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Attorneys for Dominion Energy Utah

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH TO EXTEND SERVICE TO GREEN RIVER, UTAH	Docket No. 21-057-12 SETTLEMENT STIPULATION
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Pursuant to Utah Code Ann. § 54-7-1, Dominion Energy Utah (Dominion Energy or Company) and the Utah Division of Public Utilities (Division) (collectively the Parties) submit this Settlement Stipulation in resolution of the issues raised in this docket. The Utah Office of Consumer Services has authorized the Parties to represent that it does not oppose this Settlement Stipulation.

PROCEDURAL HISTORY

1. On August 5, 2021, Dominion Energy filed an Application in this docket (the

Application) asking the Utah Public Service Commission (Commission) (1) to grant the Company a Certificate of Public Convenience and Necessity to provide natural gas service to Green River, Utah (Green River) and surrounding areas; (2) to approve the Company's Resource Decision¹ to purchase and existing pipeline (PEMC Pipeline) and construct new natural gas facilities to provide service to Green River; (3) to permit the Company to recover the costs of the Resource Decision by utilizing the Rural Expansion Tracker set forth in Section 9.02 of Dominion Energy Utah's Natural Gas Tariff No. 500 (Tariff); (4) to approve the Company's Conversion to Service plan for the pipeline known as the PEMC Pipeline; (5) to discontinue the Hazardous Facilities Order and the PEMC Restrictions as described in the Application; and (6) to declare that Dominion Energy will not be responsible for the fine levied against the operator of the PEMC Pipeline in the Hazardous Facilities Order.

2. On September 16, 2021, the Commission held a virtual technical conference during which the Company provided information about the proposed expansion and the Resource Decision, and answered questions related to this docket.

3. On October 29, 2021, the Division submitted Direct testimony in this docket.

4. Since that time, the Parties have engaged in settlement discussions. The Parties have reached a settlement agreement, as set forth below.

TERMS AND CONDITIONS

5. In settlement of the matters raised in this docket, the Parties submit this Settlement Stipulation for the Commission's approval and adoption.

6. The Parties agree for purposes of settlement that Dominion Energy should receive

¹ Defined terms in this Settlement Stipulation have the meaning set forth in the Application in Docket No. 21-057-12.

a Certificate of Public Convenience and Necessity to serve Green River and surrounding areas, as more fully set forth in the Application.

7. The Parties agree for purposes of settlement that the Company should be authorized to purchase the PEMC Pipeline and construct new natural gas facilities to expand its system, and to offer natural gas service to the residents and businesses in and around Green River as more fully set forth in the Application.

8. The Parties agree for purposes of settlement that Dominion Energy should recover the costs of expanding to Green River through the Rural Expansion Rate Adjustment Tracker as more fully set forth in the Application.

9. The Parties agree for purposes of settlement that the Company should receive approval of the Revised Conversion to Service Plan attached hereto as Settlement Stipulation Exhibit A.

10. The Parties agree for purposes of settlement that the Hazardous Facilities Order and the PEMC Restrictions should be lifted, as more fully set forth in the Application.

11. The Parties agree for purposes of settlement that Dominion Energy should not be deemed responsible for the fine levied against the operator of the PEMC Pipeline in the Hazardous Facilities Order, as more fully set forth in the Application.

12. The Parties agree for purposes of settlement that Dominion Energy will file copies of any necessary permits obtained for construction.

13. The Parties agree for purposes of settlement that, should the costs of the Resource Decision exceed the cost estimates provided in the pre-filed direct testimony of R. Scott Messersmith, the Company will seek Commission approval of any excess costs prior to including

those costs in the Rural Expansion Rate Adjustment Tracker. However, any approval of excess costs will be subject to the limits on cost recovery set out in Utah Code § 54-17-403(1)(c)(i) and (ii).

14. The Parties agree for purposes of settlement that the Company will work with Green River to confirm that Green River will be inspecting all appliances converted by each customer in Green River for safe operation and proper conversion. This inspection will be required before a meter will be set by DEU.

GENERAL

15. The Parties agree that, given the requirements of Utah Code Ann. § 54-17-403(c)(i) and (ii) authorizing the Commission to include costs of rural gas infrastructure development, if the cost will not increase the Company's base distribution non-gas revenue requirement by more than 2% in any three-year period or increase the cost of the Company's distribution non-gas revenue related to rural gas infrastructure development by more than 5% in the aggregate, the settlement of those issues identified above, in light of this statutory directive, is in the public interest and that the results are just and reasonable.

