

IN THE MATTER OF THE
APPLICATION OF DOMINION
ENERGY UTAH FOR APPROVAL
OF FUNDING FOR THE
INTERMOUNTAIN INDUSTRIAL
ASSESSMENT CENTER

Docket No. 19-057-33

AMENDED
APPLICATION

All communications with respect to
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AMENDED APPLICATION
AND
EXHIBITS

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR APPROVAL OF FUNDING FOR THE INTERMOUNTAIN INDUSTRIAL ASSESSMENT CENTER	Docket No. 19-057-33 AMENDED APPLICATION
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Pursuant to Utah Code Ann. §§54-4-13.1 and 54-20-105, and Utah Administrative Code §§ R746-1-101 *et seq.* and R746-405-1 (2017) *et seq.*, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Amended Application to the Utah Public Service Commission (Commission) and requests approval (1) for funding to the Intermountain Industrial Assessment Center (IIAC) as more fully described below; and (2) the implementation of a balancing account as described more fully in the pre-filed Direct Testimony of Kelly B Mendenhall, DEU Exhibit 3.0.

In support of its Application, Dominion Energy states the following:

I. BACKGROUND

1. Dominion Energy, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's rates, charges, and general conditions for natural gas service in Utah are set forth in the Company's Utah Natural Gas Tariff No. 500 (Tariff). Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves customers in Franklin County, Idaho. The rates for these Idaho customers are determined by the Utah Commission pursuant to an agreement between the Commission and the Idaho Public Utilities Commission. Volumes for these customers have been included in the Utah volumes.

2. During the 2019 Utah state legislative session, the Utah State Legislature passed House Bill 107, the Sustainable Transportation and Energy Plan Act Amendments (HB 107). HB 107 provides, among other things, the opportunity for Large-scale Natural Gas Utilities to advance, among other things, natural gas clean air programs, the development of communities that can reduce greenhouse gases and NOx emissions, funding programs for research and development of other efficiency technologies, and other technology programs. Utah Code Ann. §§54-4-13.1 and 54-20-105(3)(a). HB 107 became law in mid-2019.

3. In 2019, the Company met with local stakeholders to determine how natural gas could be used to reduce greenhouse gases and particulate emissions, improve air quality in other ways, and drive energy efficiency. One of the early stakeholders identified was the Intermountain Industrial Assessment Center (IIAC), within the

Department of Chemical Engineering at the University of Utah. The IIAC performs industrial audits and has a history of identifying high-impact energy efficiency projects that, if undertaken, can result in a reduction in particulate emissions, greenhouse gas emissions, and other air quality benefits.

4. The IIAC is affiliated with the University of Utah and receives some funding from the United States Department of Energy (DOE). The IIAC performs assessments at industrial facilities within Dominion Energy's service territory to promote the implementation of energy efficiency projects. The IIAC provides investigation and analysis for potential efficiency and clean air projects and, with the funding proposed here, will provide assistance in implementing those that receive Commission approval.

5. The Company believes there are a number of developments, improvements, or opportunities that, if implemented by customers, could provide additional and significant air quality and energy efficiency benefits. The IIAC has identified a number of suitable candidates for future applications. The Company also believes the IIAC is a valuable resource to evaluate programs or projects that it independently identifies. However, the IIAC's is currently limited by its current funding mechanism. Its primary funding comes from the U.S. DOE. This funding may only be used for conducting energy assessments at manufacturing facilities. If the Commission permits the Company to fund IIAC, as requested herein, then the IIAC will not only be able to conduct substantially more assessments that could reveal opportunities for natural gas clean programs or innovative utility programs, or related projects, it will become more actively engaged in the implementation of those activities. Therefore, the Company believes providing additional funding to the IIAC would be beneficial to the state and customers, as more fully described in the pre-filed Direct Testimony of Michael O. Orton, attached hereto as DEU

Exhibit 1.0 and Direct Testimony of Kody Powell, attached hereto as DEU Exhibit 2.0. Specifically, the Company proposes to provide the IIAC with \$800,000 in funding each year for the next three years, for a total funding amount of \$2.4 million. The Company believes that the IIAC will provide valuable research, analysis and input during that time and, if the Company deems the funding is generating projects that are beneficial for the state, the Company may seek Commission approval to extend more funding after the initial 3-year request contained in this Application.

