

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 MARTY LARSON

FOR DOMINION ENERGY UTAH

September 8, 2023

DEU Exhibit 4.0

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I. INTRODUCTION

Q. Please state your name and business address.

A. Marty Larson, 74 W. 800 S., Genola, UT 84655.

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

A. I serve as the Mayor of Genola, Utah. Because Genola is a small community, in my role as Mayor, I am responsible for the general oversight of all town operations, future planning, and public relations. The management and economic strength of Genola through proper planning is a role I take very seriously. The proposed project to bring natural gas to my community is a project that will ultimately change the future for the town. I have been one of the key contacts from Genola in working with Dominion Energy Utah (“Dominion Energy” or “Company”) on this project.

Q. Is Attached DEU Exhibit 4.01 a true and correct copy of the Franchise Agreement?

A. Yes.

Q. What general areas does your testimony address?

A. I focus on the benefits of bringing natural gas to Genola.

II. BENEFITS OF NATURAL GAS IN GENOLA

A. Growth in Genola

Q. Is the area of Genola growing?

A. Yes. Genola is currently growing at about a 3% residential growth rate. Over the past few years, there have been multiple new residential construction projects in process, including large subdivision developments. It is anticipated that the addition of natural gas will encourage even more residential growth.

25 **Q. Is the Community forecasting growth in the coming years?**

26 A. Yes. Genola is located south of Utah Lake at the south end of Utah County. Utah
27 County is already expanding to the west and south of Utah Lake, and Genola anticipates
28 this growth will impact the community more and more over the coming years. As
29 previously mentioned, there are currently multiple subdivision projects in process,
30 specifically around four larger projects and two smaller ones. Over the last five years,
31 Genola has averaged 15 new homes built per year.

32 I believe that Genola is just getting discovered. Particularly speaking of residential
33 development, the public has found that Genola is a great place to live. With current
34 development in place and more on the horizon, now would be an optimal time to bring
35 natural gas to Genola.

36 **Q. Is there potential for industrial or commercial growth in the Communities?**

37 A. Yes. Genola has land zoned within the community that may be used for light industrial
38 development. For example, Genola currently has a metal recycling plant and several
39 commercial cabinet makers. The town anticipates both existing and prospective
40 business owners will want access to natural gas to heat and operate their businesses.

41 **Q. Do you believe having natural gas in the community will help commercial
42 development?**

43 A. Yes. In the past, Genola has seen interest in commercial expansion, but the lack of
44 natural gas has hindered this expansion. For example, a Utah local greenhouse
45 company inquired about expanding business operations into Genola. There is plenty
46 of agricultural zoned land that would have allowed them to do business in the
47 community. However, due to the lack of natural gas access, the business ultimately
48 decided not to proceed with that expansion.

49 I believe there will be greater interest in commercial development if natural gas service
50 becomes available. Access to natural gas will better position Genola to compete for
51 commercial development opportunities in the future.

52 **Q. Has the City signed a Franchise Agreement with Dominion Energy?**

53 A. Yes. The Genola City Council unanimously approved the Franchise Agreement in its
54 city council meeting on August 16, 2023. The agreement has a 30-year term. A copy
55 of the Franchise Agreement is attached to my testimony as DEU Exhibit 4.01.

56 *B. Cost Savings*

57 **Q. Is it anticipated that customers will save money on their energy bills by having**
58 **access to natural gas?**

59 A. Yes, absolutely. When Dominion Energy held its open houses, it mentioned that a
60 typical Genola customer would pay about \$850 each year for natural gas. The primary
61 source of home heating in Genola is either propane or wood burning stoves. Although
62 each customer is different, a typical customer in Genola will likely enjoy cost savings
63 if Dominion Energy extends service to those communities.

64 **Q. Does the propane price fluctuate a lot during the year?**

65 A. Yes. The cost of propane fluctuates dramatically, as it is subject to supply and demand
66 forces. For example, during the summer, when demand is low, prices are low. But in
67 winter, when demand is high, it is not unusual for prices to double or even triple. For
68 customers that are on a fixed income, these price fluctuations can cause serious budget
69 problems.

70 **Q. What impacts do these price fluctuations have on residents?**

71 A. Residents will often try to fill their tank during summer months when prices are low,
72 and then make that propane last as long as possible before refilling at higher prices.
73 This attempt to save on the cost of fuel often leads to residents keeping their homes
74 colder than is ideal.

