Scheduled Quantities will be amended as provided in Settlement Exhibit B.
4. DEU's proposed new language for a portion of the first paragraph of Section 3.02 under "Periods of Interruption" will be modified to remove the phrase "in its sole discretion."
5. A clean draft of the agreed-upon Tariff language is attached as Settlement Exhibit B. A legislative draft of the Tariff, incorporating the changes set forth above, is attached hereto as Settlement Exhibit C, and incorporated herein by reference.

GENERAL

6. The Parties agree that settlement of those issues identified above is in the public interest and that the results are just and reasonable.
7. The Parties agree that no part of this Settlement Stipulation or the formulae or

methods used in developing the same, or a Commission order approving the same shall in any manner be argued or considered as precedential in any future case. All negotiations related to this Settlement Stipulation are privileged and confidential, and no Party shall be bound by any position asserted in negotiations. Neither the execution of this Settlement Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Settlement Stipulation.

8. Dominion Energy Utah will, and the Division, UAE and ANGC may, make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. So that the record in this docket is complete, all Parties' filed testimony, exhibits, and the Application and its exhibits shall be submitted as evidence.
9. The Parties agree that if any person challenges the approval of this Settlement Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Settlement Stipulation, each Party will use its best efforts to support the terms and conditions of the Settlement Stipulation. In the event any person seeks judicial review of a Commission order approving this Settlement Stipulation, no Party shall take a position in that judicial review opposed to the Settlement Stipulation. As applied to the Division, any

obligations hereunder shall be consistent with its statutory authorities and responsibilities and nothing in this Settlement Stipulation shall abrogate the authority and responsibilities of the Division under Utah Code Ann. § 54-4-4.

10. Except with regard to the obligations of the Parties under Paragraphs 7, 8 and 9, of this Settlement Stipulation, this Settlement Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission. This Settlement Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Settlement Stipulation or imposes any material change or condition on approval of this Settlement Stipulation, or if the Commission's approval of this Settlement Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Settlement Stipulation consistent with the order. No Party shall withdraw from the Settlement Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Settlement Stipulation, any Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses, with respect to issues resolved by the Settlement Stipulation, and no Party shall be bound or prejudiced by the terms and conditions of the Settlement Stipulation.

11. This Settlement Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

RELIEF REQUESTED

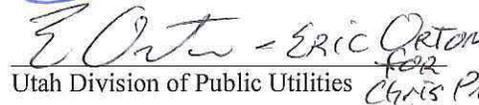
Based on the foregoing, the Parties request that the Commission issue an order approving this Settlement Stipulation and adopting its terms and conditions.

RESPECTFULLY SUBMITTED: October 15, 2018.


Questar Gas Company dba Dominion Energy Utah


American Natural Gas Council, Inc.


Utah Association of Energy Users


Eric Orton - ERIC ORTON
Utah Division of Public Utilities *for Chris Parker*

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing Settlement Stipulation was served upon the following persons by e-mail on October 15, 2018:

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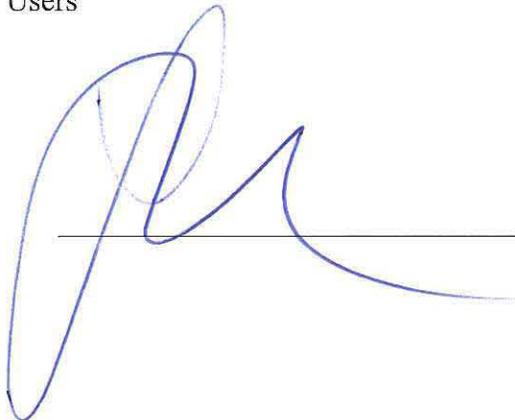


EXHIBIT A

Receipt Point
Groups

A	90840	WESTPORT GATE STATION
	90813	RIVERTON TAP - REC
	90817	HUNTER PARK TAP
	90164	WASATCH FRONT
	90332	QGC/104
	90823	LAKESIDE (KR)
	90824	EAGLE MOUNTAIN
B	90839	SCIPIO (KR)
	90838	HOLDEN (KR)
	90837	NEW CASTLE (KR)
	90264	DELTA DOG VALLEY
	90822	FILLMORE KERN
C	90836	MILFORD (KR)
D	90169	MFS ROCK SPRINGS
	90265	SODA ASH PLANT
	90835	FOOTHILLS TAP
E	90820	MOAB
F	90821	KEMMERER
G	90177	MFS EVANSTON
H	90834	VERNAL
I		MFS
	90168	WYOMING/COLORADO
J	90162	MFS UTAH/NORTH
K	90163	MFS UTAH/SOUTH
L	90166	MFS INDIANOLA
	90819	CENTRAL TAP
	90818	WECCO TAP (KR)