

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Joint Notice and Application of Questar Gas Company 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
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DIRECT TESTIMONY OF JUDD E. COOK

FOR JOINT APPLICANTS

October 20, 2023

Joint Application Exhibit 4.0

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I. INTRODUCTION

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

3 A. My name is Judd E. Cook. My business address is 333 South State Street, Salt Lake City,
4 Utah 84145.

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

6 A. I am employed by Questar Gas Company dba Dominion Energy Utah (“Questar Gas” or
7 “Company”) as Vice President and General Manager. I am responsible for the 900
8 employees who provide natural gas service to over 1.1 million customers in Utah,
9 Wyoming and Idaho. These employees work in many functions, including operations,
10 engineering, customer relations, regulatory and gas supply.

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

12 A. I have been employed with the Questar Gas and/or its affiliated companies for the past 26
13 years. My qualifications are attached as Exhibit 4.01 to the Joint Application.

14 **Q. What is the purpose of your testimony?**

15 A. My testimony provides a summary of the current organizational structure of Questar Gas,
16 and I discuss the Company’s current goals and objectives related to operations, system
17 reliability, safety, customer satisfaction and community involvement. I also discuss the
18 proposed sale of Questar Gas and some of its affiliates to Enbridge Quail Holdings, LLC
19 (“EQ Holdings”) as defined in the Joint Application in this Docket as the “Transaction”
20 and explain why it will result in no harm, and in many cases will result in benefits to, the
21 employees, customers and communities where Questar Gas operates.

22 **Q. How will this Transaction benefit Questar Gas customers and employees?**

23 A. As discussed later in my testimony, Questar Gas will continue to operate in a safe and
24 reliable manner essentially as it does today, and its new membership in the Enbridge Inc.
25 (“Enbridge”) group of companies as a result of its acquisition by EQ Holdings will provide
26 additional benefits and strengths to all stakeholders.

27 **II. QUESTAR GAS OWNERSHIP AND MANAGEMENT**

28 **Q. Please describe the ownership structure of Questar Gas.**

29 A. Questar Gas is currently a subsidiary of Dominion Energy Questar Corporation which is,
30 in turn, a subsidiary of Dominion Energy Inc. In the pending Docket No. 23-057-15,
31 Questar Gas is seeking Commission approval for a reorganization which would place
32 Questar Gas and some of its affiliates within a new holding company, in anticipation of the
33 sale contemplated in this docket. Copies of organizational charts reflecting the organization
34 both before and after that reorganization are attached to the Application in this docket as
35 Joint Exhibit 8.

36 **III. FINANCIAL CONDITION OF QUESTAR GAS**

37 **Q. Please describe the financial condition of Questar Gas.**

38 A. Questar Gas’ assets as of December 31, 2022 totaled \$4.3 billion; revenues in 2022 totaled
39 \$1.318 billion and net income in 2022 totaled \$128.9 million. Questar Gas’ capital structure
40 as of December 31, 2022 was 45% long-term debt and 55% equity.

41 **Q. Please provide a copy of Questar Gas’s financial statements.**

42 A. Questar Gas’s financial statements are attached as Exhibit 4.02 to the Joint application.

43 **Q. How is long term debt provided to Questar Gas?**

44 A. Questar Gas issues its own long-term debt. Questar Gas's senior unsecured credit rating is
45 A3 with Moody's and BBB+ with Standard and Poor's.

46 **Q. What were Questar Gas's plans for capital expenditures for the next five years, prior
47 to the Transaction?**

48 A.

Year	2023	2024	2025	2026	2027
Capital Budget	\$317.8 Million	\$314.9 Million	\$322.4 Million	\$325.5 Million	\$325.5 Million

49

50 **Q. Will those plans change as a result of the Transaction?**

51 A. No. Absent a material change in circumstances, the Transaction will not change Questar
52 Gas' plans for capital expenditures over the next five years.

53 **IV. QUESTAR GAS CURRENT OPERATIONS**

54 **Q. Please describe Questar Gas's current operations.**

55 A. Questar Gas provides safe and reliable natural gas service to customers in Utah, Wyoming
56 and Idaho.

57 **Q. Will the approval of the Transaction have any impact on any other utility?**

58 A. No. Questar Gas will continue to provide service in its certificated service territory. The
59 approval of the Transaction will not expand or otherwise change that service territory, and
60 it will not impact any other utility providing natural gas service in Utah, Wyoming or Idaho.

