

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Joint Application of
Questar Gas Company dba Dominion Energy
Utah and Enbridge Quail Holdings, LLC for
Approval of the Proposed Sale of Fall West
Holdco, LLC to Enbridge Quail Holdings,
LLC

Docket No. 23-057-16

DIRECT TESTIMONY OF JAMES SANDERS

FOR JOINT APPLICANTS

October 20, 2023

Joint Application Exhibit 3.0

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is James Sanders. My business address is 500 Consumers Road, Toronto, Ontario, M2J 1P8, Canada.

Q. By whom are you employed and what is your position?

A. I am employed by Enbridge Gas Inc. (“Enbridge Gas”), and I am Senior Vice President, Enterprise and Utility Integration, Enbridge Gas.

Q. What are your qualifications to testify in this proceeding?

A. I have listed my qualifications in Joint Exhibit 3.01.

Q. What is the purpose of your testimony in this Docket?

A. My testimony describes the resources available to Enbridge Quail Holdings, LLC (“EQ Holdings”) as a member of the Enbridge Inc. (“Enbridge”) group of companies in support of the proposed transaction (the “Transaction”) pursuant to which EQ Holdings will acquire all of the outstanding equity interests (“Interests”) of Fall West Holdco LLC (“Fall West”), the parent company of Questar Gas Company (dba Dominion Energy Utah (“Questar Gas” or the “Company”) from Dominion Energy, Inc. (“Dominion Energy”).

I also discuss a number of the operational commitments that are being made in connection with the Transaction and how the resources available to Questar Gas following completion of the Transaction will benefit the operations of Questar Gas and enhance the ability of Questar Gas to continue to deliver safe, reliable, and affordable natural gas service to its customers.

22 **II. ENBRIDGE’S OPERATIONS AND VALUES**

23 **Q. Please describe Enbridge’s commitment to natural gas as an energy source for its**
24 **customers.**

25 A. Enbridge is committed to natural gas as an energy resource and supports natural gas
26 utilities as 'must-have' infrastructure for providing safe, reliable, and affordable energy. In
27 addition, Enbridge supports the role of natural gas in reducing the carbon footprint of the
28 energy it delivers, and is committed to achieving net zero greenhouse gas emissions in its
29 operations by 2050, with a 35% intensity emissions reduction by 2030. Today and for the
30 long-term, natural gas will remain essential for achieving Utah, Wyoming, and Idaho’s
31 energy security, affordability and sustainability goals. EQ Holdings will draw upon the
32 experience and resources of Enbridge and the Enbridge group of companies to ensure that
33 Questar Gas continues to provide safe, reliable, and affordable natural gas service for the
34 long-term. This includes continued investment in Questar Gas’s infrastructure, business
35 support systems, and people. Questar Gas’s employees will have the opportunity to benefit
36 from operations and practices successfully deployed at Enbridge Gas, and at other
37 Enbridge business units. For instance, Enbridge Gas’ integrity programs, over the last few
38 years, have improved through the collaboration with other Enbridge business units and
39 industry involvement. As an example, Enbridge Gas, along with the company’s other
40 business units, have formed a Joint Integrity Business Counsel. This forum enables the
41 Enbridge business units to discuss and collaborate with one another on integrity best
42 practices, drive towards common goals, and share experiences and lessons learned. In line
43 with the application of best practices, Enbridge Gas has risk-ranked its transmission
44 system based on CSA Z662, Annex O (“Oil and gas pipeline systems”), to support

45 Integrity decisions. As another example, Enbridge Gas has recently employed a crack
46 detection tool to identify crack-like features on a subset of its transmission pipelines.
47 Enbridge has also stood up an enhanced distribution integrity team to focus on higher risk
48 distribution assets and prioritize related business decisions, and initiated a geohazard
49 program to focus on geotechnical and hydrotechnical risks. These are a few examples of
50 how Enbridge Gas and Questar Gas can collaboratively continue to work together to ensure
51 that Questar Gas continues to provide all of its current and future customers with safe,
52 reliable, and affordable natural gas service. Furthermore, EQ Holdings and Questar Gas
53 are committed to being transparent and respectful in cooperating with local regulatory
54 authorities and all residing in the communities served by Questar Gas.