16. The Parties agree that the original costs estimate for this rural expansion project, as provided in the pre-filed direct testimony of Company witness R. Scott Messersmith, comply with the 2% and 5% statutory limits as calculated in the pre-filed direct testimony of Company witness Austin Summers.

17. The Parties have reached a full and final resolution of those issues identified in this docket.

18. 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. This Settlement Stipulation does not resolve, does not provide any inferences regarding, and the Parties are free to take any position with respect to, any issues not specifically identified and settled herein. All negotiations related to this Settlement Stipulation are confidential and subject to the applicable rules of evidence, including Utah R. Evid. 408, and no Party shall be bound by any position asserted in negotiations not specifically identified and settled herein. Neither the execution of this Settlement Stipulation nor an 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.

19. Dominion Energy will, and the Division may, make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. The Parties shall support the Commission's approval of the Settlement Stipulation. As applied to the Division, the explanation and support shall be consistent with its statutory authority and responsibility. So that the record in this docket is complete, the Parties agree to recommend that all pleadings and testimony that have been filed in this docket be admitted as evidence.

20. 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. As applied to the Division, the phrase "use its best efforts" means that

it shall do so in a manner consistent with its statutory authority and responsibility. 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.

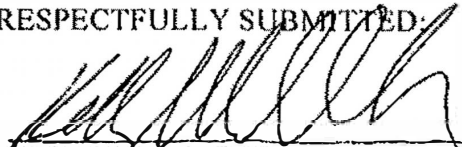
21. Except with regard to the obligations of the Parties under Paragraphs 18, 19, and 20 of this Settlement Stipulation, this Settlement Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission. This Settlement Stipulation 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 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, the remaining Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses and no Party shall be bound or prejudiced by the terms and conditions of the Settlement Stipulation.

22. 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: December 10, 2021.



Kelly B Mendenhall
Director Regulatory and Pricing
Dominion Energy Utah



Chris Parker
Director
Utah Division of Public Utilities

Settlement Stipulation Exhibit A

P.E.M.C. Conversion to Service Plan

R. Scott Messersmith, P.E.

Dominion Energy Utah, Salt Lake City, UT

Objective

Dominion Energy Utah (DEU) will follow guidance outlined in Part 192.14 of the U.S. Department of Transportation Code to bring the P.E.M.C. pipeline into code compliance. This Conversion to Service Plan outlines the framework that DEU will work under to ensure the line is ready for service.

Pre-Design Work

1. DEU has conducted or will perform a full records search for all pertinent records relating to the P.E.M.C. pipeline including:
 - a. Review all environmental permits and Right-of-Way documents.
 - b. Review all Material Test Records and document minimum yield strength for materials to create the foundation of a Maximum Allowable Operating Pressure (MAOP).
 - c. Review hydrotest records, documenting the length of time held at pressure and the documented minimum and maximum pressures.
 - d. Review X-ray reports for girth welds during pipeline construction and document whether the line was appropriately Non-Destructively Tested.
2. DEU has conducted or will perform a centerline survey for the portion of the pipeline between the Northwest Pipeline Interconnect and the crossing of Highway 6 including:
 - a. Conducting a Class Location Study to investigate for High-Consequence Areas (HCAs) and to quantify the number, distance, and locations for:
 - i. Designated camping sites
 - ii. Existing undeveloped camping sites
 - iii. Potential locations in the future for undeveloped camping
 - iv. Possible future recreation opportunities that may create HCAs or impact class location.
3. DEU will conduct a depth of cover survey on the line to ascertain the current depth of cover for the pipeline.
4. DEU will contract with an engineering consultant to conduct an induced Alternating Current (AC) study. This study will model the effects of having an electrical transmission line parallel to the Northern portion of the P.E.M.C. pipeline. The consultant will study the effectiveness of existing mitigative measures against induced AC corrosion and determine if additional measures need to be installed. DEU will utilize this plan to develop its induced AC corrosion program and install any recommended mitigation prior to operating the pipeline.
5. DEU will formulate an External Corrosion Direct Assessment (ECDA) plan on the line to survey the line for coating damage and possible locations of external corrosion anomalies and to ensure that all identified defects related to coating loss are addressed.

