BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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| IN THE MATTER OF THE REQUEST OF DOMINION ENERGY UTAH TO EXTEND NATURAL GAS SERVICE TO GREEN RIVER, UTAH | Docket No. 21-057-12 |

**REDACTED DIRECT TESTIMONY OF R. SCOTT MESSERSMITH**

**FOR DOMINION ENERGY UTAH**

August 5, 2021

**DEU REDACTED Exhibit 2.0**

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## I. INTRODUCTION

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

A. My name is R. Scott Messersmith. My business address is 1140 West 200 South, Salt Lake City, UT 84104.

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

A. I am employed by Dominion Energy Utah ("Dominion Energy," "DEU," or "Company") as the Manager of Engineering Projects. I am responsible for ensuring that DEU utilizes safe designs and standards when it constructs gas-related capital projects. My qualifications are included in DEU Exhibit 2.01.

**Q. Attached to your written testimony are DEU Exhibits 2.01 through 2.14. Were these prepared by you or under your direction?**

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

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

A. The purpose of my testimony is to provide an overview of the required capital improvements necessary to extend natural gas service to the town of Green River, Utah ("Green River"). This overview includes the scope of work and costs of required facility construction, the timing of that construction, and estimates on the potential number of new customers. I also provide testimony about the purchase of an existing natural gas pipeline as part of the project, and how the Company intends to operate and maintain that line.

## II. PROJECT SCOPE

**Q. Please describe the area the Company proposes to serve in the Application in this matter.**

A. The Company is seeking pre-approval for a project to serve Green River. Green River is a city in Emery County, Utah. It has a 2020 population of approximately 935

residents and covers approximately 12.6 square miles. I have attached a map of Green River as DEU Exhibit 2.02. The shaded area in the exhibit shows the area the Company proposes to serve. The green triangles each represent a prospective customer that submitted a survey to the Company and indicated that they want natural gas service. The purple question marks indicate that a prospective customer submitted a survey to the Company indicating that they were uncertain if they wanted natural gas service. The red octagon represents a prospective customer that submitted a survey to the Company indicating that they would not like natural gas service at this time. Mr. Summers discusses the survey results in greater detail in his pre-filed direct testimony.

**Q. DEU Exhibit 2.02 shows that customers outside of the shaded area (the intended service area) would like natural gas service. Why hasn't the Company extended its intended service territory to include these prospective customers?**

A. Those customers are sufficiently remote that extending service to them would substantially increase the cost of the project while only adding a few customers. A substantial increase in costs for this project could cause the Company to exceed the statutory cap on spending discussed in the testimony of Mr. Summers. The Company proposes a project scope that results in service to the greatest number of customers without exceeding the statutory cap on spending.

**Q. What facilities does the Company propose to purchase or construct to serve Green River?**

A. The project includes the purchase of an existing natural gas pipeline known as the PEMC Pipeline (the "PEMC Pipeline"), the purchase and upgrade of an interconnect with Northwest Pipeline ("NWP"), the construction of approximately 17 miles of 6" high-pressure ("HP") pipeline, the construction of two district regulator stations, the construction of approximately 73,000 feet of intermediate high-pressure ("IHP") mains, and the construction of approximately 24,000 feet of IHP service lines.

**Q. How many prospective customers could receive natural gas service if the Commission approves the Application in this Docket?**

A. As Mr. Summers testifies, the City of Green River indicated that there are 483 residences and businesses that would be eligible for service if the Commission approves the Company's request. The Company did its own review by counting structures in person and reviewing Google Earth, and identified nearly 600 structures. However, there are a few unoccupied residences and commercial buildings within the town, and it is difficult to accurately identify all prospective customers. Mr. Summers testifies that Green River's estimate of prospective customers is based upon the water connections. Therefore, the Company believes 483 customers seems to be a reasonable and conservative estimate. The Company's estimates assume all 483 customers will sign up for gas service.

