

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. 24-057-02

REDACTED DIRECT TESTIMONY OF JASON MCGEE

FOR DOMINION ENERGY UTAH

January 16, 2024

DEU Redacted Exhibit 3.0

I. INTRODUCTION

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

4 A. Jason S. McGee, 1140 S 900 W, Salt Lake City, Utah 84104.

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 Supervisor of Engineering. I am responsible for leading engineers
8 and project managers in planning, designing, and executing capital infrastructure
9 projects. My qualifications are detailed in DEU Exhibit 3.01.

10 **Q. Were your attached exhibits DEU Exhibit 3.01 and 3.02 prepared by you or under**
11 **your direction?**

12 A. Yes.

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

14 A. I will discuss the original facilities at the Snowbird location, the design for the new
15 facilities, and other items related to the design and construction of those facilities.

16 **Q. Please describe the facilities at Snowbird as they existed before the construction**
17 **of the project at issue in this docket.**

18 A. The Company completed the original facilities on October 16, 1986. These original
19 facilities included two buildings. A map of the area is included as DEU Exhibit 3.02.
20 The first building (“Building 1”) contained the bypass valving and the second building
21 (“Building 2”) contained the industrial meter set and the medium-capacity district
22 regulator station. Building 1 had two sets of above-ground bypass valving. The first
23 set of bypass valves permitted bypassing the industrial meter set and supplying gas to
24 either (or both) the high pressure (“HP”) service line to Snowbird’s cogeneration
25 facility, and/or to the intermediate high pressure (“IHP”) fuel lines for Snowbird. The
26 other set of bypass valves permitted maintenance of the district regulator station while
27 still supplying gas into the broader IHP system. The larger building held the industrial
28 meter set for Snowbird (“IN0271”) and the district regulator station (“WA1364”). The

29 industrial meter set had two different outlet pressures to supply the cogeneration facility
30 at HP and the IHP outlet that fed the other Snowbird facilities.

31 In 1992 the Company replaced the original class 150 turbine meter on IN0271 with a
32 more up-to-date rotary meter, and it added telemetry equipment to the meter. It did not
33 replace any of the other equipment or piping at that time.

34 **Q. When did the Company begin to plan the facility upgrades at Snowbird?**

35 A. The Company began planning the new facilities in the spring of 2019.

36 **Q. Why did the Company need to upgrade the facilities?**

37 A. There were a number of reasons. Many of the facilities were old, outdated, and in need
38 of replacement. There were also space constraints that made operation and maintenance
39 of the facilities extraordinarily difficult.

40 **Q. Please describe the spacing constraints.**

41 A. Building 1 is 11 feet by 12 feet, with no clear path for emergency egress because a
42 valve was blocking the door. Prior to the current project, employees had to climb over
43 the valve to enter and exit the building. Building 2 is 18-feet by 15-feet. The original
44 equipment configuration required nearly all of the area inside Building 2, with only 2
45 feet of work space clearance around valves.

46 **Q. Please describe the state of the equipment, as it existed in 2019.**

47 A. The primary reason for the project was that the existing meter set bypass assembly had
48 an aging valve that continually needed repairs, including repairs performed in 2018 and
49 2019. Additionally, the existing meter set needed to be changed out due to wear and
50 tear, and it needed to be upgraded to a more current meter containing an internal bypass.
51 Lastly, the meter set also had Victaulic fittings that, while safe, can develop leaks over
52 time, and relief stacks (vertical vents on the roof) needed to be repaired after years of
53 service. In general, the Company took the opportunity to modernize the entire 30-year-
54 old meter set.

55

56 In addition to the meter set work, the district regulator station needed to be replaced
57 because it had common tap lines for sensing downstream pressures. Current design
58 standards require tap lines sensing downstream pressure to be installed on an
59 emergency bypass that has static pressure where gas flow is minimized, and pressure
60 is more stable and require a separate tap line for each regulator so they operate
61 independently of one another. The station was also undersized for the future
62 anticipated system loads and did not meet the Company's over-pressure protection best
63 practices for the area. As a result, the Company planned to replace WA1364 with a
64 full-size replacement.

