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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH TO EXTEND SERVICE TO GENOLA, UTAH	Docket No. 23-057-13 REDACTED APPLICATION FOR APPROVAL OF A RURAL NATURAL GAS INFRASTRUCTURE DEVELOPMENT PROJECT TO EXTEND SERVICE TO GENOLA, UTAH
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Pursuant to Utah Code Ann. §§ 54-17-401 *et seq.* and 54-4-25, Utah Admin. Code R746-440-1 *et seq.*, and Questar Gas Company dba Dominion Energy Utah’s (“Company,” “DEU,” or “Dominion Energy”) Utah Natural Gas Tariff No. 600 (“Tariff”), Dominion Energy respectfully requests that the Public Service Commission of Utah (“Commission”): (1) approve the Company’s decision to construct natural gas infrastructure to extend service to Genola, Utah (“Rural Infrastructure Decision”); (2) and approve the Company’s request for a Certificate of Public Convenience and Necessity to serve Genola, Utah and the surrounding communities. The Company refers to the installation of 30.3 miles of Intermediate High Pressure (IHP) main lines, and

approximately 79,000 feet of IHP service lines throughout the community of Genola as the “Rural Expansion Facilities.”

In support of this Application, Dominion Energy provides the following information:

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 Tariff. Copies of the Company’s Articles of Incorporation are on file with the Commission.

2. Dominion Energy has long worked with remote rural communities in Utah to find ways to extend its natural gas distribution infrastructure to those communities. The availability of safe, reliable, affordable energy resources is critical to growth and economic development in those communities. Historically, the cost of extending the Company’s natural gas distribution to many of those communities has been prohibitive. The residents and businesses of those communities could not alone afford to bear the costs of system expansion.

3. In 2018, the Utah State Legislature (“Legislature”) passed House Bill 422, Natural Gas Infrastructure Amendments. With HB 422, the Legislature established the opportunity for rural communities to obtain natural gas service funded by the Company’s customer base. HB 422 is now embodied in Utah Code Ann. § 54-17-401 *et seq.* In 2020, the Legislature amended this statute, and on March 2, 2020, Governor Gary Herbert signed the bill amending the statute. This Application is the Company’s fourth application brought pursuant to HB 422. The Commission approved the company’s proposal to expand service to Eureka, Utah in Docket No. 19-057-31, the Company’s proposal to extend service to the communities of Goshen and Elberta in Docket No. 21-057-06, and the company’s proposal to extend service to Green River Utah in Docket No. 21-057-12.

4. After HB 422 became effective, the Company contacted presently-unserved rural communities to gather information necessary to determine which communities were interested in natural gas service and which could be served under the statute given the legislative, financial, and other relevant considerations. The process the Company followed in making its determination to seek approval to extend gas service to Genola is detailed in the pre-filed Direct Testimony of Austin C. Summers, attached hereto as DEU Exhibit 1.0, which is incorporated herein. As Mr. Summers testifies, Genola expressed interest in receiving service when it learned that the neighboring communities of Goshen and Elberta obtained approval to receive such service. This expression of interest, combined with the Company's own analysis, served as the basis for selecting Genola as the next candidate for a rural expansion project. Genola can also be easily served by existing personnel in the Company's Springville office. The Mayor of Genola, Marty Larson, has represented that Genola desires gas service and supports advancing the opportunity. Indeed, Mayor Larson represented to the Company that there is broad support in the community for natural gas service to Genola and that extending service to Genola will result in greater opportunities for growth and economic development.

5. The Company reached out to the citizens of Genola to confirm that there is broad support and enthusiasm for the expansion of natural gas service to their community. Through a series of open houses, a survey, and other activities, the Company has confirmed that the residents of Genola are very supportive of natural gas service being extended to their community. Specifically, on June 6, 2023 and June 8, 2023, the Company held open houses in Genola. Company personnel were present to discuss the prospective project, and to answer residents' questions. In addition, residents were asked to fill out a survey to gauge their interest in natural gas service in Genola. Survey results demonstrate that 87.5% of the respondents are interested in natural gas service. Only 6.9% of respondents are unsure, and only 5.6% of the respondents were not interested in receiving gas service.

6. Given the Company’s own analysis, and the responses from Genola’s leadership and residents, the Company selected Genola as the fourth rural expansion candidate to receive natural gas service, and maintains that extending gas service to Genola would be just, reasonable, and in the public interest.

THE PROPOSED RURAL EXPANSION FACILITIES

7. As discussed in more detail in the Company’s pre-filed testimony, Dominion Energy proposes to construct about 30.3 miles of IHP main lines, and about 79,000 feet of IHP service lines. Company personnel have prepared a detailed cost estimate for the required IHP main system and the required service lines. Based on those estimates, the Rural Expansion Facilities are estimated to cost [REDACTED] million. As explained in detail in Mr. Radford’s direct testimony, the Company breakdown for the Rural Expansion Facilities is as follows:

Cost Item	Amount
Construction of IHP Mains	[REDACTED]
Construction of Service Lines	[REDACTED]
Internal Labor, Permitting, Environmental and Geotechnical support, subcontractors	[REDACTED]

This total estimated cost of the Rural Expansion Facilities equates to an annual bill impact for customers of \$1.55 or 0.16%. The Company proposes that this cost be allocated to all of its customers through the Rural Expansion Rate Adjustment Tracker pursuant to Section 9.02 of the Tariff.