**Q. How many of those prospective customers have expressed interest in receiving natural gas service?**

A. As Mr. Summers testifies in his pre-filed direct testimony, the Company conducted community outreach activities, including a survey of residents to gauge interest in receiving natural gas service. As I mentioned earlier, and as shown in DEU Exhibit 2.02, the majority of survey respondents indicated that they wanted natural gas service.

**Q. Have you forecast the natural gas consumption for Green River customers pursuant to Commission Rule § 54-17-402(3)(b)(ii)(C)?**

A. Yes, the consumption usage is based on the estimate of potential customers in Green River and is shown in DEU Exhibit 2.03.

## III. PURCHASE AND COMMISSIONING OF THE PEMC PIPELINE

**Q. Please describe the PEMC Pipeline.**

A. The PEMC Pipeline is a 16" steel pipe that runs approximately 21.2 miles from the Greentown processing plant to an interconnect with NWP. A map showing this line is attached as DEU Exhibit 2.04. This line was originally constructed in 2008 by

Delta Petroleum ("Delta") as a part of its Greentown Gathering System. Delta later sold all its assets and Pacific Energy & Mining Co. ("PEMC") eventually became the operator/owner of the PEMC Pipeline.

**Q. Did the Company consider alternatives to purchasing the PEMC Pipeline?**

A. Yes. The Company conducted some scoping to determine if it was feasible to construct a smaller line that would run parallel to the PEMC Pipeline and within the same permitted Right-of-Way, from NWP to Green River. This option posed numerous challenges. First, a new line would be very costly to permit and install. Based on the current costs of constructing an 8" pipeline in similar terrain, the Company estimates it would cost over $10 million to construct such a line. Additionally, this option would require the construction of a new interconnect with NWP. In total, the Company estimates the construction of a new line and interconnect would cost more than $15 million. The Company also considered servicing Green River using a satellite LNG facility. However, that option, as discussed in more detail below, was also more expensive than the proposal set forth in the Company's Application and supporting testimony. Specifically, the Company proposes, instead, to pursue purchasing the PEMC Pipeline in conjunction with the construction of HP and IHP mains and services lines to serve the community of Green River.

**Q. Has Dominion Energy entered into a purchase agreement for the PEMC Pipeline?**

A. No, but Dominion Energy and PEMC have reached agreement on most material terms, including the purchase price. The parties have negotiated an Asset Purchase Agreement and are currently working through schedules associated with that agreement. I expect that agreement to be finalized and signed soon. The Asset Purchase Agreement is attached hereto as DEU Confidential Exhibit 2.05. The Asset Purchase Agreement provides that Dominion Energy will purchase the line for [redacted], subject to certain conditions.

**Q. What are those conditions?**

A. [redacted]

**Q. Why is the Company requiring [redacted]?**

A. [redacted]

**Q. If the Company does not purchase supply from that producer, where will the Company get its supply to serve Green River?**

A. As part of the capital project, DEU will pay NWP to "turn-around" its interconnect with the pipeline. As currently configured, NWP receives gas from the PEMC Pipeline. The turn-around project would simply add facilities to reverse this and have gas delivered from NWP to the PEMC Pipeline.

DEU already sources gas using its existing transportation contracts on NWP for the nearby communities of Moab and Monticello and with the interconnect so close to these existing locations, the Company would procure gas supply from its existing resources and transport it via NWP to the PEMC Pipeline and Green River.

**Q. Are you familiar with Docket No. 18-2602-01?**

A. Yes. That is the docket where the Commission issued a Hazardous Facilities Order ("HFO") pertaining to the PEMC Pipeline. A copy of the HFO is attached to my testimony as DEU Exhibit 2.06.