65 **Q. What were the company's objectives when designing the new facilities?**

66 A. The Company's had four objectives in designing the new facilities. First, DEU planned
67 to update all of the 30-year-old equipment, especially the faulty bypass valve and
68 Victaulic fittings. Second, the Company planned to bring relief stacks and over-
69 pressure protection in the metering equipment up to current standards. Third, the
70 Company planned to utilize current design standards that would provide safe working
71 space around all of the equipment with good egress. Finally, the Company planned to
72 install a new District Regulator station that would allow for continued growth in the
73 area, while updating the equipment.

74 **Q. What new equipment needed to be installed for the project?**

75 A. The new district regulator station included the current equipment that is standard for
76 regulation, correct over-pressure protection, pilot gas heaters, and telemetry equipment.
77 The new industrial meter set included a strainer, an updated regulator that uses current
78 standards, updated over-pressure protection, updated and more reliable meter with an
79 internal bypass, pilot gas heaters, and telemetry. The valves in Building 1 needed
80 updating, but specifically the plug valve that had been repaired multiple times.

81 **Q. Why did the Company choose to install two meters instead of one?**

82 A. Space for safe operation and over-pressure protection were the main drivers for the
83 split. As discussed in greater detail below, the Company could not expand either of the
84 existing buildings. Building 2 would not be large enough to house more than either the
85 full-size district regulator station or the industrial meter set following the Company's

86 current standards and spacing. The Company also wanted to minimize the amount of
87 additional HP main that needed to be installed and determined that the industrial meter
88 set should stay in the original location so no fuel line changes would be required for
89 Snowbird on the cogeneration facility. With IN0271 occupying the majority of the old
90 building, additional square footage was required for the new District Regulator Station
91 and IHP meter set. Also, with a lower pressure initially coming in to the IHP meter set
92 the equipment can be designed with equipment that has a lower pressure rating. The
93 equipment can also be smaller, which results in less up-front cost.
94 With the new design, the IHP meter is now downstream of the district regulator station.
95 By doing this, the Company was able to add additional over-pressure protection safety
96 for its equipment. First, this District Regulator Station is designed with multiple levels
97 of over-pressure protection, which in turn protects IHP customers. The IHP meter set
98 for Snowbird is also able to have additional overpressure protection included in the
99 design by having the space allowed for it. The new design also provides a bypass for
100 maintenance.

101 **Q. What was the cost estimate of the new facilities?**

102 A. In 2019, the estimated costs were the following: For phase 1 (New District Reg Station
103 and IHP Meter Set): \$2,876,000. For phase 2 (IN0271): \$484,000. Total cost estimate
104 for both phases was \$3,360,000.

105 **Q. Were the existing buildings adequate to accommodate the updated facilities?**

106 A. No. As the Company considered upgrading the facilities located at Snowbird, the size
107 and accessibility of the existing buildings was of concern. The old district regulator
108 station WA1364 was limited in capacity and needed to be upgraded to allow for future
109 growth of the area. The new district regulator station (“WA1594”) is a standard full-
110 size district regulator station that has dimensions of 8 feet 4 inches by 15 feet 10 inches.
111 The district regulator station would occupy well over half of the original building and
112 not leave any space for much else. The new industrial set (IN0271) was designed to
113 allow for adequate access for safe maintenance and has dimensions of 9 feet 2 inches
114 by 13 feet 10 inches. Lastly, the new IHP meter set design is 9 feet 1-inch by 13 feet
115 10 inches. Together, WA1594 and IN0271 would exceed the area needed to include

116 safe work space around the equipment. Updating the equipment to meet current safety
117 and operational standards and incorporating them into the original building would not
118 be feasible without compromising on operational safety.

119 **Q. Could the Company have expanded the existing buildings to accommodate the**
120 **new equipment?**

121 A. No. There is an ephemeral stream bed northeast of Building 2. The US Forest Service
122 will not allow any construction within 50 feet of the stream, which prevented the
123 Company from enlarging or expanding Building 2. The location of the stream also
124 restricted the Company's ability to expand Building 1

125 **Q. What other options did the Company consider for updating these facilities?**

126 A. There were really no other options. Environmental restrictions associated with the
127 ephemeral stream made it impractical to try expanding the existing buildings to
128 accommodate the new design. As a result, the Company simply could not have
129 expanded Building 2. On Building 1, its proximity to the stream would have severely
130 limited the size of the building footprint, and would require certain valves be installed
131 in the parking lot for Snowbird's fire station, reducing the available parking spaces.
132 The Company was also concerned that wintertime snow in the area would limit access
133 and would adversely impact its ability to maintain bypass valves if they were located
134 in the parking lot rather than inside the building.