55 **Q. Please describe Enbridge's natural gas public utility operations. How are they**
56 **operated?**

57 A. Enbridge Gas, which provides service in Ontario, has over 175 years of experience in
58 delivering safe, reliable, and affordable natural gas. Enbridge Gas is North America's
59 largest natural gas utility by volume of natural gas delivered and third largest by customer
60 count with rate base in excess of C\$15 billion (US\$ 11 billion).¹ Enbridge Gas provides
61 heating to more than 75% of Ontario homes with a reliability of more than 99.99%.
62 Enbridge Gas's system consist of over 93,000 miles of pipeline, taking into account both
63 mains and services, supplied from 36,000 measurement and pressure regulating stations.
64 Enbridge Gas operates integrated natural gas storage, transmission and distribution assets
65 that include approximately 290 billion cubic feet of storage, 2,200 miles of transmission

¹ All CAD to USD conversion utilized October 12, 2023 exchange rate of 1.3657.

66 pipelines powered with 53 compressors providing 800,000 horsepower at four primary
67 sites. Enbridge Gas also operates one liquefied natural gas facility with capacity of
68 approximately 0.7 billion cubic feet. Above all else, Enbridge Gas is always working to
69 ensure the safety of its people, neighbors and the communities in which it operates. In
70 2022, Enbridge Gas invested over C\$500 (US\$366) million in maintaining the integrity of
71 its system. The storage, transmission and distribution operating systems are monitored
72 continuously through a central gas control center with the ability to remotely operate much
73 of the system and/or to dispatch technicians as needed.

74 Enbridge Gas personnel provide several functions specific to the utility, such as gas supply,
75 gas control, regulatory, work management, asset management, and engineering.

76 Enbridge also owns Gazifère Inc. (“Gazifère”), which provides gas distribution service to
77 more than 43,500 residential, commercial, and industrial customers. Gazifère manages 620
78 miles of natural gas distribution system that currently serves the City of Gatineau and the
79 municipality of Chelsea.

80 In 2022, Enbridge Gas and Gazifère’s natural gas utilities delivered, on a combined basis,
81 some 2,162 billion cubic feet of natural gas to its customers.

82 Similar to Dominion Energy, Enbridge manages and maintains a centralized corporate
83 functions group, which provides centralized support to the existing regulated utilities.

84 Centralized functions include Human Resources, Information Technology, Finance, Legal,
85 Safety and Reliability, and Supply Chain Management. These services are available to all
86 wholly-owned Enbridge entities.

87 **Q. How is Enbridge Gas investing in the natural gas businesses?**

88 A. Enbridge recognizes that the safety, operational reliability, and integrity of its natural gas
89 assets are a number one priority. To foster this level of diligence in managing its assets, in
90 2015, Enbridge implemented an Integrated Management System (“IMS”), with the Gas
91 Distribution & Storage business unit as well as other Enbridge business units.

92 The management of assets is important for the secure, safe, and reliable delivery of energy
93 to customers. Enbridge Gas’s Asset Management Program (“AMP”) ensures this value is
94 realized while managing risk and opportunity. The AMP is a document whose purpose is
95 to outline policy and strategies for establishing effective asset management for all utility
96 assets, processes and governance for asset management planning, asset class objectives
97 and life cycle management strategies, and asset inventory, condition methodology,
98 condition findings, risks opportunities and renewal strategies. This document aligns with
99 the ISO5500X industry standard, the Institute of Asset Management and the Global Forum
100 on Maintenance and Asset Management.

101 From 2013 through 2022 inclusive, Enbridge invested more than C\$11.79 (US\$8.6) billion
102 in leak detection/survey, leak inspection, integrity, and damage prevention programs that
103 help maintain the fitness of its systems across its operations in North America.

104 Finally, Enbridge Gas is continually evaluating new opportunities to expand its
105 infrastructure. Most recently, as part of the Government of Ontario’s Natural Gas
106 Expansion Program, Enbridge Gas has been actively expanding its infrastructure to
107 provide natural gas to communities who currently do not have access. Enbridge Gas also
108 actively works with its commercial and industrial customers to assess their future needs
109 for natural gas.