**Q. Please describe the findings in that HFO?**

A. The Commission found that the operator of the PEMC Pipeline violated 12 regulations. Those regulations are listed on page 3 of the HFO. The Commission also ordered that "PEMC shall cease operation of its pipeline and may not recommence operation until it successfully petitions the PSC to discontinue the Order to cease operations. . . ." HFO, Docket No. 18-2602-01 at 30 (April 10, 2019). On June 14, 2019, the Commission issued a Notice of Hazardous Facility Order, to Provide Confirmation of Compliance, and Action Request to the Division of Public Utilities ("Notice of HFO") in which it made clear that the HFO applied to "anyone who operates the Pipeline without successfully petitioning the PSC to discontinue the HFO" and explains that such an operator "could face new fines and penalties." Notice of HFO at 3, attached hereto as DEU Exhibit 2.07.

**Q. Is the Company petitioning the Commission to discontinue the HFO?**

A. Yes. As part of its Application in this Docket, the Company requests that the Commission lift the HFO, approve the Company's Conversion to Service Plan, and clarify that Dominion Energy will not be responsible for the fine imposed on the operator of the PEMC Pipeline. If the Commission declines to lift the HFO and make this finding, Dominion Energy will not take ownership of the line, and the Company will not be able to extend service to Green River for the foreseeable future.

**Q. What steps will Dominion Energy take to ensure that the PEMC Pipeline can be safely recommissioned.**

A. The Company has created a Conversion to Service Plan and has attached it as Exhibit 2.08. This describes the steps the Company plans to take to address the deficiencies identified in the HFO. The Conversion to Service Plan also includes the review,

inspection and testing the Company will undertake to ensure that the pipeline is compliant with Dominion Energy's internal safety and security requirements and applicable law before the line in again placed in operation.

**Q. The First deficiency identified in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.605(b)(8) by failing to establish and periodically review its operations and maintenance manuals, and to document and record those manuals for inspection by the Utah Division of Public Utilities ("Division"). How does the Company intend to address this deficiency?**

A. DEU already has in place a robust set of standard operations and maintenance procedures, including an Emergency Plan, that it follows in the design, construction, and operation of its gas network. The Emergency Plan Table of Contents is attached as DEU Confidential Exhibit 2.09.

As a designated Subject Matter Expert ("SME") for various standards, it is my experience that these standards are reviewed on a yearly basis for any required updates. These standards are also regularly reviewed by Utah Pipeline Safety officials who collaborate with DEU to constantly improve applicable standards.

**Q. The Second deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.605(c)(4) by failing to perform reviews of any abnormal conditions that have existed in the pipeline, and to document and record that information for inspection by the Division. How does the Company intend to address this deficiency?**

A. DEU already staffs and maintains a robust Pipeline Compliance group that is tasked with ensuring that all abnormal conditions are properly documented. This group evaluates whether post-incident responses were adequate. Within the Controlling Emergency Situations (Section 3) of DEU's Emergency Plan, there is a clear definition of what abnormal conditions its systems might experience (abnormal operating conditions, abnormal pressures and abnormal gas quality) and how each condition is to be remedied. As part of the Emergency Plan and as a standard

practice, personnel are tasked with ensuring that annual training is conducted with all employees and that any inadequacies are addressed and documented.

**Q. The third deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.615(b)(w) by failing to train its personnel about its emergency plan, and to document and record that information for inspection by the Division. How does the Company intend to address this deficiency?**

A. DEU's Pipeline Compliance group ensures that all its emergency response personnel and technical staff receive regular training, and it documents this training for inspection by the Division.

In addition, as part of annual training, Pipeline Compliance and department managers will designate and assign responsibility for an Emergency Plan Training meeting in each of their respective areas to an Emergency Plan Meeting Coordinator. Meeting times, locations and documentation are the responsibility of each Emergency Plan Meeting Coordinator.

Meeting Coordinators also receive an Emergency Plan Training Report form from Pipeline Compliance. This form, along with all other documentation pertaining to the Emergency Plan Training Meeting (at a minimum include meeting agenda, meeting summary, meeting attendees and suggested revisions to the Emergency Plan (if required)), will be completed by the Emergency Plan Meeting Coordinator and submitted through the DOT system to Pipeline Compliance. These records are available to Division personnel during routine inspections and will be stored on DEU's D.O.T. Compliance System.

