

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION
OF DOMINION ENERGY UTAH TO
EXTEND GAS SERVICE TO GENOLA,
UTAH

Docket No. 23-057-13

DIRECT TESTIMONY OF AUSTIN C. SUMMERS

FOR DOMINION ENERGY UTAH

September 8, 2023

DEU Exhibit 1.0

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I. INTRODUCTION

1
2
3 **Q. Please state your name and business address.**

4 A. Austin C. Summers, 333 South State Street, Salt Lake City, Utah 84111.

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

6 A. I am employed by Dominion Energy Utah (“Dominion Energy,” “DEU” or
7 “Company”) as a Manager of Regulation. I am responsible for cost allocation, rate
8 design, gas cost adjustments, and forecasting. My qualifications are detailed in DEU
9 Exhibit 1.01.

10 **Q. Were your attached exhibits DEU Exhibit 1.01 through 1.13 prepared by you or**
11 **under your direction?**

12 A. Yes, unless otherwise stated, in which case my exhibits are true and correct copies of
13 the documents they purport to be.

14 **Q. What is the Company proposing in its Application in this docket?**

15 A. The Company seeks Utah Public Service Commission (“Commission”) approval to
16 expand its system to serve the currently-unserved community of Genola, Utah
17 (“Community”), as permitted by Utah Code Ann. § 54-17-401 *et seq.* Dominion
18 Energy proposes to serve Genola by installing about 30.3 miles of IHP mains and
19 approximately 79,000 feet of IHP service lines throughout Genola. I refer to the
20 proposed expansion project throughout my testimony as the “Expansion Project”.

21 **Q. What general areas does your testimony address?**

22 A. I discuss several matters including (1) how the Company’s filing satisfies the statutory
23 requirements of Utah Code Ann. §§ 54-17-401, 402, and 403 and the associated
24 regulations; (2) the selection process that resulted in the Company selecting Genola as
25 an expansion area; (3) the revenue requirement impacts of expansion to Genola; (4) the
26 anticipated customer participation; (5) the Company’s proposed cost recovery for the
27 Expansion Project; and (6) gas supply and other miscellaneous items.

28 **Q. Please introduce the other witnesses for the Company in this**
29 **Docket.**

30 A. William Radford, DEU Manager of Compliance Engineering, is responsible for the
31 engineering and project management of various capital work programs. Mr. Radford
32 describes the IHP systems that are proposed to be constructed to serve Genola as part
33 of the Expansion Project, and the construction timeline. He also discusses the costs
34 associated with the construction of the planned facilities. Mr. Radford's testimony and
35 supporting materials are contained in DEU Exhibits 2.0 through 2.10.

36 Justin Withers, Manager of Regional Operations in Springville, is responsible for
37 managing the Company's operations in Utah and Juab Counties. Mr. Withers describes
38 the process of converting homes from propane to natural gas and discusses the benefits
39 of natural gas over other fuel sources. Mr. Withers' testimony is contained in DEU
40 Exhibit 3.0.

41 Marty Larson is the Mayor of Genola and was one of the key contacts in Genola for
42 the Expansion Project. His testimony addresses Genola's support for the Expansion
43 Project and the benefits that a natural gas system will bring residents and businesses of
44 Genola. Mayor Larson's testimony and supporting materials are contained in DEU
45 Exhibit 4.0 through 4.01.

46 **II. RURAL EXPANSION EVIDENTIARY REQUIREMENTS**

47 **Q. Please describe the requirements a company must meet in order to obtain**
48 **Commission approval for a Voluntary Resource Decision for a Rural Gas**
49 **Infrastructure Development Project.**

50 A. The Company seeks the Commission's pre-approval for the construction of the
51 Expansion Project pursuant to the Voluntary Resource Decision Statute, Utah Code
52 Ann. §54-17-401 *et seq.*, and applicable Commission rules and regulations. In
53 reviewing an application for a Voluntary Resource Decision relating to a rural natural
54 gas infrastructure development project, the Commission assesses whether approval is
55 in the public interest, taking into consideration: (i) the potential benefits to previously
56 unserved rural areas; (ii) the potential number of new customers; (iii) natural gas

57 consumption; and (iv) revenues, costs, and other factors determined by the Commission
58 to be relevant. *See* Utah Code Ann. § 54-17-402(3)(b)(ii).