Investigative Field Work

1. When there are opportunities, DEU will excavate and investigate buried fitting locations to compare material yield stress markings on fittings with material records that have been provided. The intent of this effort is to determine if there are differences between what the original installer intended to utilize and what was installed.
2. DEU will verify the pipeline yield stress properties using in-situ scratch testing on the pipe. This work will be performed concurrently during DEU's investigative digs identified above for fitting investigation.
3. DEU will survey the line using a Closed Interval Survey (CIS) or a Direct Current Voltage Gradient (DCVG) survey. All defects found will be located using a Global Positioning Survey (GPS) and documented. For substantial anomalies, DEU will excavate the pipeline and the defects will be analyzed. If required by analysis the defects will be removed or repaired prior to putting the line into service.
4. DEU will select an In-Line Inspection (ILI) tool vendor and conduct an ILI survey. This vendor will clean the line using nitrogen, run a gauge tool to check for dents, and then perform an ILI survey along the entire length of the line. Within 90 days of running the ILI, DEU should have a preliminary report documenting areas of concern that need further investigation. DEU will investigate, and if needed, repair or replace any areas of concern prior to placing the line into service.

Final Measures Prior to Commissioning

1. All locations that do not have the appropriate depth of cover will be analyzed to determine if mitigation is necessary to ensure integrity of the line. DEU will mitigate cover issues in any areas deemed by analysis as needing addressing prior to putting the line into service.
2. DEU will ensure that the line will be located and recorded into the Company's GIS mapping system and all valves will be documented in DEU's record system and valve book drawings will be created. Procedures for emergency operation will reference these drawings and will be available for operations personnel prior to operation of the line. DEU will investigate all locations with above ground facilities and ensure they are fenced for security purposes. All valves will be tagged and locked.

Commissioning

1. The line will be purged with natural gas from the Northwest Interconnect to the mid-pipe block valve near the airport. This section is the most critical as it has the potential to be categorized as a HCA in a Class 3 area.
2. After the pipe is purged, the line will be brought up to 200 PSIG and the line will be "shut-in" and flow will be shut off as the line stabilizes pressure.
3. During the "shut-in" period, a leak detection survey will be conducted on the first segment of line between the Northwest Interconnect and the mid-pipe block valve.

4. With a successful leak survey, the line will then be brought up to its final operating pressure.
5. After final pressurization, the entire line will be leak surveyed. After a successful final leak survey, the line will be ready for service.
6. Prior to DEU putting the PEMC line in service, DEU will send the Utah Pipeline Safety Section (UTPS) of the Utah Division of Public Utilities (DPU) a completed electronic workbook that summarizes all techniques that DEU utilized to determine the MAOP for the project. This workbook will validate the proposed MAOP consistent with Federal requirements and provide the following information:
 - a. Share Traceable, Verifiable, and Complete (TVC) records research and describe DEU's methodology and disposition on acceptance of material records utilized to determine allowable strength parameters and the pipeline's MAOP.
 - b. Validation of a Class location study that denotes distances from code-described areas of concern and the Class location design factor utilized.
 - c. Confirmation that a post-installation test was conducted and satisfies the requirements of 49 CFR Subpart J.
 - d. Pressure requirements to meet current and future needs for the City of Green River and the capacity associated with these pressures.
 - e. Procedures and equipment that DEU will utilize to ensure that the PEMC pipeline's MAOP is protected from over-pressurization events from Williams' Northwest Pipeline.
 - f. Other pertinent information as required to establish a final MAOP for the pipeline.

Notices

1. Upon Commission approval, DEU will email the DPU and the UTPS periodic project updates on significant milestones related to the reactivation of the PEMC pipeline. These reports will continue until construction is complete.
 - a. Activities described may be general in nature and all scheduled activities are subject to change. Additional, detailed information will be available by contacting the DEU Project Manager. DEU will provide project personnel contact information to the UTPS.
 - b. UTPS inspection of activities shall be coordinated with the DEU Project Manager. At all times, UTPS inspections will adhere to all DEU safety standards.
 - c. Final decision on all inspection techniques, vendor selection, performance specifications utilized, and timing will be at the sole discretion of DEU and its Project Management.
2. DEU will make available to UTPS copies of Company Standard Practices, Emergency Plans, and Public Awareness Plans. The Company Standard Practices and other pertinent records of the PEMC pipeline will be provided within a reasonable time of receiving a request for such information.

3. DEU will provide emailed notice to UTPS 14-days prior to each of the following construction activities related to the recommissioning of the pipeline: (a) the in-line inspection activities; (b) cathodic rectifier installation; (c) installation of pipe sections. DEU will not provide notice for other activities including surveying work, excavations for coating inspection, and other construction activities.
4. DEU will send UTPS the preliminary In-Line Inspection report(s) within 14 days after receipt of the report. DEU will also describe all next steps that it intends to pursue as a result of analyzing this report. The Company will send the final reports of the ILI survey to the UTPS.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Settlement Stipulation was served upon the following persons by e-mail on December 10, 2021:

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