APPLICABLE STANDARD AND REQUEST FOR APPROVAL

8. The Company's proposal satisfies the applicable legal standard for approval of a rural gas infrastructure development project. Under Utah Code Ann. § 54-17-402(2)(c), "A request for approval of natural gas infrastructure development shall include:"

- (i) a description of the proposed rural gas infrastructure development project;
- (ii) an explanation of projected benefits from the proposed rural gas infrastructure development project;
- (iii) the estimated costs of the rural gas infrastructure development project; and
- (iv) any other information the commission requires.

In addition, a request for approval of a resource decision must include "testimony and exhibits" which provide the categories of information set forth in Utah Admin. Code R746-440-1.

9. Utah Code Ann. § 54-17-402(3) further provides that, in ruling on a request for approval of rural gas infrastructure development, the Commission shall consider:

- (i) the potential benefits to previously unserved rural areas;
- (ii) the potential number of new customers;
- (iii) natural gas consumption; and
- (iv) revenues, costs, and other factors determined by the Commission to be relevant.

10. Dominion Energy's Application for pre-approval of the Rural Infrastructure Decision and the Rural Expansion Facilities fully complies with the requirements of the applicable statutes and regulations, and demonstrates that the rural gas infrastructure development project is in the public interest.

11. The Company's Application is supported by the pre-filed direct testimony of Austin C. Summers (Manager Regulation for Dominion Energy), the pre-filed direct testimony of William Radford (Manager of Compliance Engineering for Dominion Energy), the pre-filed direct testimony of Justin Withers (Manager of Regional Operations for Dominion Energy), and the pre-filed direct

testimony of Genola Mayor Marty Larson, as well as other exhibits and materials accompanying their testimonies.

12. Mr. Radford's pre-filed Direct Testimony, attached hereto as DEU Confidential Exhibit 2.0 and incorporated herein, describes the proposed rural gas infrastructure development project and the Rural Expansion Facilities.

13. Mr. Summers', Mr. Wither's and Mayor Larson's direct testimonies, which are incorporated herein and attached, respectively as DEU Confidential Exhibit 1.0, DEU Exhibit 3.0 and DEU Exhibit 4.0, demonstrate that the expansion of natural gas service to Genola, Utah will result in significant benefits to Genola residents with only a negligible conversion cost for Genola residents and a minimal impact on the Company's other customers. Genola's residents will enjoy lower, stable, regulated rates for energy, instead of relying on unpredictable energy prices that currently vary significantly based on market forces. Further, residents of Genola will have the benefit of a more reliable energy source that is not dependent upon the availability of propane, wood, coal, and fuel oil. Those residents will also have the benefit of increased safety and Dominion Energy's workforce, who will provide support and respond to service needs and emergencies as it does elsewhere on its system.

14. Extension of the Company's natural gas distribution system to Genola will also provide greater opportunities for growth and economic development in and around Genola than are currently available.

15. In addition, Mr. Summers' testimony provides evidence of the revenues associated with the customer additions in Genola, as well as the impact that approval of the Rural Infrastructure Decision and the Rural Expansion Facilities will have on all Utah natural gas customers. As explained above, that impact for a typical natural gas customer using 70 Dth per year is minimal, at approximately \$1.55 per year.

16. The foregoing testimony and the attached exhibits contain the information that is required by Utah Admin. Code R746-440-1 to be filed with the rural gas infrastructure development proposal. Mr. Summers' testimony identifies where each category of information can be located within the Company's pre-filed testimony and exhibits.

**TIMING FOR APPROVAL AND COMMENCEMENT OF THE RURAL GAS
INFRASTRUCTURE DEVELOPMENT PROJECT**

17. Utah Code Ann. § 54-17-402(7) requires that a Commission determination on a request for a resource decision be made within 180 days of the filing of the request "unless the Commission determines that additional time to analyze a resource decision is warranted and is in the public interest." Prompt resolution of this matter will ensure that, if approved, construction can commence, and residents of Genola can begin to receive the benefits of natural gas service as soon as possible.

REQUEST FOR RELIEF

WHEREFORE, based upon the Company's Application, testimony and exhibits, and pursuant to Utah Code Ann. § 54-17-401 *et seq.* and § 54-4-25, and Utah Admin. Code R746-440-1 *et seq.*, Dominion Energy respectfully requests that the Commission, in accordance with its authority, rules and procedure:

Issue an order approving the Rural Infrastructure Decision and the Rural Infrastructure Facilities as described herein and in the Company's supporting testimony and exhibits.

DATED this 8th day of September, 2023.

Respectfully submitted,



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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the REDACTED APPLICATION FOR APPROVAL OF A RURAL NATURAL GAS INFRASTRUCTURE DEVELOPMENT PROJECT TO EXTEND SERVICE TO GENOLA, UTAH was served upon the following persons by e-mail on September 8, 2023:

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