59 Additionally, a request for approval of a rural natural gas infrastructure development
60 project like the one proposed in this docket must include “(i) a description of the
61 proposed rural gas infrastructure development project; (ii) an explanation of the
62 projected benefits from the proposed rural gas infrastructure development project; (iii)
63 the estimated costs of the rural gas infrastructure development project; and (iv) any
64 other information the commission requires.” Utah Code Ann. § 54-17-402(2)(c).

65 **Q. What are the filing requirements for approval of a Voluntary Resource Decision?**

66 A. Utah Admin. Code § R746-440-1 provides the filing requirements for a Voluntary
67 Resource Decision application. These requirements include: (a) a description of the
68 resource decision; (b) information to demonstrate that the utility has complied with
69 applicable requirements; (c) the purpose of and reasons for the resource decision; (d)
70 projected costs and engineering studies, data, information and models used in the
71 utility’s analysis; (e) descriptions and comparisons of other resources or alternatives
72 evaluated in lieu of the proposed resource decision; (f) sufficient data and information
73 to support the proposed resource decision; (g) an analysis of the estimated effect on the
74 utility’s revenue requirement; (h) financial information demonstrating adequate
75 financial capability to implement the resource decision; (i) major contracts proposed
76 for execution or use in connection with the resource decision; (j) information showing
77 that the utility has or will obtain any required authorizations from the appropriate
78 governmental bodies; and (k) other information as the Commission may require.

79 **Q. Has the Company provided evidence relating to each of these requirements?**

80 A. Yes. I have attached as DEU Exhibit 1.02 a summary of the statutory and regulatory
81 requirements and identified where in the Application and accompanying testimony and
82 exhibits the Company has provided evidence satisfying each requirement.

83 As DEU Exhibit 1.02 shows, the Company has addressed each of these requirements
84 in its direct testimony and accompanying exhibits. The Application in this matter,
85 along with my direct testimony and the direct testimonies of Mr. Radford, Mr. Withers,

86 and Mayor Larson, provide the evidence required to show that approval of the
87 Expansion Project to Genola is just, reasonable, and in the public interest.

88 **III. SELECTION OF GENOLA AS AN EXPANSION AREA**

89 **Q. Please explain the process that was used to select Genola as an area for natural**
90 **gas service expansion.**

91 A. Rural communities in Utah have been working with the Company to find ways to bring
92 natural gas service to currently-unserved communities for years. Unfortunately, the
93 costs associated with extending the Company's system to these communities were such
94 that individual communities could not bear the burden of paying for the facilities on
95 their own. The communities were too small and the costs too great to permit those
96 extensions to occur. However, in 2018, the Utah State Legislature amended existing
97 law to allow gas service to be extended to these rural areas by having all customers
98 share the costs associated with the system expansion. In other words, the Legislature
99 recognized that it could help rural communities meet the cost of gas expansion by
100 spreading the cost over the Company's one-million-plus customers where doing so was
101 determined to be in the public interest. The bill, House Bill 422 (HB422), has paved
102 the way for those expansions to occur.

103 After the Legislature passed HB 422, the Company assembled a team to discuss the
104 best approach for identifying communities for potential natural gas service under the
105 new statute. That team determined that, for each community, the Company would need
106 to compile and obtain information from the candidate communities in order to conduct
107 its analysis and to make a recommendation about which projects would satisfy the legal
108 requirements and be just, reasonable and in the public interest.