**Q. The fourth deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.615(b)(3) by failing to review its employees' activities in an emergency planning mock drill or other exercise, and to document and record that information for inspection by the Division. How does the Company intend to address this deficiency?**

A. Pursuant to Company procedure, the DEU Pipeline Compliance group helps lead the annual training effort but additional trainings are conducted by the Operating Region and consist of completion of the assigned Emergency Plan web-based training modules and an online test for review and one or more of the following:

i. Review of the 3 sections with the lowest average scores from the web-based tests; or

ii. Hypothetical (table-top) emergency exercises (local/department level).

**Q. The fifth deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.615(c) by failing to maintain liaisons with emergency officials and to document and record that information for inspection by the Division. How does the Company intend to address this deficiency?**

A. In Section E of DEU's Emergency Plan, the Company identifies both the Company representatives for establishing those liaisons with community officials (law enforcement, public officials, and fire departments). The Company representatives are responsible for informing community officials of the Emergency Plan and coordinating the actions required by the plan. The goal is to plan around what emergencies can occur and establish relationships with these officials in the Company's service areas. The coordination between the Company and the community leaders ensures that both can engage in mutual assistance to minimize hazards to life and property. The Company documents meetings with these community leaders and retains them for audit or review. Additionally, the separate State Pipeline Associations (UPA, WyPA, IPA) and State 811 coordinators provide documentation for the scheduled Emergency Responders and Damage Prevention meetings held in their respective locations. The Company also retains this meeting documentation.

**Q. The sixth deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.616(e), (f) by failing to establish a public awareness program for its operator to contact cities, schools, businesses and residents along its pipeline and**

**right of way, and to document and record that information for inspection by the Division. How does the Company intend to address this deficiency?**

A. The Company has had a formalized written Public Awareness Program since June 20, 2006, to explain the procedures DEU uses to continually educate the public about pipeline safety, to recognize and respond in the event of a gas pipeline release, and to detail how the public should report such an event. The Company's Corporate Communication Department, in conjunction with its Public Awareness Committee, designates a Program Manager, based at the Company's offices in Salt Lake City, to be responsible for oversight of the plan, program evaluation, and continuous improvement efforts.

**Q. The seventh deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.616(g) by failing to provide its public awareness program in a language, other than English, which is understood in the area that the facility operates, and to document and record that information for inspection by the Division. How does the Company intend to address this deficiency?**

A. The Company utilizes a study of U.S. Census Bureau statistics to determine a significant concentration of which language in addition to English is being used along pipeline routes for the affected public and excavators. After understanding the demographics of DEUs operating area, the Company determined that baseline materials be printed in additional languages when an ethnicity group is 10% or greater.

Based on this data, Spanish has been selected as a second language for printed baseline materials. DEU Exhibit 2.10 is an example of a safety brochure that the Company uses to inform the community and it is written in both English and Spanish.

**Q. The eighth deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.616(h) by failing to provide an effective review of its public awareness program, and to document and record that information for inspection by the Division. How does the Company intend to address this deficiency?**

A. As discussed above, DEU has a formalized, written Public Awareness Plan ("PAP") that explains procedures the Company will use to educate the public about pipeline safety, how to recognize and respond in the event of a gas-pipeline release, and how to report such an event. This information will be available for Division inspection.

The plan is implemented by a Program Manager, based in Salt Lake City, Utah, who is responsible for oversight of the plan, program evaluation and continuous improvement efforts. Because the Company's pipeline system is divided into operating districts, each region manager throughout the Company's system assists in implementing and continuously improving the plan. This is done by proactively collaborating with emergency officials, public officials, customers, excavators, and other affected parties.

Operations Training (whose offices are also in Salt Lake City), with the assistance of local operations personnel, also periodically conduct training with fire department and law enforcement personnel to acquaint them with the Company's emergency response capabilities.