61 **Q. Please describe your mission as a local distribution company.**

62 A. As a management team, we strive to provide safe, reliable, affordable and sustainable
63 energy to our customers.

64 **Q. Is customer service an important goal of Questar Gas?**

65 A. Yes. Questar Gas strives to provide courteous, professional service to its customers and to
66 be as responsive as possible to their needs.

67 **Q. Does the Company track its customer satisfaction levels?**

68 A. Yes, the Company uses independent third-party surveys, internal statistics, and regional
69 reporting to track customer satisfaction. The surveys are performed monthly and given to
70 randomly selected customers and customers who have recently received customer service
71 from the Company. Additionally, we have developed internal statistics and reporting that
72 allows us to monitor and measure our customer service performance. Questar Gas' 2022
73 customer service results are attached to the Joint Application in this matter as Joint Exhibit
74 4.03. As the reports show, Questar Gas receives a high score from customers in terms of
75 responsiveness and overall satisfaction.

76 **Q. Is safety an important goal to Questar Gas?**

77 A. Yes, Questar Gas has a culture that encourages safety as its highest priority. Just last month,
78 Questar Gas was one of four companies to receive the "Leading Indicator Safety Award"
79 from the American Gas Association. This is the second consecutive year Questar Gas
80 received this award, which recognizes companies for the implementation of proactive
81 safety programs and initiatives. Over the years, Questar Gas has been routinely recognized
82 by AGA for having exceptionally low employee injury incident rates and preventable
83 motor vehicle accident rates.

84 In 2023, Questar Gas partnered with Perceptyx, an independent research organization, to
85 administer a Safety Culture Survey to gauge our employees' thoughts on our safety culture.

86 In addition to the Company's survey, this survey was conducted with many of Questar Gas'

87 industry peers. This is the fourth time Questar Gas has participated in such a survey since
88 2013. Results from these surveys help us identify ways to continuously improve our safety
89 culture.

90 Over the last two years, Questar Gas has implemented a new Human Performance program
91 with extensive training for all employees. Human Performance is a set of principles and
92 practical “defense” techniques that help us reduce human error. We can minimize the
93 frequency and severity of incidents by anticipating and preventing active errors, and
94 identifying and eliminating gaps in our policies, training, and culture. There are five
95 principles of our Human Performance Program:

- 96 1. People are fallible, and even the best people make mistakes.
- 97 2. Error-likely situations are predictable, manageable, and preventable.
- 98 3. Individual behavior is influenced by organizational processes and values.
- 99 4. People achieve high levels of performance largely because of the encouragement
100 and reinforcement received from leaders, peers, and subordinates.
- 101 5. Events can be avoided through an understanding of the reasons mistakes occur and
102 application of the lessons learned from past events (or errors).

103 Questar Gas employees begin meetings with a “safety minute” discussion about a relevant
104 and timely safety topic. Questar Gas further emphasizes safety with safety-related bonus
105 goals. Questar Gas recently showed its commitment to safety and reliability in its Utah
106 service territory by investing over \$65 million per year in pipeline replacement.

107 **Q. Please describe Questar Gas’ current community involvement.**

108 A. Questar Gas employees are very active in their communities. In 2022, for example, Questar
109 Gas and its affiliate employees participated in 6,374 hours of service in Utah. In addition,

110 Questar Corporation donated about \$1.7 million in Utah. Questar Corporation employees
111 are also very involved in leadership and serve on boards of 63 local Utah charitable and
112 community organizations. The Company's Education Foundation also contributes to Utah
113 colleges and universities.

114 **V. BENEFITS OF THE TRANSACTION**

115 **Q. What benefits will come from this Transaction?**

116 A. One of the main benefits of this acquisition is that our business will be part of the Enbridge
117 group of companies. Enbridge's core competencies are natural gas, liquids pipelines, and
118 renewable energy. Affiliation with similarly situated businesses has created and will
119 continue to create benefits for Questar Gas. Additionally, there will be potential benefits
120 in safety, community involvement, energy sustainability and geographic diversity.