135 Even if it could have expanded Building 1, the Company would still need to build a
136 third building. The Company was hoping to find a location for the third building that
137 was near the existing buildings to minimize costs associated with HP main and
138 minimize the need for additional fuel line to the cogeneration facility. Given all of
139 these constraints, the only real option was to build a new building ("Building 3") to
140 house the bypass valving, new district regulator station and the IHP meter. DEU
141 Exhibit 3.02 shows the location of Building 3.

142 **Q. Could the Company have found nearby property to construct new facilities?**

143 A. The Company considered several options before arriving at the final project location.
144 Some of these options included expanding the current facilities by going vertical on the

DIRECT TESTIMONY OF
JASON MCGEE

145 current structures, building between the fire station at the original building, and
146 extending to the other side of the Snowbird Cogen plant. However, due to restrictions
147 associated with the nearby ephemeral stream, any construction within 50 feet of the
148 stream was prohibited and any crossing was heavily discouraged. The crossing would
149 have been much more expensive as well with the cost to engineer a stream crossing and
150 the additional pipeline required to perform such a project.

151 The most cost-effective approach was to construct the project as close to the existing
152 location and HP pipeline as possible, because doing so minimized the need to construct
153 new mains, new fuel lines, and other related facilities. Snowbird was willing to provide
154 the selected location for Building 3 adjacent to the existing HP feederline, and
155 constructing there minimized cost by keeping the Industrial meter in its original
156 building and minimizing the need for additional piping. As a result, this was the lowest
157 cost alternative.

158 **Q. Did DEU lease the land for Building 3?**

159 A. No. The Company purchased an exclusive easement from Snowbird for \$10.

160 **Q. What is the value of that exclusive easement?**

161 A. The Company valued the property at approximately \$300,000. Notably, the cost of the
162 real property rights, alone, would have exceeded the [REDACTED] in reduced revenue from
163 Snowbird that Mr. Simons and Mr. Summers discuss in their testimony. The Company
164 expects that purchasing a property right at a different location would have resulted in
165 similarly high costs to customers.

166 **Q. When did the Company construct the project?**

167 A. Because of the shortened construction season at Snowbird, construction took place
168 over 3 years, in 2 phases. Phase 1 was the construction of the new district regulator
169 station WA1594 that would replace WA1364 and the new IHP meter set for Snowbird.
170 Work could take place at this site without interrupting Snowbird service or service to
171 the surrounding community. Construction on Phase 1 began July 12, 2021. The new
172 district regulator station, WA1594, and the new IHP meter set went into service on
173 September 1, 2022. Phase 2 construction began July 11, 2023. The scope of this phase

174 included the retirement of WA1364 and the complete remodel of the IN0271 industrial
175 meter set that feeds the Snowbird cogeneration facility.

176 **Q. When did the Company first communicate its plan with Snowbird?**

177 A. The Company reached out to Snowbird when it was writing its design proposal. A
178 Snowbird representative was on-site during a Pre-design Visit on July 25, 2019.
179 Afterwards, Snowbird became an active participant in trying to locate additional land
180 for the third building, and to plan the relocation of the district regulator station and IHP
181 meter set. Dominion Energy met with Snowbird twice a month starting in February
182 2021 through the construction season, and again during the 2022 and 2023 construction
183 seasons.

184 **Q. Why did it take so long to begin construction?**

185 A. This project required a lot more planning and coordination to meet permitting
186 requirements and snow load requirements. First, the easement for Building 3 still
187 needed to be located and secured before construction could begin. The easement was
188 not officially recorded until August 23, 2021. Additionally, the project required
189 permitting from Salt Lake County and the U.S. Forest Service. The Company and
190 Snowbird wanted to be sure that all of the required permitting could be secured before
191 conveying the exclusive easement.

192 In addition to the permitting and easement concerns, it took considerable time to
193 complete the civil and structural design to meet snow load and avalanche requirements.
194 This included onsite investigations and the design took the majority of 2020, which
195 caused the Company to miss the construction window that year.

196 **Q. What is the current status of the project?**

197 A. All aspects of the project have been completed. The bypass valve assembly, regulator
198 station, IHP meter set and Industrial meter set are all operational and running.

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

200 A. Yes.

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

I, Jason McGee, 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.



Jason McGee

SUBSCRIBED AND SWORN TO this 16th day of January, 2024.



Notary Public