109 **Q. How has the Company determined community interest in prior expansion**
110 **projects?**

111 A. The Company began the process by sending questionnaires to Dugway, Eureka, Garden
112 City, Genola, Goshen, Green River, Kanab, Rockville, Springdale, and Virgin. The
113 Company originally received responses from Eureka, Green River, Kanab, Rockville,
114 Springdale, Goshen, Elberta, and Genola. The Company has completed rural

115 expansion projects to Eureka, Goshen, and Elberta and is in the process of building an
116 expansion to Green River. Through these initial expansion projects, the Company
117 gained valuable information that it did not have when the first surveys were sent out.
118 For example, when the Company first started surveying rural communities, it did not
119 know what customers in the expansion communities would be required to pay. Now
120 the Company has Tariff language detailing what will be required from new customers.
121 Additionally, the Company now has experience in communicating with potential new
122 customers and community leaders, and in gathering the information necessary to assess
123 the anticipated costs of projects.

124 **Q. Did the Company survey new communities?**

125 A. No. As rural expansion projects have been installed in some communities, others have
126 gained interest. Genola, in particular heard that the neighboring communities of
127 Goshen and Elberta were receiving natural gas service and contacted the Company
128 outside the normal survey process. The Company used that interest and did its own
129 analysis to determine which community would be best to include in the rural expansion
130 program.

131 **Q. What factors does the Company consider when determining if a rural community
132 should have gas service?**

133 A. The Company used its own internal analysis to determine which potential projects best
134 satisfy the statutory requirements and would be just, reasonable, and in the public
135 interest. The Company considered such factors as proximity to the existing system,
136 transit times for Company personnel to reach the area, additional employees that might
137 be needed to serve the area, any risks that might slow or halt the project, community
138 interest and support, and cost. The Company developed a matrix to summarize all
139 qualitative and quantitative information that was considered in this process. The
140 Company used the results to prioritize the communities that could reasonably be served
141 through a natural gas expansion project. The matrix is attached as DEU Confidential
142 Exhibit 1.03.

143 **Q. Did the Company rank the communities shown in Confidential Exhibit 1.03?**

144 A. No. The matrix simply summarizes information that the Company considered.

145 **Q. Why did the Company choose to advance natural gas service to Genola?**

146 A. Several factors contributed to the selection of Genola as a rural area for system
147 expansion. First, Genola has strong community support for receiving gas service.
148 Second, service to Genola can be attained within the statutory spending caps discussed
149 later in my testimony. Third, Genola can also be easily served by existing personnel in
150 the Company's Springville office and is in Utah County, which is currently growing
151 and expected to continue to grow over the coming decades.

152 **Q. Did the Company seek formal surveys from new communities?**

153 A. No. The Company conducted its own analysis and selected Genola as its next rural
154 expansion community. The Company continues to have conversations with potential
155 communities and receives emails about interest, but has not sought new surveys. DEU
156 Exhibit 1.04 is a slide from the Company's April 4, 2023 IRP technical conference in
157 Docket No. 23-057-02 that shows some of the potential rural expansion candidate
158 communities.

159 **Q. Did the Company request a survey from Genola?**

160 A. Yes. A copy of the questionnaire filled out by Genola is attached as DEU Exhibit 1.05.
161 The questionnaire was given to local government officials who gathered information
162 specific to Genola such as the number of potential customers, growth forecasts for the
163 next 5 – 20 years, how natural gas could be helpful to Genola and its growth plans, and
164 when Genola would want natural gas service.

165 **Q. Did the Company prepare a cost-benefit analysis to determine if expanding to
166 Genola is economic?**

167 A. No. The Company is not required to conduct a cost-benefit analysis for rural expansion
168 projects. As I discussed above, some rural communities have been unable to receive
169 natural gas service because the costs were too high for the communities to bear on their
170 own. The Utah legislature expressly passed HB422 in order to overcome these cost
171 barriers and to get natural gas service to rural communities that would otherwise go
172 without service. While the Company is required to show that there are benefits to the

173 rural expansion, it is not required to conduct a cost-benefit analysis or show that the
174 economic value of the benefits outweighs the cost of the project.

