

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION
OF DOMINION ENERGY UTAH TO
IMPLEMENT A GSE RATE TO PROVIDE
SERVICE LINES TO CUSTOMERS IN
EUREKA, UTAH

Docket No. 19-057-32

DIRECT TESTIMONY OF MICHAEL L. GILL

FOR DOMINION ENERGY UTAH

December 2, 2019

DEU REDACTED Exhibit 2.0

1

I. INTRODUCTION

2 **Q. Please state your name and business address.**

3 A. My name is Michael L. Gill. My business address is 1140 West 200 South, Salt Lake
4 City, UT 84104.

5 **Q. By whom are you employed and what is your position?**

6 A. I am employed by Dominion Energy Utah (Dominion Energy, DEU, or Company) as the
7 Director of Engineering and Project Management. I am responsible for the High-
8 Pressure (HP) Engineering, Intermediate High-Pressure (IHP) Engineering, Systems
9 Engineering, Integrity Management, Survey, Pre-Construction, IHP Inspection and
10 Design Drafting Departments. My qualifications are included in DEU Exhibit 2.01.

11 **Q. Have you testified before this Commission before?**

12 A. Yes. I testified in docket number's 18-057-03 and 19-057-13.

13 **Q. Attached to your written testimony are DEU Exhibits 2.01 through 2.04. Were these
14 prepared by you or under your direction?**

15 A. Yes, unless otherwise indicated. In that case, they are true and correct copies of what
16 they purport to be.

17 **Q. What is the purpose of your direct testimony?**

18 A. The purpose of my testimony is to provide an overview of the required capital
19 improvements necessary to provide natural gas service to Eureka. Namely I will be
20 discussing the installation of service lines to serve new customers within Eureka. This
21 overview will include the scope and costs of required facility construction, the timing of
22 such construction and estimates on the potential number of new customers.

23 **II. PROJECT SCOPE AND SCHEDULE**

24 **Q. Please describe Eureka and the area the Company proposes to serve under the**
25 **Application in this matter.**

26 A. Eureka is a town in Juab County, Utah, just west of and abutting the Utah County border.
27 It has a population of approximately 670 residents and covers approximately 1.5 square
28 miles. I have attached a map of Eureka as DEU Exhibit 2.02. The shaded area shows the
29 area the Company proposes to serve under this Application.

30 **Q. What facilities is the Company seeking approval for in this application?**

31 A. As part of the system to deliver natural gas to Eureka, the Company will need to install
32 service lines. The Company proposes to construct the service lines pursuant to a newly-
33 proposed GSE Tariff rate.

34 **Q. Did the Company estimate the number of service lines that could potentially be**
35 **installed as part of this expansion program?**

36 A. Yes. The Company's IHP Engineering department utilized a combination of information
37 provided by the city of Eureka and satellite images to estimate the number of individual
38 service lines that may be required. Depending on community interest, the Company
39 estimates that approximately 360 services may be required to initially serve the town.
40 The following table lists the size, length and installation methods for these service lines.

Assumptions for Eureka Service Lines			
Size (in.)	Quantity (Ea.)	Average Length (ft.)	Installation Method
2	5	100	Bore
1.25	5	100	Bore
0.75	150	60	Bore (Hard Surfaces)
0.75	200	60	Open Trench

42 The Company estimates the initial installation costs for the service lines described above
43 will be approximately \$*****. The cost estimate for the installation of these service
44 lines is attached as DEU Confidential Exhibit 2.03. The Company anticipates seeking
45 bids from contractors for construction of the service lines and contracting with the
46 selected bidder.

47 **Q. Have you forecast the natural gas consumption that will be used by Eureka**
48 **customers per Commission Rule § 54-17-402(3)(b)(ii)(C)?**

49 Yes. The consumption forecast is included as DEU Exhibit 2.04. This forecast is based on the
50 anticipated number of customers and appliances in Eureka, assuming 360 total customers.