II. REQUEST FOR APPROVAL OF FUNDING TO THE IIAC

6. The Company's request to provide funding to the IIAC is consistent with the statutory requirements and is in the public interest. Utah Code. Ann. § 54-20-105(3)(a) provides that "[t]he commission may authorize a large-scale natural gas utility to implement and fund programs that the commission determines are in the public interest of large-scale natural gas utility customers to provide for the investigation, analysis, and implementation of" among other things "(ii) research and development of other efficiency technologies; and . . . (vii) any other technology program." In determining whether the proposed program is in the public interest, the Commission considers the following factors:

- (i) to what extent the use of renewable natural gas is facilitated or expanded by the proposed project;
- (ii) potential air quality improvements associated with the proposed project;
- (iii) whether the proposed project could be provided by the private sector or would be viable without the proposed incentives;
- (iv) whether any proposed incentives were offered to all similarly situated potential partners and recipients; and
- (v) potential benefits to ratepayers.

Utah Code. Ann. § 54-20-105(3)(c).

7. Funding the IIAC meets all of the applicable statutory requirements. Funding provided to IIAC will be used to analyze projects for advancement under HB 107, the IIAC provides significant benefit. In order to do so, the IIAC will provide evidence of the clean air benefits of any proposed project, and evidence related to whether the private sector could advance the project. Indeed, the Company has already identified possible projects that would facilitate and expand the use of renewable natural gas. The IIAC's research and support will assist the Company in increasing the use of renewable natural gas and reducing greenhouse gas emissions, improving air quality, and supporting programs and projects that would not be advanced by the private sector alone.

8. The Company proposes to fund the IIAC in the amount of \$800,000 per year during 2020, 2021 and 2022. This funding would result in an annual increase of \$0.58 or 0.09% for the typical GS customer. This funding falls well within the funding limits set forth in Subsection 54-20-105(3)(d).

9. The Company's proposal to fund the IIAC meets of the statutory requirements necessary to support approval of the funding proposed by the Company.

III. BALANCING ACCOUNT

10. Utah Code Ann. §54-20-105(3) provides that “[a] large-scale natural gas utility shall establish a balancing account that includes: (i) funds allocated for projects that have been approved by the commission under subsection (3)(a); and (ii) a carrying charge in an amount determined by the commission.” The Company proposes to implement such a balancing account, as more fully described in Mr. Kelly Mendenhall's direct testimony.

IV. SUPPORTIVE EVIDENCE

11. In support of its Application, the Company offers the attached pre-filed direct testimonies of Michael O. Orton (DEU Exhibit 1.0), Kody M. Powell (DEU Exhibit 2.0), and Kelly B Mendenhall (DEU Exhibit 3.0), and their respective accompanying exhibits. The Company incorporates these attachments by reference.

12. Additionally, the Company provides DEU Application Appendix A, which is a table setting forth the statutory factors relative to the requests set forth in this Application, and where the Company has provided evidence relating to each factor.

V. REQUEST FOR RELIEF.

WHEREFORE, based upon the Company's Application, testimony and exhibits, and pursuant to Utah Code. Ann. §§ 54-4-13.1 and 54-20-105, Dominion Energy respectfully requests that the Commission, in accordance with its authority, rules and procedure, enter an Order pursuant to Utah Code. Ann. §§ 54-4-13.1 and 54-20-101 *et seq.*, (a) authorizing Dominion Energy to fund the IIAC, as more fully described herein; (b) authorizing the Company to utilize a balancing account to collect the funding required for the IIAC funding, as more fully described herein; and (c) approving the Tariff changes set forth herein.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing Amended

Application was served upon the following persons by e-mail on June 12, 2020:

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