In addition to the company providing all its internal resource support, the Company's PAP uses external support resources to ensure all audiences are covered. These resources include:

- Pipeline Association for Public Awareness– facilitates state pipeline associations, scheduling of meetings, and documentation.
- Utah/Wyoming/Idaho Pipeline Associations – coordinate with excavators, responders, and public officials;
- Third-Party Contractor – handle mailings, effectiveness surveys, supplemental activities;

298 • State One-Call notification centers – assist with damage prevention, excavator
299 awareness, coordination of state association meetings.

300 • Local Emergency Planning Committees – coordinates Local Public Officials
301 emergency response; and

302 • Applicable state emergency resources management personnel – coordinate
303 emergency management response efforts.

304 As noted previously in my testimony, the Division has access to and reviews these
305 documents and procedures.

306 **Q. The ninth deficiency in the HFO indicates that the pipeline operator violated 49**
307 **C.F.R. § 192.706 by failing to perform an annual leak survey along its**
308 **transmission line, and to document and record that information for inspection**
309 **by the Division. How does the Company intend to address this deficiency?**

310 A. In addition to the leak survey that will be performed as part of the Conversion to
311 Service Plan, DEU will implement a plan to perform leak surveys on this line
312 pursuant to C.F.R. § 192.706. The existing PEMC Pipeline is currently considered a
313 transmission line as defined by C.F.R. Part 192 and will be surveyed at intervals of no
314 more than 15 months. DEU has internal resources that are performing surveys in
315 nearby communities (Moab, Monticello, Price) who will incorporate the survey of the
316 PEMC Pipeline into their work.

317 **Q. The tenth deficiency in the HFO indicates that the pipeline operator violated 49**
318 **C.F.R. § 192.751 by failing to take steps to minimize accidental ignition of gas**
319 **along its pipeline, and to document and record that information for inspection**
320 **by the Division. How does the Company intend to address this deficiency?**

321 A. Dominion Energy takes the safety of its employees and the public it serves as its
322 highest priority. While the referenced code has general guidelines to prevent
323 accidental ignition, DEU has specific, detailed standards that apply to all work in and
324 around its facilities to ensure that employees are safe during work around these
325 facilities. These standards cover how personnel should dress, the types of clothing to

prevent injuries associated with accidental ignition, and specific standards that cover how facilities are taken out of service or placed safely back into service so that accidental ignition cannot occur. This information is available to the Division for review.

**Q. The eleventh deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.227-229 by failing to set forth qualifications and limitations for welders and welding operators, and to document and record that information for inspection by the Division. How does the Company intend to address this deficiency?**

A. DEU understands the importance of ensuring that any welding that is done on pipelines and facilities has the highest quality control, and DEU maintains numerous overlapping procedures to ensure quality is sustained going forward. While such records for the PEMC Pipeline do not exist, other records provide evidence indicating that the welds were completed properly.

First, DEU reviewed pressure tests conducted on the original pipeline installation. The line was subject to a hydrotest that maintained pressure levels equal to 100% of the specified minimum yield stress of the pipe for 8 hours. This successful test is indicative of quality welds.

Second, additional records documenting the inspection of the line indicate that a large percentage of the girth welds underwent a radiographic testing and passed inspection. This also indicates that the welding was done properly.

Finally, Dominion Energy will complete its own inspection with an in-line inspection tool to create a baseline that will ensure the PEMC Pipeline can be commissioned and operate safely in the future.

**Q. Are there any other measures the Company has taken or will take to address the eleventh deficiency?**

A. Yes. To date, the Company has reviewed the design, construction, and operating history of the pipeline, and based on those records, the Company believes the line can