175 The Commission addressed this issue in its Order dated August 27, 2020 in Docket No.
176 19-057-31, the docket addressing the Company’s expansion to Eureka, Utah. It stated:

177 We do not interpret either Utah Code Ann. § 54-17-
178 402(3)(b)(ii) or Utah Admin. Code R746-440-1 as requiring
179 a cost benefit analysis in this Docket. While all other project
180 acquisitions under the Voluntary Resource Decision Act
181 must demonstrate that the acquisition will most likely result
182 in the lowest reasonable cost project for customers as set
183 forth in Utah Code Ann. § 54-17-402(3)(b)(i)(A), a rural
184 infrastructure development is not subject to the same
185 showing. The public interest inquiry for rural gas
186 infrastructure developments is unique and includes
187 consideration of entirely different factors. Whereas we
188 acknowledge that a cost benefit analysis would be useful in
189 the public interest determination applicable to project
190 acquisitions requiring a showing of “lowest reasonable
191 costs,” it is not as useful (nor is it required) for a rural gas
192 infrastructure development like the Eureka Rural Expansion
193 Project. Accordingly, we conclude DEU provided
194 information that both is sufficiently reliable and
195 appropriately satisfies the requirements in our applicable
196 statutes and rules

197 **IV. CUSTOMER PARTICIPATION**

198 **Q. How many potential customers are there in the Community?**

199 A. In its survey response, DEU Exhibit 1.05, Genola indicated there are potentially 500
200 customers as determined based on the number of local water connections. DEU
201 performed its own analysis to determine an estimate of customers by estimating service
202 line lengths to structures in Genola. This process was outlined in the direct testimony
203 of Mr. Radford. It showed that there were potentially 507 customers that could be
204 served.

205 **Q. How did the Company determine if these potential customers would have any**
206 **interest in receiving gas?**

207 A. The Company held open houses on June 6 and June 8, 2023. During these meetings,
208 residents had the opportunity to speak with Company representatives from the
209 Operations, Engineering, Regulatory, Key Accounts, Pre-Construction, and Customer
210 Experience departments. During the open houses, visitors were asked to fill out a
211 survey that gathered information about their home/business, what appliances they have,
212 what their current source of energy is for certain appliances, and whether they would
213 be interested in receiving natural gas service. A copy of the survey is attached as DEU
214 Exhibit 1.06. In addition to the survey at the open house, the survey was also available
215 online¹.

216 **Q. What information did the Company provide to prospective customers to help**
217 **them evaluate natural gas service?**

218 A. The open house had nine display boards that provided information about natural gas,
219 Dominion Energy, and the Genola project. These display boards are attached as DEU
220 Exhibit 1.07. Pages three and nine of the attachment are specific to the Genola project
221 and were provided as a handout that customers could take home with them.
222 Additionally, DEU had personnel present to answer questions and discuss concerns
223 with prospective customers.

224 **Q. Did the Company utilize other methods to reach out to Genola to determine**
225 **interest?**

226 A. Yes. The Company sent personnel to areas that had low responses to the survey. These
227 personnel left a door hanger attached as DEU Exhibit 1.08, along with the information
228 from pages three and nine of DEU Exhibit 1.07. The Company also sent post cards to
229 potential customers in Genola. The postcard is attached as DEU Exhibit 1.09.

1. The online survey can be found here: <https://www.dominionenergy.com/projects-and-facilities/natural-gas-projects/utah-rural-expansion/genola>

230 **Q. Is the Company satisfied with the number of surveys it received?**

231 A. Yes. While the Company would ideally like to hear from all of the residents of Genola,
232 it is very pleased with the response rate it received. As discussed below, of those who
233 did respond, 88% expressed interest in receiving natural gas service.