110 **Q. Please provide additional information with respect to Enbridge's IMS?**

111 A. Enbridge's IMS provides the framework, governance, and processes to manage risk,
112 ensure compliance and improve safety and operational reliability. The system is intended
113 to make certain that Enbridge proactively ensures the protection of its assets, people, public
114 and the environment.

115 Enbridge's Gas Distribution & Storage IMS contains the following Management
116 Programs: 1) Asset Management; 2) Emergency Management; 3) Environmental
117 Protection; 4) Safety Management; 5) Integrity Management; 6) Physical and Cyber
118 Security Management; 6) Control Room Management; and 7) Customer Care. Each of the
119 abovementioned Management Programs outlines how Enbridge intends to meet its
120 corporate and technical regulatory obligations. These Management Programs are ongoing
121 bodies of work and operate in a coordinated manner across various functional departments
122 to achieve Enbridge's safety and reliability metrics.

123 The IMS also contains Elements, such as, Leadership and Governance, Risk Management,
124 and Compliance, which provide the requirements, expectations, tools and processes to
125 ensure that work associated with the Management Programs is executed in a compliant,
126 consistent, and safe manner.

127 Enbridge's IMS protocols ensure that senior management is aware of significant risks,
128 performance, and compliance of the IMS Elements and Management Programs.

129 **Q. Will Questar Gas continue to have access to shared services provided through a
130 shared services company following completion of the Transaction?**

131 A. Yes. Questar Gas currently receives certain services like human resources, legal and
132 accounting support, from Dominion Energy Services. The Agreement provides that for

133 some period of time after the close of the Transaction, Dominion Energy Services will
134 continue to provide shared services support until shared services support within the
135 Enbridge family of companies can be provided. This support will be provided through a
136 Master Transition Services Agreement (the “TSA”), and will ensure that service quality,
137 safety, and reliability will not be adversely affected by the transfer of shared services that
138 are currently provided by Dominion Energy affiliates to Questar Gas. The Commission has
139 previously reviewed the allocation methodologies by which Dominion Energy affiliates
140 provide shared services to Questar Gas and those allocation methodologies set forth the
141 basis upon which the costs payable by Questar Gas for such shared services will be charged
142 under the TSA.

143 **Q. Please discuss Enbridge’s commitment to safety.**

144 A. Safety is a core value, as detailed by Enbridge Witness Harradence and is paramount at all
145 companies that are part of the Enbridge family. Enbridge seeks to ensure that every
146 employee returns home safely every day, and that assets of every company within the
147 Enbridge group of companies are operated in a safe manner. Enbridge’s commitment to
148 safety is based on its care for its employees, contractors, the communities in which
149 Enbridge operates, and the environment. Enbridge’s safety principles support and
150 highlight the fundamental belief that Enbridge holds on its path to a zero-event workplace.
151 In 2022, safety performance across the Enbridge companies was on par with the record-
152 setting result in 2021, contributing to a 23% reduction in employee and contractor injuries
153 over a three-year average, and moving Enbridge closer to a goal of zero events.
154 The following table includes the safety awards Enbridge Gas and Gazifère have received
155 over the past three years.

| Canadian Gas Association Awards | | |
|--|--|----------------|
| Award Year | Award | Company |
| 2022 | Corporate Employee Safety Award | Gazifère |
| 2021 | Corporate Employee Safety Award | Gazifère |
| 2021 | Corporate Vehicle Safety Award | Gazifère |
| 2021 | Safety Lifetime Achievement Award - Grant Kilpatrick | Enbridge Gas |
| 2020 | Worker Safety Award - Struck By Video Series | Enbridge Gas |
| 2020 | Corporate Vehicle Safety Award | Gazifère |
| American Gas Association Awards | | |
| Award Year | Award | Company |
| 2022 | Industry Leader Accident Prevention Award (DART below Industry Average) | Enbridge Gas |
| 2022 | AGA Leading Indicator Award | Enbridge Gas |
| 2021 | Industry Leader Accident Prevention Award (DART below Industry Average) | Enbridge Gas |
| 2021 | AGA Leading Indicator Award | Enbridge Gas |
| 2020 | Industry Leader Accident Prevention Award (DART below Industry Average) | Enbridge Gas |

157 **Q. How is the commitment to sustainability of the environment fulfilled?**

158 A. As noted in Enbridge Witness Harradence's testimony, sustainability is foundational to the
159 business of the Enbridge companies. Enbridge is committed to reducing its emissions,
160 building lasting relationships with stakeholders, and advancing diversity, equity, and
161 inclusion. Please see Enbridge's [2022 Sustainability Report](#).

