

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION
OF DOMINION ENERGY UTAH TO
INCREASE DISTRIBUTION RATES AND
CHARGES AND MAKE TARIFF
MODIFICATIONS

Docket No. 22-057-03

DIRECT TESTIMONY OF
JESSICA L. IPSON FOR
DOMINION ENERGY UTAH

May 2, 2022

DEU Exhibit 5.0

TABLE OF CONTENTS

I. INTRODUCTION.....1

II. TARIFF CHANGES.....1

III. CONCLUSION8

1 **I. INTRODUCTION**

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

3 A. My name is Jessica L. Ipson. My business address is 333 South State Street, Salt Lake
4 City, Utah 84111.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Dominion Energy, Inc. as a Regulatory Specialist. I am responsible for
7 preparing various regulatory filings including pass-through rate tariffs as well as other
8 regulatory reports and compliance filings. I am testifying on behalf of Questar Gas
9 Company dba Dominion Energy Utah (“Dominion Energy,” “DEU,” or the “Company”).

10 **Q. What are your qualifications to testify in this proceeding?**

11 A. I have listed my qualifications in DEU Exhibit 5.01.

12 **Q. Were the attached DEU Exhibits 5.01 through 5.04 prepared by you or under your
13 direction?**

14 A. Yes.

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

16 A. The purpose of my testimony is to summarize proposed modifications to the Company’s
17 Natural Gas Tariff No. 600 (“Tariff”), as shown in DEU Exhibits 5.02 through 5.04, and
18 to explain the reasons for the proposed changes.

19 **II. TARIFF CHANGES**

20 **Q. Is the Company proposing tariff changes in this docket?**

21 A. Yes. The proposed changes are shown in legislative and final format in DEU Exhibits 5.02
22 and 5.03, respectively. I have also summarized those changes in DEU Exhibit 5.04. DEU
23 Exhibit 5.04 references each section the Company proposes to change and provides an
24 explanation of the reason(s) for each change. Each change falls into one of four general
25 categories: 1) changes required to eliminate outdated provisions and to clearly reflect
26 current Company practices; 2) movement or deletion of provisions or sections; 3) clean-up

27 changes including rewording, referencing, punctuation, formatting and grammatical
28 corrections that do not affect the substance or applicability of the Tariff; and 4) substantive
29 changes as further explained in testimony. My testimony offers additional detail relating
30 to the proposed substantive changes to Tariff Sections.

31 **Q. Please explain the Company's proposed changes in Tariff Section 3.01.**

32 A. The Company is proposing to add clarifying language detailing conditions of service
33 applicable to interruptible service. Putting the conditions into the Tariff will make the
34 requirements for backup system capability and financial consequences clear to customers
35 who may be interested in taking interruptible service.

36 **Q. Why is the Company proposing to make this change?**

37 A. In Docket No. 13-057-05, the Commission approved a Settlement Stipulation in which the
38 parties to that docket agreed that each year, interruptible sales service customers would
39 sign a statement representing that "1) backup systems are in place and maintained or the
40 customer is fully able to interrupt that portion of its gas service when required, 2) the
41 customer can and will interrupt when requested to do so by [the Company] and, 3) the
42 customer understands and acknowledges the consequences associated with a failure to
43 interrupt when properly requested to do so by [the Company]." Report and Order issued
44 February 21, 2014, page 6, Docket No. 13-057-05. Though the Company believes that this
45 requirement should continue, it proposes two minor modifications. First, the Company
46 proposes both to remove the requirement that a customer sign an acknowledgement
47 annually. Additionally, this requirement is currently set forth in two sections of the Tariff:
48 Sections 4.01 and 5.01. The Company proposes to place the requirement in a single
49 location that governs both sales and transportation customers.

50 **Q. Why does the Company propose to eliminate the requirement of an annual
51 acknowledgement?**

52 A. Removing the need for an annual acknowledgement alleviates the administrative burden
53 on both the Company and its existing interruptible customers.

54 **Q. Why does the Company propose to move this requirement from Sections 4.01 and**
55 **5.01 of the Tariff and place it in Section 3.01 of the Tariff?**

56 A. The provision is equally applicable to both interruptible sales service customers and
57 interruptible transportation service customers. Removing the requirement from Sections
58 4.01 and 5.01, and placing it to Section 3.01, where it applies to all interruptible customers,
59 provides a simpler and more direct way to denote that these requirements apply equally to
60 all interruptible customers.