234 **Q. What did the surveys show?**

235 A. A summary of the survey results is attached as DEU Exhibit 1.10. This exhibit shows
236 that, of the 288 survey respondents, 88% expressed interest in signing up for natural
237 gas service, with 7% stating that they are undecided. Only 6% of the respondents said
238 they were not interested in natural gas. This high level of interest exists largely because
239 of the cost and inconvenience of the existing energy sources available in Genola. I
240 found their responses to question #8 on the survey to be the most informative measure
241 of why they would want natural gas. That question asked, “What do you see as the
242 benefits of having natural gas in Genola?” Below, I have listed several comments that
243 were written by Genola residents.

- 244 • “Lower cost, less price fluctuation, less people burning wood and coal that
245 contaminates our air.”
- 246 • “Cheaper, more consistent supply. I don’t like having to call and order
247 propane waiting for them to deliver it in the winter hoping they show up.”
- 248 • “Cost, safety, availability. Monthly cost instead of large payments to rent
249 and fill.”
- 250 • “A wonderful blessing for all of us”
- 251 • “Benefits for future development and growth in our small community.”
- 252 • “No more propane tanks or reordering propane. Constant supply of
253 affordable natural gas so I can use my furnace instead of burning wood.”
- 254 • “Don’t have a huge bill all at once.”

255 **Q. Did any customers indicate that they did not have interest in natural gas service?**

256 A. Yes. There were 20 respondents that indicated they were not interested. Not all
257 respondents gave a reason, but those who did provide a reason might not completely
258 understand the program Dominion Energy is offering. This is seen in responses like,
259 “The expense to bring it in falls on the community. The annual cost of use is higher

260 than propane. We don't want it." In addition, one respondent replied that they do not
261 want growth in Genola. Most respondents did not list a reason for not wanting natural
262 gas service.

263 **Q. Does the Company consider all of the positive responses to be firm commitments**
264 **to sign up for service?**

265 A. No. If the Commission approves this Application, the Company still intends to reach
266 out to all of the prospective customers to discuss costs, appliances, construction
267 schedule, and other aspects of the expansion. The Company will obtain firm
268 commitments from customers during that process.

269 **V. COST RECOVERY FOR THE PROJECT**

270 **Q. Mr. Radford discusses the capital costs associated with the infrastructure for the**
271 **Expansion Project to serve the Community. How does the Company propose to**
272 **recover those costs?**

273 A. The Company proposes to treat the costs associated with the expansion the same way
274 it treated costs associated with the Eureka expansion. Specifically, the Company
275 proposes that all of the costs associated with the expansion be included in the Rural
276 Expansion Rate Adjustment Tracker that was approved in Docket No. 19-057-31 (the
277 proceeding relating to the expansion to the town of Eureka, Utah). This program is set
278 forth in Section 9.02 of the Company's Utah Natural Gas Tariff No. 600 ("Tariff").
279 When construction is complete, the Company will file an application with the
280 Commission requesting rate recovery of the investment made to serve Genola.

281 **Q. Could the Company include the costs of rural expansion in its 2025 general rate**
282 **case rather than using a tracker mechanism?**

283 A. The bulk of construction will happen in 2024, but there may be some service lines and
284 meters that will not be completed during the anticipated test period. The ongoing nature
285 of the expansion project makes a tracker the best mechanism for recovering the costs
286 of construction.

287 **Q. Is the Company proposing any changes to the Tariff sheets in Section 9.02 that**
288 **describe the rural expansion rate adjustment mechanism?**

289 A. No. The Tariff provisions were established in Docket No. 19-057-31 and no changes
290 are necessary or proposed at this time.

291 **Q. Have you calculated the rate impact on existing customers if the Expansion**
292 **Project is approved?**

293 A. Yes. Using the cost estimates provided by Mr. Radford, I have calculated illustrative
294 rates that would be charged to existing customers, including those in Genola. These
295 illustrative rates are calculated in DEU Confidential Exhibit 1.11 on page 3. The actual
296 rates will not change until construction is completed and the Company files an
297 application to include the investment in the Rural Expansion Rate Adjustment.
298 Using these illustrative rates, a typical customer using 70 Dth of gas each year would
299 see an annual increase of \$1.55 or about 0.16%, as shown on DEU Confidential Exhibit
300 1.11, page 4.