be operated safely. Nevertheless, if the Commission approves the Application in this docket, the Company will acquire the PEMC Pipeline, and proposes that the Commission approve the Company's plan to follow the requirements of the Conversion to Service provision of 49 CFR Part 192.14 of the Department of Transportation ("DOT") Code in commissioning the pipeline for use as a distribution line in this circumstance. This provision of Part 192.14 provides guidance for commissioning steel gathering lines in the case of a conversion of service. While the Company recognizes that the Commission has determined that the PEMC Pipeline is not a non-jurisdictional gathering line, the conversion to service provision of 49 CFR Part 192.14 provides the DOT guidance related to that type of line and it is the most relevant guidance for this circumstance. The Company also favors this approach as it will be a conservative approach to commissioning the line for distribution service. Part 192.14 was established to govern the commissioning of gathering lines, some of which may have been constructed in a fashion not compliant with applicable DOT regulations. As a result, its requirements are particularly stringent. Out of an abundance of caution, DEU intends to follow this more stringent approach in commissioning the PEMC Pipeline for distribution service. As noted above, I have attached as DEU Exhibit 2.08 a summary of the Company's Conversion to Service Plan for the PEMC Pipeline. This plan will ensure that the PEMC Pipeline is code-compliant, and safe to operate when the Company places it into service.

Finally, if the Company identifies any concerns during this process, it will take action to ensure that those concerns are resolved before the pipe is placed into service.

**Q. The twelfth deficiency in the HFO indicates that the pipeline operator violated 49 C.F.R. § 192.243 by failing to keep nondestructive testing records, and to make those records available for inspection by the DPU. How does the Company intend to address this deficiency?**

A. Dominion Energy has reviewed all the existing non-destructive testing ("NDT") records the owner provided. These records indicate that the line was subject to comprehensive Radiographic Testing on the girth welds during its initial construction.

These welds were inspected by a Level II technician and complied with industry standards. This testing would be similar in scope to a line that DEU would have installed. Though NDT records may not exist for every weld, Dominion Energy has reviewed inspection records for more than 1600 welds, about 60% of the welds on the length of the line, and believes that the line was inspected to an appropriate level.

As noted above, to mitigate the risks further, DEU will run an in-line inspection tool inside the pipeline as part of the commissioning effort. This tool can find defects in construction such as scratches in the line or dents and can also indicate if there are wall losses associated with corrosion.

**Q. Please explain in more detail the steps the Company will take under its Conversion to Service Plan?**

A. Under the Conversion to Service Plan, the Company will conduct the following additional testing:

1. Take cathodic voltage measurements and plan for the installation of a deep well cathodic station.
2. Study the impact of the electrical transmission lines that parallel the line and ensure that existing remedies are adequate. If they are not, the Company will put a work plan together to address the deficiencies.
3. Conduct a Class Location study to ensure that the correct design factors are utilized for a design and that the pipe is tested adequately for these locations.
4. Utilize In-Situ testing to measure properties such as yield strength, or metallurgical properties to verify that the material in the material test records is correct.
5. Potentially conduct destructive laboratory test welds on segments of pipe that are removed when pipe replacements or tie-ins are performed. This will test the ultimate strength of welds and ensure that the welds meet strength specifications.

6. Use an External Corrosion Direct Assessment (ECDA) process to identify any external defects to structural integrity and then dig these defects up to identify the size and mechanism of the defect.

7. Internally clean the line and run an In-Line Inspection tool to document any defects that may be present and dig these locations up to confirm the tool data is accurate.

These steps will ensure that the pipeline can safely return to service. If, during the testing described above, the Company identifies defects, anomalies or problems, it will appropriately remedy those problems before placing the line into service. All work will be documented for the life of the pipeline asset consistent with its Conversion to Service plan. The Division will have access to the records of the above testing and remedial efforts, if any, to address line concerns.

**Q. Will the Company incur any costs associated with any of its planned Conversion to Service Plan activities?**

A. Many of the activities will not require incremental costs to implement because existing employees will simply include these new facilities in currently existing processes. There will be minor costs to digitally scan all the records that exist on the pipeline and categorize them for ease of access. This includes X-ray reports and Material Test Records, and this will take some internal resources to ensure that all of the information is available to operators and regulators going forward.