51 **Q. In Docket 19-057-31 regarding the installation of high-pressure (HP) and IHP**
52 **mains, it was stated that gas service to Eureka would be provided by constructing**
53 **interconnection facilities (Interconnect) with Dominion Energy Questar Pipeline**
54 **(DEQP) near Goshen, Utah. Has the Company verified that adequate transmission**
55 **capacity exists in this location to provide 29,000 Dth/year?**

56 A. Yes. The Company's Gas Supply department has verified that existing contracts with
57 DEQP could be used to serve the anticipated loads of Eureka.

58 **Q. The above table indicates the Company is assuming a large number of service lines**
59 **will need to be installed with directional drilling (bores). Why is this necessary?**

60 A. Providing service to existing homes and businesses means that the alignment of the
61 proposed service lines in some instances would cross hard surface areas (asphalt or
62 concrete). DEU compared the costs of removing and later restoring these surfaces after
63 installation of the service line and found it less costly to install the services via boring.
64 DEU's IHP Engineering department utilized Google earth to estimate the number of
65 service lines that would be installed in this manner.

66

III. CUSTOMER COSTS

67 **Q. If the Commission approves the Company's proposal to recover all of the costs**
68 **you've described from Eureka customers through the GSE, will the residents of**
69 **Eureka bear any costs associated with converting from current energy sources to**
70 **natural gas?**

71 A. Yes. Customers will still be responsible for costs beyond the Company's meter at each of
72 their homes and businesses. Some customers may need to convert furnaces, stoves and
73 water heaters to be able to utilize natural gas instead of propane.

74 This type of conversion is relatively simple. There are currently conversion kits on the
75 market that a licensed contractor could provide and install. The contractor may also
76 conduct regulator adjustments at the appliances and change some orifice changes in each
77 appliance.

78 For home owners currently heating with wood, coal, heating oil or electricity, the home
79 will need to be retrofitted with appropriately sized gas fuel lines and the appliances will
80 need to be replaced with new natural gas appliances.

81 **Q. Will the Company perform the appliance conversions?**

82 A. No, the Company will not be involved in the installation of fuel lines or conversion of
83 existing appliances. Each customer will be required to use a certified plumbing
84 contractor to perform the work.

85 **Q. Are there other requirements for customers to convert their homes to natural gas?**

86 A. Yes. If the customer's conversion requires installation of natural gas fuel lines they will
87 need to secure a permit from Eureka City.

88 **Q. Has the Company estimated costs for a typical home conversion?**

89 A. Given the large number of variables involved it is difficult to determine an estimated cost
90 for conversion. The Company's operations personnel have estimated that cost to be
91 roughly between \$300 and \$3000 per home, depending upon whether a customer needs to
92 purchase new appliances. Prospective customers would be encouraged by the Company

93 to receive a conversion estimate from a qualified plumber prior to installation of their
94 service line.

95 **Q. Have you developed a project schedule for the proposed expansion of service to**
96 **Eureka?**

97 A. Yes. I estimate that the entire project would take approximately 9 months to construct. If
98 the Commission approves including the main costs in a tracker cost recovery mechanism
99 as proposed in Docket No. 19-057-31, we would commence construction early during the
100 first quarter of 2021 and expect services to be ready for use by October 2021. If the
101 Company must wait for its next general rate case for cost recovery, it would commence
102 construction first quarter of 2022 with an anticipated in-service date of October 2022.

103 **Q. Can you please summarize your testimony?**

104 A. Yes. The Company proposes to invest approximately \$***** on approximately 360
105 IHP service lines required to serve the community of Eureka, Utah. The Company
106 proposes to construct the service lines pursuant to a newly-proposed GSE Tariff rate.

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

108 A. Yes.

State of Utah)
) ss.
County of Salt Lake)

I, Michael L. Gill, 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. Except as stated in the testimony, 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.


Michael L. Gill

SUBSCRIBED AND SWORN TO this 2nd day of December, 2019.




Notary Public