61 **Q. Please explain the Company's proposed changes in Tariff Section 5.01.**

62 A. Currently, transportation service customers are limited in their ability to terminate their
63 contracts. Specifically, they are able to terminate during a particular window of time each
64 year. Instead, the Company is proposing to allow transportation service customers to
65 terminate existing service contracts at any time throughout the year, once they have
66 completed the initial one-year term of their transportation service agreement. Doing so
67 increases flexibility for transportation service customers. If approved, after a transportation
68 service customer had completed its initial one-year contract term, it would be permitted to
69 submit a written request to terminate its transportation service by the 15th day of any month,
70 and that termination would become effective the 1st day of the following month.

71 **Q. Why would a Transportation Service customer terminate an existing service contract**
72 **outside of the currently-required timeframe?**

73 A. There are likely a myriad of reasons. For example, if a transportation service customer is
74 selling their business to another party, the seller of the business may want to terminate the
75 service contract in order that the new owner of the business could initiate service in its own
76 name. Allowing greater flexibility in terminating contracts is a benefit to customers who,
77 for a variety of reasons, may want to terminate a transportation service contract mid-year.

78 **Q. Does the Company propose any other changes to ensure that transportation**
79 **customers can terminate a contract throughout the year?**

80 A. Yes. The Company proposes to modify Section 9.07 of the Tariff to make clear that sales
81 customers may continue to terminate service on three-days' notice, and that transportation
82 customers must follow the procedure outlined in Section 5.01.

83 **Q. In Section 5.01 of the Tariff, the Company proposes to add an AC Power Battery**
84 **Replacement Fee of \$1,000 per battery replacement. What is the purpose of this**
85 **charge?**

86 A. As a condition of service, a transportation customer must have AC power to facilitate
87 telemetry equipment. The AC power is necessary for the telemetry equipment to
88 communicate hourly usage reads to the Company. The Company relies upon this hourly
89 data when it calls Hold Burn to Scheduled Quantity restrictions, interruptions, and other
90 gas supply management processes. Each unit has a backup battery that will maintain
91 communications when power is lost. Each week, the Company generates a report that
92 shows which meters are not communicating reads to the Company. The Company then
93 notifies the impacted customers that the power is failing and that the customer needs to
94 reinstate power as soon as possible. The backup battery will last about one week. When a
95 customer fails to restore power within a week, the Company must replace the battery.
96 There have been times when a transportation customer knows that AC power is down, but
97 fails to remedy the problem for weeks at a time, resulting in multiple costly battery
98 replacements and risking that data will be lost. In fact, on at least one occasion, a customer
99 removed AC power during a remodel and intentionally discontinued power until its
100 remodel was nearly complete. If a customer pursued this approach in the future, the
101 Company's only remedy would be to discontinue service altogether. This proposal allows
102 the customer to maintain reliable natural gas service, while bearing the costs their own
103 actions cause.

104 The Company is proposing to charge a failure-to-restore-AC-power fee of \$1,000 per
105 battery replacement, after the first replacement. This approach allows customers a single

106 battery replacement before the charge applies. It will encourage customers to restore AC
107 power in a timely manner when outages occur.

108 **Q. How many customers have failed to restore AC power in a reasonable time?**

109 A. In the past year, about 14 customers have not restored AC power after notification, causing
110 the Company to replace the meter battery weekly for as long as a two-month span while
111 the customer prioritizes completing their construction projects or working through their
112 power issues. The costs of these battery replacements have been borne by all transportation
113 customers, rather than being borne by those customers who cause the costs.

114 **Q. How was the \$1,000 fee calculated?**

115 A. The Company is proposing a significant fee to encourage transportation customers to fix
116 power issues. When the customer fails to replace AC power, a measurement and control
117 technician must stop work assigned for that day to drive to the customers facility to replace
118 the battery. The actual cost is calculated based on 2 hours of labor, overhead costs for the
119 employee, including the travel, replacement time and vehicle usage of \$175, and battery
120 cost of \$85, totaling \$260. Four times the total cost of \$260 per battery replacement would
121 equate to about \$1,000, and is an appropriate charge to encourage customers to ensure their
122 meter has appropriate power.

123 **Q. Can the backup batteries be defective?**

124 A. Yes. Occasionally the Company installs a backup battery to the telemetry equipment only
125 to later find the battery was defective from the manufacturer. In such instance, the
126 Company would replace the battery at no charge to the customer.

127 **Q. Please explain the Company's proposed changes in Tariff Section 5.04 – 5.06.**

128 A. The Company is proposing to split the Transportation Service class into three rate classes.
129 Austin C. Summers addresses these proposed changes in detail in his pre-filed direct
130 testimony, DEU Exhibit 4.0.

131 **Q. Please explain the Company’s proposed changes in Tariff Section 7.07.**

132 A. The Company reviewed its gas quality specifications and compared them to upstream
133 interstate pipeline standards. After a thorough review, the Company is proposing to update
134 oxygen and water vapor specifications. This change will make the gas specifications
135 consistent with upstream interstate pipeline specifications. The updated oxygen and water
136 vapor specifications are less restrictive, but are sufficient to avoid safety concerns.