Additionally, DEU has identified about $2.2 Million in capital costs associated with projects along the PEMC Pipeline to ensure it meets the Company's safety and security requirements. This includes costs of replacing the end facilities to accommodate In-Line Inspection tools, adding security fencing around the various sites to meet Company security standards, and studying the impact of the electrical transmission system that parallels the line for a number of miles, and repairing or replacing the existing induced-AC mitigation systems that are on the line.

While these projects are small in scope, completing them will help ensure the pipeline is safe to operate going forward.

## IV. INTERCONNECT WITH NORTHWEST PIPELINE

**Q. Please describe the interconnect with NWP.**

A. The existing interconnect at NWP is sized to accept gas volumes from the PEMC Pipeline in a quantity of 67,567 MMBTU/day. There is a significant station at the location that includes gas measurement equipment, filtration equipment, chromatograph, and telecommunications equipment. The equipment is sited in a fenced location adjacent to a small facility that the PEMC Pipeline owns.

**Q. Will the Company or NWP need to complete any modifications to the interconnect for the Company to serve Green River?**

A. Yes. Functionally, the station was intended to receive gas from the PEMC Pipeline at much larger volumes and now DEU will request new equipment to make the facility bi-directional. This includes adding new, smaller equipment so that NWP can deliver gas to the PEMC Pipeline, and to allow some flexibility as things change in the future. Having an existing site will make this installation straight-forward as NWP can utilize existing equipment like communication systems and do all these modifications within the fenced location.

**Q. What will those modifications cost?**

A. The Company is currently working with Williams' NWP on conceptualized designs, but the preliminary estimates range between [redacted]. For the DEU project capital costs, the Company assumed an average cost of $[redacted] Million for installation of these facilities.

## V. REQUIRED HIGH PRESSURE (HP) FACILITIES

**Q. Please describe the HP facilities the Company proposes to construct to serve Green River?**

A. The Company's Engineering Department conducted a study based upon the anticipated customer demand and determined that a 6" diameter HP pipeline would best serve Green River. A copy of that study is attached as DEU Exhibit 2.11 The proposed route of the HP line is shown in DEU Exhibit 2.12.

**Q. Did the Company consider alternatives for constructing the HP main extension to Green River?**

A. Yes. In addition to the sizing considerations shown in DEU Exhibit 2.11 the Company also considered the use of a satellite LNG system. This facility would replace the need to buy the PEMC Pipeline or construct the HP main extension. A potential satellite LNG facility could be sited on the edge of Green River and could take trucked LNG from the Magna LNG plant currently being constructed. These tanks could then be connected to a vaporization system that delivers gas to the distribution system via a pipeline.

In exploring this option, the Company found that the LNG alternative would cost more than the HP main extension and purchasing the PEMC Pipeline. The selected option is estimated to cost [redacted] (purchase of the PEMC Pipeline, NWP facilities, and HP main). The LNG option would cost $22.3 Million for vaporization facilities alone, not including modification of the Magna LNG facilities to allow for truck loadouts. Additionally, the LNG option would result in significant operation and maintenance costs going forward. As a result, the Company elected to move forward its plan to purchase the PEMC Pipeline and construct a main extension. A copy of the feasibility study is attached as DEU Exhibit 2.13.

Finally, the Company could build a 50-mile extension from the nearest feeder line near Price, UT. However, given the total length of the line that would be required, the cost would be prohibitive when compared to the first alternative.

**Q. What is the estimated cost for the HP pipeline to serve this Community?**

A. The estimated cost for the preferred HP extension (Option A), including the construction of regulator stations in Green River is [redacted]. This includes all planning, engineering, and construction of the high-pressure line and the two regulator stations on either side of the Green River. The cost estimate showing the estimated costs of HP and IHP facilities is attached as DEU Confidential Exhibit 2.14.