301 **Q. What costs is the Company proposing to include in the Expansion Project?**

302 A. Utah Code Ann. 54-17-401(1)(c) defines Rural Gas Infrastructure as “[T]he
303 acquisition, planning, development, extension, expansion, and construction of natural
304 gas utility facilities to serve previously unserved rural areas of the state.” Therefore,
305 in this docket, the Company seeks Commission approval to install main lines, service
306 lines, regulator stations, and all other relevant facilities, and to recover the associated
307 costs through the tracker mechanism described in Section 9.02 of the Tariff.

308 **Q. Will the customers in Genola incur costs in order to receive natural gas service?**

309 A. Yes. As Mr. Withers explains in his pre-filed direct testimony, some customers may
310 need to have internal fuel lines replaced. Some may need to modify or replace
311 appliances. Some may need to modify plumbing or duct work in order to safely operate
312 the appliances. These costs will be the responsibility of the customer and will vary
313 from home to home, or business to business.

314

VI. REVENUE REQUIREMENT IMPACT

315 **Q. Commission Rule R746-440-1(g) requires that the Company perform an analysis**
316 **of the estimated effect that a resource decision will have on the utility's revenue**
317 **requirement. Has the Company performed such an analysis?**

318 A. Yes. A detailed revenue requirement calculation is shown in DEU Confidential Exhibit
319 1.12, which is attached to my testimony.

320 **Q. Why does this analysis need to be performed in a Rural Gas Infrastructure**
321 **Development Application?**

322 A. The analysis needs to be performed to ensure that the Company's revenue requirement
323 does not increase beyond the level permitted by statute as a result of making the
324 required capital expenditures. Utah Code § 54-17-403(1)(c) provides that Rural Gas
325 Infrastructure Development costs may be included in base rates if two conditions are
326 satisfied. First, the inclusion of those costs will not increase the base distribution non-
327 gas revenue requirement by more than 2% in any three-year period. Second, the
328 distribution non-gas revenue requirement increase related to the infrastructure
329 development costs does not exceed 5% in the aggregate. The applicable distribution
330 non-gas revenue requirement is the annual revenue requirement determined in the
331 Company's most recent general rate case.

332 **Q. Does the capital spending in Genola keep the change in revenue requirement**
333 **below the cap?**

334 A. Yes. The distribution non-gas revenue requirement approved in Docket No. 22-057-
335 03 is \$481,158,558. Two percent of this amount is \$9,623,171, which is therefore the
336 dollar limit of revenue requirement increase permitted in any three-year period. The
337 2% or \$9.6 million of revenue requirement corresponds to about \$88.7 million of
338 capital spend. The \$88.7 million is, therefore, the amount the statute would permit the
339 Company to spend over the course of three years. The 5% aggregate cap is calculated
340 to be \$221.6 million as a result of the most recent general rate case.

341 In addition to proposing to building the system to serve Genola, the Company has also
342 built the systems to serve Eureka, Goshen and Elberta, and is currently building the

343 system in Green River. All of these expansion projects will also affect the cap. DEU
344 Confidential Exhibit 1.12 was used to calculate the increased revenue requirement
345 using the combined construction estimates from all three projects. Constructing the
346 systems for Genola, combined with the Eureka, Goshen, Elberta, and Green River
347 communities, would increase revenue by \$9.5 million, which is near the 2% cap but
348 still well-below the 5% cap.

349 **Q. Will the costs associated with the Company's expansion to Eureka continue to be**
350 **included in the 2% cap calculation?**

351 A. In Docket No. 21-057-30, the Commission approved, on an interim basis, an
352 adjustment to the Rural Expansion Tracker (RET) for \$20.9 million of investment that
353 was used to serve Eureka. The rates in this Docket went into service on February 1,
354 2022. Therefore, this investment will begin to be excluded from the 2% calculation on
355 February 1, 2025. The investment from Docket No. 21-057-30 has not been included
356 in the calculations in DEU Confidential Exhibit 1.12.

