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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR APPROVAL OF A SPECIAL CONTRACT WITH SNOWBIRD RESORT, LLC	Docket No. 23-057-12  APPLICATION
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Pursuant to Utah Code Ann. §54-4-1 *et seq.*, Questar Gas Company dba Dominion Energy Utah (Dominion Energy, DEU, or Company) respectfully submits this Application to the Utah Public Service Commission (Commission) seeking Commission approval of the Transportation Service Agreement between Dominion Energy and Snowbird Resort, LLC (Snowbird), attached hereto as DEU Exhibit 1 (the Agreement). As discussed in greater detail below, the Agreement diverges from certain provisions in Dominion Energy's Utah Natural Gas Tariff No. 600 (Tariff). Nevertheless, the terms of the Agreement are just and reasonable in result, and approval of the Agreement is in the public interest.

Snowbird is a DEU transportation customer. In October 1986, the Company installed a high-pressure regulator station (WA1364) near Snowbird's ski resort. WA1364 was housed in a reinforced concrete building to protect it from avalanche danger. This

same concrete building also housed the meter providing service to Snowbird. DEU's Engineering Department determined that, in order to continue to provide safe and reliable service to Snowbird and the surrounding area, it would upgrade the regulator station. Dominion Energy also determined that it would upgrade the aging meter set serving Snowbird and install additional over-pressure protection. However, the concrete building was too small to house an upgraded meter and regulator station. Installing both in the small space would prohibit the safe operation and maintenance of the equipment. The concrete structure was located in an environmentally sensitive area between a fire station and a stream that could not accommodate the construction of a larger building.

At that time, the meter serving Snowbird provided intermediate-high pressure (IHP) service to its buildings and high-pressure (HP) service to its power co-generation plant. Snowbird agreed to provide a new location for the upgraded facilities. However, due to spacing constraints, environmental conditions, and adjacent roadways, the available space was insufficient to house the upgraded metering equipment necessary to maintain service to Snowbird, and the new regulator station. Dominion Energy determined that it would retain the existing concrete building to house a HP meter set to maintain service to Snowbird's co-generation facilities, and it would build a new structure at a nearby location to house an IHP meter set to maintain service to Snowbird's structures and the new IHP regulator station.

Dominion Energy commenced the design of the new HP and IHP meters and the new IHP regulator station and began communicating details of the project with Snowbird. At that time, Snowbird indicated interest in receiving additional natural gas services to expand its co-generation operations. The existing meter set had capacity sufficient to

serve the additional co-generation load and this request had no impact on the Company's need to separate the HP meter and the IHP meter sets.

Together, Dominion Energy and Snowbird identified a new location for the new IHP meter set and the IHP regulator station. Snowbird provided the property for the new regulator station and meter location. Dominion Energy decided to remodel the existing HP meter set in the existing building to serve Snowbird's co-generation facility. DEU Exhibit 2 shows the location of the original WA1364 regulator station and meter, and the location of the new, upgraded regulator station and the new IHP meter serving Snowbird's buildings. The Company's requirements, not Snowbird's, drove the design of these facilities, and the decision to provide Snowbird with natural gas service through two meters instead of one.

This design, however, resulted in unintended consequences to Snowbird. Instead of paying a single Basic Service Fee and Administrative Fee under the Tariff, and instead of all of its volumes being charged through a series of block rates, Snowbird would now have to pay two basic service fees and two administrative fees, and each meter would progress through the series of block rates separately. As a result, Snowbird's natural gas bills would increase substantially, well beyond the expected costs associated with the new cogeneration load.

Section 5.01 of the Tariff states, "If a customer has more than one end-use site on contiguous property covered by a single gas purchase contract, a \$2,400 annual administrative charge will be billed to one end-use site. Other end-use sites for that customers will be billed a \$1,200 annual administrative charge." Under this provision, Snowbird would be required to pay two Basic Service Fees, rather than the single Category 4 Basic Service Fee it had historically paid. Section 8.03 of the Tariff states,

“Customers taking service on rate schedules GS, FS, TBF, MT, TSS, TSM, TSL and IS will be billed an annual BSF on a monthly basis for each meter installed.” Again, by separating volumes among two meters, Snowbird would have to move through the blocks associated with each meter separately and would have to pay the higher rates associated with the lower blocks for twice the volume of gas. If Snowbird had a single meter, as it had historically, it would only pay for volumes moving through the first block rates at that meter. By receiving service through two meters, Snowbird would now have to pay the lower block rates for volumes running through each meter, separately.

DEU’s need to upgrade the facilities serving Snowbird, and to upgrade its regulator station resulted in the need for more space. Though Snowbird accommodated the need for more space and provided a location for the upgraded regulator station and additional meter, it’s needs did not drive the requirement that service be rendered through two meters instead of one. The two-meter configuration was the Company’s preferred configuration and was required in order for the Company to continue providing the service to Snowbird that it always had.

Given that the Company designed the configuration of the Snowbird facilities to achieve its own operational requirements, and that such a design was not necessitated by Snowbird’s service requirements, DEU believes it appropriate to treat Snowbird as if it had a single meter for billing purposes. Specifically, DEU proposes that Snowbird pay only one Administrative Charge and one Basic Service Fee Category 4 on its monthly bill, and that its volumes be charged at block rates as though they were all moving through a single meter. Because service through this configuration commenced in October of 2022, the Company also requests that these changes, as reflected in the Agreement, become effective October 1, 2022.

The Agreement would, in all other ways, be compliant with the Tariff. The approval of the Agreement will cause no additional costs to the Company's other customers.

THEREFORE, Dominion Energy respectfully requests that the Commission approve the Agreement attached hereto as DEU Exhibit 1 with an effective date of October 1, 2022. The Company further requests that the Commission act upon this Application by September 1, 2023.

RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of July, 2023.

DOMINION ENERGY UTAH



Jenniffer Nelson Clark

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## CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Application was served upon the following persons by e-mail on July 28, 2023:

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