**Q. What else will the Company need to construct to serve Green River?**

A. The Company plans to construct IHP main lines in Green River. DEU Exhibit 2.12 shows the proposed route of IHP mains within Green River based upon the current proposed location of the district regulator station. The Company proposes to install approximately 10,724 linear feet (lf) of 6" IHP plastic main, 20,106 lf of 4" plastic main, and 42,203 lf of 2" IHP plastic main. Additionally, the Company plans to construct approximately 240 lf of 2", 320 lf of 1¼" and 23,600 lf of ¾" IHP plastic service lines. The estimated total cost for the installation of the IHP main, and service lines in Green River is approximately [redacted]. DEU Confidential Exhibit 2.14 shows the estimate for the IHP system in Green River.

**Q. How did the Company determine the required IHP main sizes?**

A. The Company's IHP Engineering department determined the main sizes by building a gas network model to determine the appropriate size of mains to serve the community at full build out, along with room for future growth. In conducting this analysis, the Company balanced the total number of existing customers and their locations in the community, but also allowed for growth in economic development in the future. The customers that have responded as part of the survey have been mapped within our proposed area and this is submitted as DEU Exhibit 2.02

**Q. What contracts will be required to construct the facilities you have described.**

A. If the Commission approves this project, the Company will conduct separate bid processes for the HP and IHP projects identified above. The Company would prepare request for proposals for each scope of work and conduct two independent bids (HP and IHP). While the bids may be independent, the Company will allow contractors to bid on both projects if they wish. The bids will be evaluated for cost, construction schedule, and the contractor's safety and performance metrics.

**Q. What governmental authorizations are required to construct these facilities?**

A. In August of 2019, the city of Green River received a right-of-way grant from the Bureau of Land Management's ("BLM") Moab field office for the high-pressure line extension from the PEMC Pipeline. The grant was the conclusion to a large effort the city made to conduct the required environmental and cultural surveys needed to prepare an Environmental Assessment of the project to satisfy National Environmental Policy Act requirements. By issuing the right-of-way grant, the BLM has approved both the route and has provided DEU many of the conditions and expectations that are needed to construct the project. By submitting some administrative applications, the BLM can assign DEU this right-of-way grant for use in its effort to bring gas to Green River.

The fact this ROW exists is a significant benefit to the project and the Company. This effort is typically the most challenging aspect of a project like this and certainly is the most time-consuming.

Additional permits required are going to be the common types of permits that DEU would get on most of its projects. Typically, a Storm Water Pollution Prevention Plan will be developed and submitted as part of the project as the disturbed areas will be larger than 1 acre of land.

The project will also need a permit, likely from the BLM and Corp of Engineers for the Green River crossing of the pipe using horizontal directional drilling technology. The IHP lines within the City will need excavation permits from the City and any regulator station will need a building permit.

Finally, Dominion Energy and Green River have entered into a Franchise Agreement permitting Dominion Energy to place facilities in Green River's roads and public utility easements.

## VI. TOTAL PROJECT COST AND SCHEDULE

**Q. How much will the project cost in total?**

A. The facilities I have described including the purchase of the PEMC pipeline, modifying the NWP interconnect, constructing the 8" HP extension, constructing two regulator stations, and installation of the IHP mains and service lines are estimated to cost [redacted].

**Q. Have you developed a project schedule for the proposed expansion of service to Green River?**

A. Yes. It is estimated that the entire project will take approximately 9-10 months to construct. If the Commission approves the Application, the Company will commence engineering for a construction kick off around January of 2023 and would expect the bulk of the work to be completed within 6 months and with service to the entire community by October of 2023.

## VII. CONCLUSION

**Q. Will you please summarize your testimony?**

A. Yes. The Company proposes to invest [redacted] in mains and facilities required to serve the city of Green River, Utah. The facilities would include a 6" HP main that would tie to the 16" HP line that will ultimately connect to NWP. The Company would also construct various IHP main lines and service lines throughout the city.

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

A. Yes.

State of Utah )

) ss.

County of Salt Lake )

I, R. Scott Messersmith, 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.

R. Scott Messersmith

SUBSCRIBED AND SWORN TO this 15th day of July, 2021.

Notary Public

RENA PORTER
Notary Public State of Utah
My Commission Expires on:
April 25, 2023
Comm. Number: 704986