137 **Q. What changes have you proposed in Section 8.03?**

138 A. The Company proposes to eliminate the “Full Connection” option.

139 **Q. What connection options do customers currently have?**

140 A. When the Company commences service to sales service customers, it charges a fee for
141 connecting that customer. In some cases, the meter has been left on and service seamlessly
142 transitions from one customer to the next. For example, when one renter moves out of an
143 apartment and a new renter moves in, the new renter will pay a “read-only” connection fee
144 and service will transition without the need of a meter turn-on or other action.

145 In other instances, a homeowner or renter has moved out, service has been discontinued,
146 and the meter has been turned off. A new customer at that premises can choose either a
147 “limited connection fee” or a “full connection fee.” The Company charges a limited
148 connection fee when it reads the meter, removes the meter seal, and conducts a spot test
149 that ensures no gas is leaking in the home. The customer would then be responsible to
150 have a licensed and qualified individual check the customer’s appliances and turn service
151 on.

152 A full connection fee includes everything in the limited connection fee and, in addition, a
153 Dominion Energy employee will check and (where necessary) relight the appliances in the
154 home.

155 **Q. Why is the Company proposing to discontinue the Full Connection option?**

156 A. The Company is proposing to stop offering the Full Connection fee because customers
157 rarely request this service and it is becoming increasingly expensive to offer the service.
158 Historically, all natural gas appliances such as furnaces and water heaters were similar to

159 operate and troubleshoot. Increasingly, there are different types and brands of furnaces
160 and water heaters, each requiring specified training in order for a technician to address all
161 requests. That is very time consuming and expensive, especially for such a small number
162 of full connection service requests. HVAC contractors are far better equipped and trained
163 to do that type of work. The Company employees need to be experts in the properties of
164 natural gas, outside piping, and metering. In order to maintain expertise in all of the
165 different types and brands of appliances, more costly training will be required. The
166 remaining two connection fee services allow the Company to be responsive and ensure
167 account changes to new parties are done quickly and accurately.

168 **Q. How many customers have requested a Full Connection?**

169 A. In 2019, 13 customers made the request for full connection, or 4% of all connection fee
170 options.¹ None of the 13 customers that requested a full connection service were receiving
171 an Energy Assistance credit.

172 **Q. Please explain the Company's proposed changes in Tariff Sections 9.03 & 9.04.**

173 A. The Company recommends adding language to delay or terminate construction on any
174 extension main or service line of an applicant if they have failed to make the required cash
175 contribution or if the check is not honored by their bank because of insufficient funds.

176 **Q. Why is the Company proposing this change?**

177 A. There have been occasions where a customer provides a check to pay for the required cash
178 contribution, the Company commences construction, and then the customer's bank does
179 not honor the check. The addition of the proposed language makes clear that the Company
180 can cease construction until payment is received, and allows the Company to refuse to
181 construct other facilities for that customer until payment has been made. Once payment
182 has been made, construction can resume on the subject job and other jobs for that customer.

¹ 2020 and 2021 data were not included since there was a period of 18 months the Company did not offer full connection service because of the COVID-19 pandemic and associated risks.

183 **Q. Are there other proposed Tariff changes that you have not discussed in your**
184 **testimony?**

185 A. Yes, there are. The remaining proposed changes are simply bringing the Tariff in line with
186 current Company practice or consist of clean-up changes, including rewording,
187 referencing, punctuation, formatting and grammatical corrections that do not affect the
188 substance or applicability of the Tariff. DEU Exhibits 5.02 and 5.03 also reflect the
189 proposed rates in all customer class rate sheets to identify the rate changes discussed in
190 other Company witnesses' testimonies. The proposed changes are summarized in DEU
191 Exhibit 5.04.

192 **III. CONCLUSION**

193 **Q. Please summarize your testimony.**

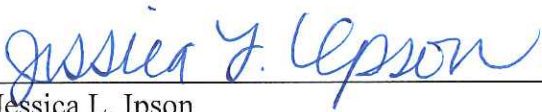
194 A. I have discussed each of the Company's proposed substantive Tariff changes, and I have
195 provided information in my exhibits about the non-substantive changes. I have explained
196 why each proposed change is just, reasonable, and in the public interest. The Company
197 recommends that the Commission approve the proposed Tariff changes as presented and
198 described.

199 **Q. Does that conclude your testimony?**

200 A. Yes.

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

I, Jessica L. Ipson, 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.



Jessica L. Ipson

SUBSCRIBED AND SWORN TO this 2nd day of May, 2022.





Notary Public