121 **Q. Please explain in more detail how being affiliated with other LDCs has been beneficial**
122 **to the Company.**

123 A. One of the benefits that we received from being a part of the Dominion family of companies
124 was the ability to share best practices and synergies with our affiliates who are local natural
125 gas distribution ("LDC") companies in Ohio and North Carolina. For example, Questar
126 Gas' LDC affiliate in Ohio, East Ohio Gas, is a center of technical excellence when it
127 comes to hot tapping. Hot tapping allows a company to perform maintenance on a pipeline
128 while there is still gas flowing in it, allowing the Company to perform the maintenance
129 without interrupting service to customers. Questar Gas has been able to use that expertise
130 on its system. Additionally, in 2022, Questar Gas experienced a shortage of meter risers
131 due to supply chain issues. The Company was able to secure the necessary risers from our
132 affiliate in North Carolina until it could acquire its own supply. This helped avoid delays

133 in adding new customers. Questar Gas' affiliation with these two LDCs has been extremely
134 beneficial. After the Transaction is complete, Questar Gas will enjoy benefits of affiliation
135 with Enbridge's many companies involved in the transportation of natural gas and two
136 retail gas distribution companies, Enbridge Gas Inc. and Gazifère Inc., as well as the
137 utilities that are being acquired in North Carolina and Ohio (subject to the approval of all
138 relevant federal and state authorities). As explained by Ms. Harradence and Mr. Sanders,
139 Enbridge Gas Inc., which provides service in Ontario, has over 175 years of experience
140 and is North America's largest natural gas utility by volume of natural gas delivered and
141 third largest by customer count with rate base in excess of C\$15 billion (US\$ 11 billion).¹
142 Both of these companies have won numerous safety and customer service awards and by
143 working with them I am certain that Questar Gas employees will expand our knowledge
144 base and share best practices not only with two new companies, but also with other
145 companies in the Enbridge family.

146 **Q. How will the Merger benefit Questar Gas' safety culture?**

147 A. As I mentioned earlier, Questar Gas currently have a strong safety culture, and this is
148 expected to continue after completion with the Transaction.

149 **Q. How will the Transaction benefit community involvement?**

150 Questar Gas has a history of charitable giving in the areas where it operates, and this will
151 continue with Enbridge. As the Joint Application in this docket states, EQ Holdings
152 commits, at shareholders' expense to increase by \$175,000 per year, Questar Gas's historic
153 level of corporate contributions to charities identified by local leadership and community

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

154 investments that are within Questar Gas's service areas as well as low-income assistance
155 to Questar Gas's customers for at least three years following completion of the Transaction.

156 **Q. How does energy diversity benefit Questar Gas?**

157 A. As noted in Ms. Harradence's testimony, Enbridge manages and operates a diverse
158 portfolio of energy assets consisting of liquid pipelines, gas transmission and midstream,
159 renewable power, and a gas distribution and storage business. This diverse energy supply
160 portfolio will allow the Company to be poised in the future to take advantage of resources
161 for customers.

162 **Q. How is geographic diversity a benefit to Questar Gas?**

163 A. A benefit of geographic diversity is that if a natural disaster were to occur in Questar Gas'
164 service area after the Transaction, Enbridge would have resources such as, operations and
165 management outside of the affected area. Geographic diversity allows resources to be
166 deployed to help Questar Gas manage, communication and service restoration.

167 **VI. CONCLUSION**

168 **Q. Please describe the impact this Transaction will have on overall operations and**
169 **customer service?**

170 A. The Transaction will allow the newly combined companies to share safety and customer
171 service best practices. I expect this will only strengthen Questar Gas' ability to provide safe
172 and reliable service.

173 **Q. Please describe the impact the transaction will have on the regulatory oversight of**
174 **Questar Gas?**

175 A. It will remain unchanged. Questar Gas will continue to operate under the Commission's
176 jurisdiction.

177 **Q. Are other Commissions reviewing similar applications submitted by the parties?**

178 A. Yes. Questar Gas concurrently filed a Joint Application in Wyoming substantively similar
179 to the Joint Notice and Application filed in Utah and a letter of notification in Idaho.

180 **Q. What is your recommendation?**

181 A. I recommend the Commission approve the Joint Notice and Application.

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

183 A. Yes.

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

I, Judd E. Cook, 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, or to the best of my knowledge are true and correct copies of the documents they purport to be.



Judd E. Cook

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



Notary Public