357 **Q. Have you forecast the revenue that will be provided by the Genola customers, per**
358 **Utah Code Ann. § 54-17-402(3)(b)(ii)(D)?**

359 A. Yes. I anticipate that the existing Genola residents and businesses will be GS customers
360 and will provide the same CET revenue just as other customers in the state do. At
361 current Tariff rates, that revenue is \$364.49 per year, per customer. Assuming all of
362 the 507 potential customers sign up for service, this would provide annual revenue of
363 \$184,796. If a lesser or greater amount of customers were to sign up for service, the
364 annual revenue would be reduced, or increased, by \$364.49 per customer.

365 **VII. OTHER INFORMATION**

366 ***A. Financial Capability***

367 **Q. Commission Rule R746-440-1(h) requires that the Company provide financial**
368 **information demonstrating adequate financial capability to implement the**
369 **Resource decision. Does the Company have this financial capability?**

370 A. Yes. While the Expansion Project will be a considerable investment, it is
371 comparatively small when compared to the \$3.8 billion in assets that the Company
372 currently has on its balance sheet. The Company is financially capable of
373 implementing the expansion of its system to Genola. Additionally, using the tracker
374 mechanism set forth in Section 9.02 of the Tariff eliminates regulatory lag and ensures
375 that the Company is receiving cost recovery on a reasonable basis.

376 ***B. Gas Supply***

377 **Q. Will Dominion Energy need to enter into new gas supply or transportation**
378 **contracts to supply Genola with gas?**

379 A. No. The Genola area will be supplied by the same transportation contracts that the
380 Company currently has in place. Though the Company may need to increase
381 commodity purchases to serve Genola, there is no need for new or additional contracts
382 due to the relatively small size of Genola.

383 ***C. Timing Limits of Expansion Program***

384 **Q. How long will the benefits of this expansion be available to new customers?**

385 A. The main lines described in Mr. Radford's pre-filed direct testimony will be installed
386 as part of the Expansion Project. These main lines will be ready for any currently-
387 anticipated customer to use. Any future main lines will be installed and paid for
388 pursuant to Section 9.03 of the Tariff.

389 The timing limits for service lines will be treated according to Section 9.02 of the Tariff
390 under the heading, "Service Lines in Rural Expansion Areas." Specifically, that section
391 states:

392 Where the Commission approves inclusion of service line costs in
393 the Rural Expansion Infrastructure Tracker, customers who qualify
394 for a no-charge service line must enter into a contract for installation
395 of that service line within two years of the completion of main lines
396 to the subject community. The contract will specify the service line
397 costs and will provide that if the customer has not commenced
398 taking natural gas service either (1) within two years of the
399 completion of the main lines to the community, or (2) within two

400 years of the execution date of the service line agreement, whichever
401 later occurs, then the customer must repay the Company for the
402 specified service line costs.

403 ***D. Resources Available to Help Customers***

404 **Q. What resources are available to help customers convert their appliances or get**
405 **their homes ready for natural gas?**

406 A. A. There are two programs that are available for these residents. The Housing
407 Authority of Utah County offers a home rehab program that assists households that
408 would like to modify a furnace to operate using natural gas, or to do any other home
409 repair by offering low-interest loans. These loans have an interest rate between 0-3%,
410 depending on the annual income level.

411 Additionally, the Mountainland Association of Governments offers a weatherization
412 program that makes homes more energy-efficient. Changing out an old furnace is one
413 of the items this program can address, but based on the results of an energy audit,
414 additional work could be completed. This program can assist households that are at or
415 below 200% of the poverty level. Income is verified through the HEAT program.

416 **Q. Does Dominion Energy offer any programs that could help customers with new**
417 **appliances?**

418 A. Yes. The Company's Thermwise™ program offers rebates on qualifying high-
419 efficiency appliances. These rebates could be used by Genola customers to obtain new
420 furnaces and water heaters. In addition to appliance rebates, the Thermwise programs
421 also offers a Home Energy Plan, Weatherization Rebates, and a Low-Income
422 Efficiency Program.

