

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 BRAD SIMONS
FOR DOMINION ENERGY UTAH**

January 16, 2024

DEU Redacted Exhibit 4.0

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I. INTRODUCTION

Q. Please state your name and business address.

A. Brad Simons, 1140 West 200 South, Salt Lake City, Utah 84104.

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

A. I am employed by Dominion Energy Utah (“Dominion Energy,” “DEU” or “Company”) as a Gas Development Services Consultant. I am part of a team responsible for working with our larger commercial, industrial customers as well as local municipalities, business and economic development opportunities and system expansion efforts. Part of our responsibilities is to understand and assist customers with contracting under the Transportation Service (“TS”) rate schedules.

Q. Was your attached exhibit DEU Confidential Exhibit 4.01 prepared by you or under your direction?

A. Yes.

Q. What general areas does your testimony address?

A. I address the unintended consequences to Snowbird resulting from the Company’s design decisions described by Mr. McGee. I also calculate the estimated cost impact those design decisions have on Snowbird Resort, LLC (“Snowbird” or “Customer”), and what the impact would be if the Utah Public Service Commission (“Commission”) declines to approve the Application in this docket.

II. DISCUSSION

Q. When did the Company determine that its design would have an impact on the billing of the Customer?

A. The Company noticed in late October 2022 that the new engineering designs would cause an impact on Snowbird’s billing.

26 **Q. Why didn't the Company realize the billing conflict earlier in the project?**

27 A. Prior to October 2022, DEU's Key Accounts group believed the project only included
28 one service line number, rather than the two service lines ultimately included.
29 Therefore, those representatives mistakenly believed that the new engineering designs
30 would not cause any additional basic service fees or administrative charges to
31 Snowbird's current billing.

32 **Q. When did the Company first communicate the billing issue with Snowbird?**

33 A. The Company personnel verbally communicated the bill impact to Snowbird in
34 November 2022 when the Company was preparing the October 2022 bill for Snowbird
35 and the Key Accounts personnel responsible for the account realized that the
36 engineering design would result in an increased bill to Snowbird.

37 **Q. Is there a difference in volumetric rates if Snowbird is billed through one meter
38 instead of two?**

39 A. Yes. Currently, the Company has a rate design of declining block rates. The early block
40 charges a higher rate for gas, and the later block charges a lower rate for gas. Once a
41 customer uses a certain amount of gas, their usage will fall into a later, less costly rate
42 block. Consequently, that customer will pay less for that certain amount of usage.
43 Aggregating Snowbird's volumes from both meters allows for those volumes to be
44 billed in the respective rate blocks as one volume. As a result Snowbird would hit the
45 higher rate block and consequently pay a lower rate for those gas flows. However, if
46 billed through two separate meters, each meter's volumes are calculated through the
47 respective rate blocks separately. This would result in Snowbird paying higher
48 volumetric rates for their usage.

49 **Q. How much extra revenue would be collected by the Company if Snowbird were
50 billed in accordance with the Company's Utah Natural Gas Tariff No. 600
51 ("Tariff")?**

52 A. I prepared a calculation illustrating the bill impact of the Company's design decisions
53 on Snowbird and I have attached it to my testimony as DEU Confidential Exhibit 4.01.

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54 This exhibit shows that if the Company charged Snowbird for usage through two
55 meters, Snowbird would have paid an approximate addition of [REDACTED] from
56 November 2022 through December 2023.

57 **Q. Please further explain the calculations shown on DEU Confidential Exhibit 4.01?**

58 A. DEU Confidential Exhibit 4.01 can be seen as four different parts. Part 1 is made up of
59 lines 1 through 15 and provides a calculation of the bill for the HP meter if it were
60 billed according to the Tariff – as one meter. Part 2 is made up of lines 16 through 30
61 and provides a calculation of the bill for the IHP meter if it were billed according to the
62 Tariff – as a second meter. Part 3 is made up of lines 31 through 45 and provides a
63 calculation of the bill with HP and IHP combined, as proposed in the Application. For
64 parts 1 through 3, the monthly usage in column A is used to determine the volumetric
65 cost in columns B and C. In column B, the TSM block 1 rate is multiplied by either
66 2,000 or the monthly usage in column A, whichever is smaller. In column C, any usage
67 over 2,000 is multiplied by the TSM block 2 rate. Column D is the monthly
68 Administrative Fee, column E is the Basic Service Fee and column F is the sum of
69 column B through E.

70 Part 4, made up of lines 46 through 50, provides a summary of the total costs and a
71 comparison of the two billing methods. Line 48 sums up the total costs of the HP meter
72 (line 46) and the IHP meter (line 47) which is then compared to the combined approach
73 (line 49) proposed by the Company. The difference in costs between the proposed
74 combined approach and the sum of the HP meter and IHP meter is shown on line 50
75 (line 48 minus line 49). Here we can see the differences in costs for each part of the bill
76 (columns B, C, D, and E, line 50) as well as the total difference of [REDACTED] (column
77 F, Line 48 minus column F, line 49). It shows that during the period between November
78 2022 and December 2023, charging Snowbird according to the Tariff, as though it were
79 receiving service through two different meters, would cost Snowbird [REDACTED] more
80 than it would have been charged if the Company had made no change and had
81 implemented none of its design changes.

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

83 A. Yes.


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

I, Brad Simons, 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.



Brad Simons

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



Notary Public