75 This strategy also requires customers to pay a large sum of money in the summer to
76 completely fill their tank. There are those within the community that do not have the
77 resources for these large payments. Therefore, these individuals are forced to pay the

78 higher prices through the winter, also requiring the payment of delivery fees each time
79 propane is delivered.

80 Based on my understanding of Dominion Energy's pricing, its rates are much lower
81 and more stable throughout the year. This will prevent residents from keeping their
82 homes colder than is ideal, and allow residents to make consistent monthly payments
83 for their natural gas bill. In the survey responses gathered by Dominion Energy from
84 Genola residents, a consistent bill was the largest reason residents are interested in
85 having access to natural gas.

86 ***C. Convenience and Reliability***

87 **Q. Would natural gas be more convenient than existing energy sources in Genola?**

88 A. Yes. I personally use propane as a primary source of heat for my home, with a wood
89 burning stove as a secondary source. With both heating sources, natural gas would
90 provide a much-improved convenience. A propane customer needs to wait for a
91 propane truck to deliver fuel. On a cold winter day, these individuals don't want to
92 wait for the warmth that is always available with natural gas. I've talked to residents
93 on occasion that were not able to take a morning shower because they ran out of
94 propane.

95 Genola also has an aging population, many of whom rely on wood burning stoves for
96 the primary source of heat. It is very difficult for these residents to manage these stoves
97 to have basic heat. Natural gas access in Genola would alleviate stress for many
98 residents.

99 ***D. Environmental***

100 **Q. Is Genola in a non-attainment area, or do they have poor air quality?**

101 A. Yes. Genola is directly affected by inversions and the typical air problems seen in Utah
102 County. Since many of our residents are burning wood to heat their homes, Genola
103 directly contributes to air problems in Utah County. Switching heating sources to
104 natural gas would improve the air quality in Utah County.

105 **Q. Do residents of Genola burn solid fuels on days when others in Utah County are**
106 **asked not to?**

107 A. Yes, in certain circumstances. Residents that have wood burning stoves as their only
108 source of home heating are exempt from the Utah Department of Air Quality (“DAQ”)
109 to burn solid fuels on these days. The inversion is very noticeable throughout the winter
110 due to burning wood.

111 **Q. How else does poor air quality effect the Town of Genola?**

112 A. Poor air quality has turned away economic development opportunities. This is not only
113 the case for Genola, but for all of Goshen Valley. For example, in the past there have
114 been large industrial businesses that have expressed interest in doing business in
115 Genola. Due to poor air quality conditions, they were not approved to come to the
116 community. Cleaner air would allow additional commercial growth, and therefore, will
117 strengthen the overall economy of the surrounding area.

118 ***E. Other Options for Natural Gas Service.***

119 **Q. Has Genola pursued natural gas service in the past?**

120 A. Yes, but the cost has always been prohibitive. There have been previous attempts by
121 Genola to bring natural gas to the community. For example, we have tried to raise and
122 save money towards a distribution system. Despite these efforts, it was still too
123 expensive. We have also tried creating a utility service district to fund a natural gas
124 system through a tax. This also did not provide the needed support.

125 However, based on surveys from the community and the sudden growth in population,
126 I believe now would be the optimal time to bring natural gas to Genola. I also
127 understand that the Utah Legislature passed a bill that would allow Dominion Energy
128 to seek approval to extend natural gas service to rural areas, if that extension is
129 approved by the Utah Public Service Commission. Natural gas would be a great benefit
130 to our community, but we can’t shoulder the cost ourselves. Dominion Energy’s
131 request in this docket is the best, and perhaps the only, way for Genola to receive natural
132 gas service.

133 **Q. Do you support a Commission order approving Dominion Energy’s request in this**
134 **docket?**

135 A. Yes. Genola cannot finance the extension of Dominion Energy’s natural gas
136 distribution system. The extension of natural gas service to our community will
137 provide immediate benefits to its residents and will set the stage for possible future
138 economic growth and cleaner air in the area. I request that the Commission approve
139 Dominion Energy’s application to extend natural gas service to the town of Genola.

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

141 A. Yes.

State of Utah)
) ss.
County of Utah)

I, Marty Larson, 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 exhibit attached to my testimony is a true and correct copy of the document it purports to be.


Marty Larson

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


Notary Public