423 ***E. Benefits to Customers***

424 **Q. How do the customers in Genola stand to benefit from this system expansion?**

425 A. The residents in Genola will benefit significantly from the proposed system expansion.
426 Bringing natural gas to Genola will reduce energy costs for many of the residents who
427 take natural gas service, and will provide cost stability and predictability, making
428 budgeting easier for those customers, especially those on fixed incomes. The

429 Commission's oversight of natural gas costs will ensure that the rates these residents
430 pay is just and reasonable, rather than paying for propane and other fuel sources with
431 prices that fluctuate in an unregulated market.

432 These customers will also benefit from future economic growth. Genola will be better
433 able to compete for future economic development opportunities once natural gas
434 service becomes available there.

435 **Q. Would customers who use natural gas in Genola save money?**

436 A. Yes, I believe they would. It's true that there is a cost to convert appliances to natural
437 gas. However, the investment in natural gas is a long-term investment and, when
438 compared to other sources of energy, natural gas offers significant savings. DEU
439 Exhibit 1.13 compares the costs a customer would expect to pay to use propane
440 compared to natural gas. Column E, row 2 shows that a customer switching from
441 propane to natural gas could save over \$1,050 each year.

442 **Q. What assumptions did you use to calculate the expected usage and pricing in DEU**
443 **Exhibit 1.11?**

444 A. For natural gas, the Company used 70 Dth per year, which is the amount of natural gas
445 the Company uses to calculate a typical customer bill. I used the Company's currently
446 effective rates to show an estimated annual cost of \$966.87.

447 Column A, row 1 of DEU Exhibit 1.13 shows that 764 gallons of propane would be
448 used. This 764 gallons of propane would provide the same energy as 70 Dth of natural
449 gas. The price for propane came from the U.S. Energy Information Administration
450 ("EIA")². The lowest price recorded since January 2022 was \$2.509/gallon, which was
451 used in the calculation as a conservative estimate. The most recent price reported by
452 EIA is \$2.64/gallon. Using this higher, more recent cost would increase savings for
453 natural gas users. Column C, row 1 shows an estimated delivery/tank rental fee of
454 \$100. This cost will be different for each customer, but it is included as a conservative
455 estimate.

2 https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W_EPLLPA_PRS_SUT_DPG&f=W

456 **F. Certificate of Public Convenience and Necessity**

457 **Q. Is the Company requesting a Certificate of Public Convenience and Necessity**
458 **(“CPCN”) to serve in Genola?**

459 A. No. Utah Code Ann. § 54-4-25(2)(b) provides that a CPCN is not necessary for an
460 extension “into territory, either within or without a city or town, contiguous to its line,
461 plant, or system that is not served by a public utility of like character. . . .” Here, the
462 Community (Genola) is contiguous to the Company’s systems in both Santaquin and
463 Goshen, Utah and is not served by any other public utility of like character. Because
464 the Company will be connecting to its existing main system and will be serving
465 customers in Utah County, near its existing system, a CPCN isn’t necessary.

466 **Q. Has the Company obtained all the franchise rights and permits it will need to serve**
467 **the town?**

468 A. The Genola City Council approved and signed a franchise agreement on August 16,
469 2023. That agreement is included in the direct testimony of Mayor Larson as DEU
470 Exhibit 4.01. Dominion Energy is in the process of working with Mayor Larson and
471 the town of Genola to ensure that the Company obtains any additional permits it will
472 need to serve the town.

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

474 A. Yes.


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

I, Austin C. Summers, 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. The exhibits attached to the testimony were prepared by me or under my direction and supervision, except where otherwise stated, in which case they are true and correct copies of what they purport to be, 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.



Austin C. Summers

SUBSCRIBED AND SWORN TO this 8th day of September, 2023.



Notary Public