162 Enbridge is innovating across the entire energy value chain to ensure the reliability and
163 affordability of energy today, while accelerating the energy transition. Enbridge is
164 introducing cleaner fuels into its energy mix, reducing the emissions of its existing
165 processes, turning promising technologies into scalable solutions, re-purposing existing
166 infrastructure (for example, blending hydrogen into the natural gas distribution network),
167 and continuing to invest in new, low-carbon infrastructure including renewables.

168 Enbridge is committed to transparency and to the disclosure of Environmental, Social, and
169 Governance ("ESG") factors and performance relevant to its business and stakeholders.
170 The Company has reported its sustainability efforts and process on ESG matters for over
171 20 years. Enbridge intends to continue to align its reporting with leading disclosure
172 frameworks and evolving best practices.

173 Enbridge's commitment to environmental protection is articulated in its Safety and
174 Reliability Policy. Please see Enbridge's [Safety and Reliability Policy](#).

175 Enbridge's environmental protection plans ("EPP") are part of an IMS that encompasses
176 safety, security, and protection of the environment, and define environmental management
177 accountabilities and responsibilities in the Enbridge organization. Enbridge continually
178 monitors environmental performance and conducts regular internal audits of its EPPs, to
179 assess and enhance its environmental management practices.

180 **Q. Please provide additional details on the commitment to customer service.**

181 A. The Transaction will not have an adverse impact on the operations or services of Questar
182 Gas. EQ Holdings commits that Questar Gas will have the resources to continue to, at a
183 minimum, maintain current service quality. In addition, EQ Holdings will develop a plan
184 identifying how it intends to communicate the change in ownership of the Questar Gas
185 assets from Dominion Energy to EQ Holdings. EQ Holdings and Questar Gas will
186 undertake to educate customers on the source of Questar Gas's natural gas, subject to any
187 applicable confidentiality and legal requirements. Annually, EQ Holdings will undertake
188 to provide information showing the source of Wexpro production and natural gas
189 purchases by pipeline interconnection or hub. Questar Gas will continue to maintain copies
190 of the Wexpro I and Wexpro II agreements, Wexpro stipulations, and guideline letters on
191 its publicly available website.

192 Questar Gas will also commit to conduct a customer survey to gain a better understanding
193 of its customers and incorporate applicable learnings into processes, programs and
194 services.

195 **Q. Can you highlight some examples of Enbridge companies helping low-income users
196 of natural gas?**

197 A. Enbridge Gas offers low-income programs through its rate payer funded conservation (or
198 Demand Side Management) programs. An example of one specific program is Enbridge
199 Gas's Home Winterproofing Offering. This program is designed to reduce energy costs
200 and improve indoor home comfort for both low-income homeowners and tenants who use
201 natural gas. Program participants receive a home energy assessment and direct installation
202 of weatherization measures, with no cost to the participant. In addition, as a health and

203 safety measure, participants are provided a carbon monoxide detector if one is not already
204 present in the home. At the time of the home energy assessment, the home is also pre-
205 qualified for water conservation measures and a smart thermostat.

206 As part of Enbridge Gas’s commitment to corporate citizenship, in 2023, Enbridge Gas
207 contributed C\$315,000 (~US\$231,000) to the Fire Marshal’s Public Fire Safety Council
208 (“FMPFSC”) in support of Safe Community Project Zero. This program seeks to support
209 vulnerable residents through a public education campaign delivered in partnership with
210 the FMPFSC and local fire departments to distribute and install smoke and carbon
211 monoxide detectors at no cost. In addition, in 2023, Enbridge Gas contributed an additional
212 C\$250,000 (~US\$183,000) to the FMPFSC towards the purchase of educational materials
213 to train the personnel of 50 Ontario fire departments in life-saving techniques.

214 **III. PLANS FOR OPERATING QUESTAR GAS FOLLOWING**

215 **COMPLETION OF THE TRANSACTION**

216 **Q. How will Questar Gas be operated following completion of the Transaction?**

217 A. Upon completion of the Transaction, Questar Gas will be operated as a separate legal entity
218 with headquarters in Salt Lake City, Utah, with responsibility for implementing policies
219 and practices to achieve the objectives of customer satisfaction, reliable service, public
220 and employee safety, environmental stewardship, and collaborative and productive
221 relationships with customers, regulators, other governmental entities, and interested
222 stakeholders. Questar Gas will have the additional benefit of access to the resources of the
223 larger Enbridge group of companies, bringing best practices from divisions as disparate as
224 such as Liquid Pipelines, Gas Transmission & Midstream, and Renewable Power, which
225 will bring tangible benefits as described below.

226 **IV. OPERATIONAL BENEFITS OF THE TRANSACTION**

227 **Q. What are the operational benefits of the Transaction to Questar Gas and its**
228 **customers?**

229 A. Questar Gas and its employees and customers will benefit from access to Enbridge safety
230 systems and community investment programs that are available to companies that are part
231 of the Enbridge group of companies.

232 Based on data² compiled by the American Gas Association, Enbridge's Gas Distribution
233 & Storage business has been recognized as a top quartile performer as compared to its top
234 20 AGA peers by size of customer base.

235 As noted above, Enbridge implemented IMS within the Gas Distribution & Storage
236 business unit (Enbridge Gas and Gazifère) and other Enbridge business units. To ensure
237 that Questar Gas can continue to achieve its strategic priorities and identify, understand
238 and effectively manage hazards and risks, EQ Holdings commits to implement IMS (which
239 includes safety and risk management programs, processes and procedures) at Questar Gas
240 and will seek to do so within two years following completion of the Transaction. Enbridge
241 Gas has had these programs in place for a significant period of time, and can assist Questar
242 Gas in the development of such processes.

243 In summary, following receipt of regulatory approval, Questar Gas will have access to the
244 broader group of Enbridge companies with which to collaborate and implement
245 enhancements to current safety, integrity, construction and operational programs. These
246 programs will result in benefits to Questar Gas as well as its current and future customers.

² This analysis is based on a 5-year average, as well as the year of 2021.

247 **V. OPERATIONAL COMMITMENTS AND UNDERSTANDINGS**

248 **Q. Are EQ Holdings and Questar Gas willing to make commitments and to provide**
249 **assurances relating to operations of Questar Gas?**

250 A. Yes.

251 **Q. Please summarize the commitments EQ Holdings and Questar Gas are making**
252 **related to operations of Questar Gas.**

253 A. Questar Gas will be supported in continuing its goals, and will continue to seek to achieve
254 its goals of installing, upgrading, and maintaining infrastructure to ensure the safe and
255 reliable delivery of natural gas. This goal will be enhanced as a result of the Transaction.
256 Absent a material change in circumstances, Questar Gas will continue its planned total
257 capital expenditure program, which are outlined in Witness Cook's testimony.

258 EQ Holdings and Questar Gas commit that Questar Gas will continue to install, upgrade,
259 and maintain Questar Gas's infrastructure as necessary for safe, reliable, and affordable
260 operations.

261 Questar Gas will continue to file its Integrated Resource Plan on an annual basis.

262 Questar Gas will maintain the established gas-supply interchangeability Wobbe indices for
263 Questar Gas's receipt points, and remain in compliance with the Commissions
264 requirements.

265 **Q. Will the Wexpro agreements continue to be honored?**

266 A. Yes. All Wexpro agreements, stipulations, and associated guideline letters will be honored
267 and all will continue to be posted and available on publicly available website.

268

VI. CONCLUSION

269 **Q. Would you please summarize your testimony?**

270 A. Questar Gas will experience operational benefits as a result of the Transaction, as more
271 fully described in the Commitment Matrix attached to the Application in this docket as
272 Joint Exhibit 5.0. Approval of the Transaction is just and reasonable, and in the public
273 interest.

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

275 A. Yes.

Country of Canada)
) ss.
City of Toronto, Canada)

I, James Sanders, 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.



James Sanders

SUBSCRIBED AND SWORN TO this 19th day of October, 2023.



Notary Public

Alexander Heuton
LSO#: 776741

