

**DIRECT TESTIMONY OF  
FELICIA D. HOWARD  
ON BEHALF OF  
DOMINION ENERGY SOUTH CAROLINA, INC.  
DOCKET NO. 2020-5-G**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

2 A. My name is Felicia D. Howard, and my business address is 220 Operation  
3 Way, Cayce, South Carolina. I am the Vice President of Gas Operations for  
4 Dominion Energy South Carolina, Inc. (“DESC” or the “Company”).

5  
6 **Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS  
7 BACKGROUND.**

8 A. I have a Bachelor of Science Degree in Electrical and Computer Engineering  
9 and a Master of Business Administration Degree from the University of South  
10 Carolina. Prior to joining DESC, I worked with Westinghouse Electric Corporation  
11 in Asheville, North Carolina, where I provided technical support for sales and  
12 marketing of equipment for electrical generators. In addition, I held other positions  
13 with Westinghouse’s Distribution and Control Business Unit in product  
14 engineering, quality engineering, and technical sales in Sumter and Charleston,  
15 South Carolina, and Charlotte, North Carolina.

16 I joined DESC, then South Carolina Electric & Gas Company, in 1992 as a  
17 Quality Advisor for process improvement efforts in the Fossil/Hydro Business Unit.  
18 During my tenure with DESC and with SCANA Corporation prior to the merger

1 with Dominion Energy, Inc., I also worked as a Key Account Manager for the  
2 company's large industrial customers; Manager of Community/Economic  
3 Development and Local Government; and Director of Demand Side Management.  
4 In February 2013, I assumed my current position as Vice President of Gas  
5 Operations for DESC.

6  
7 **Q. WHAT ARE YOUR DUTIES AS VICE PRESIDENT OF GAS**  
8 **OPERATIONS?**

9 A. My responsibilities include, among other things, oversight of the daily  
10 operations of DESC's natural gas distribution system, including maintenance,  
11 construction, and gas sales. I also am responsible for the overall reliability of the  
12 system, which includes ensuring that the system is capable of providing safe and  
13 reliable service to our customers.

14  
15 **Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.**

16 A. The purpose of my testimony is to provide the Commission with an overview  
17 of DESC's gas purchasing practices for the period under review, August 1, 2019,  
18 through July 31, 2020 ("Review Period"). I will describe DESC's natural gas  
19 distribution system from an operations standpoint and discuss the primary facilities  
20 that comprise the system, including the capacity of the system for serving DESC's  
21 customers. I also will discuss the construction projects in which DESC is engaged

1 that are designed to increase the capacity, reliability, and operational flexibility of  
2 DESC's system.

3  
4 **I. PURCHASED GAS ADJUSTMENT PROCEEDING**

5 **Q. WHAT IS THE PURPOSE OF THIS PURCHASED GAS ADJUSTMENT**  
6 **(“PGA”) PROCEEDING?**

7 A. By Order No. 87-898, dated August 14, 1987, the Commission instituted an  
8 annual PGA review of DESC's gas purchasing policies and practices. These PGA  
9 reviews are conducted to determine the prudence of DESC's gas purchasing policies  
10 and practices during the period under review and to determine if DESC properly  
11 applied its tariffs in recovering its gas costs.

12 It is worth noting that in every PGA review, the Commission has found that  
13 DESC's gas purchasing policies and practices were prudent and that the Company  
14 properly adhered to the gas cost recovery provisions of its gas tariffs and applicable  
15 Commission directives and orders.

16 In this PGA proceeding, the Company will provide testimony from personnel  
17 who implement DESC's gas purchasing practices and policies and who address  
18 tariff issues on a day-to-day basis. Their testimony specifically relates to the  
19 Review Period. Rose M. Jackson, General Manager – Supply & Asset  
20 Management, explains DESC's gas purchasing practices, gas supply and interstate  
21 pipeline capacity. Rachel R. Elliott, Manager – Electric and Gas Regulatory  
22 Accounting, discusses the PGA methodology for recovering the cost of gas

1 implemented by the Company pursuant to Commission Order Nos. 2006-679 and  
2 2009-910.

3  
4 **Q. PLEASE PROVIDE AN OVERVIEW OF DESC'S GAS PURCHASING**  
5 **PRACTICES FOR THE REVIEW PERIOD.**

6 A. DESC's management analyzes and considers the supply and interstate  
7 capacity assets of its business on an on-going basis in order to provide safe, reliable,  
8 and economical natural gas service in South Carolina. All of the variables related  
9 to the growth in our state and the demand on DESC's system must be balanced with  
10 corresponding supply and capacity needs. Finally, I want to emphasize to the  
11 Commission that the Company procured reliable and reasonably priced natural gas  
12 supplies during the Review Period.

13  
14 **II. DESC'S NATURAL GAS DISTRIBUTION SYSTEM**

15 **Q. PLEASE DESCRIBE DESC'S NATURAL GAS SYSTEM FROM AN**  
16 **OPERATIONS STANDPOINT.**

17 A. As of December 31, 2019, DESC's natural gas distribution system consisted  
18 of more than 10,330 miles of pipeline which includes approximately 9,870 miles of  
19 distribution mains and 460 miles of transmission mains. DESC's natural gas system  
20 also consisted of more than 426,386 service lines which extend from the Company  
21 distribution and transmission mains. The Company's pipeline facilities range in

1 diameter from ½-inch distribution pipe to 20-inch transmission pipe and carry  
2 natural gas under pressures typically ranging from 25 pounds per square inch gauge  
3 (“psig”) to 1,100 psig in order to deliver safe and reliable natural gas service to  
4 approximately 397,000 factories, businesses, and homes in South Carolina, as of the  
5 end of the Review Period.

6  
7 **Q. WHAT LIQUEFIED NATURAL GAS (“LNG”) FACILITIES DOES DESC**  
8 **OPERATE?**

9 A. DESC owns and operates two LNG facilities. These facilities are located at  
10 Bushy Park near North Charleston and at Salley in western Orangeburg County. The  
11 LNG facilities allow DESC to store natural gas in liquid form and revaporize it back  
12 into the pipeline when necessary. DESC primarily dispatches its LNG to help meet  
13 high demand and to serve as a backup supply of gas in emergency situations.

14  
15 **Q. WHAT ARE THE CAPACITIES OF THE LNG FACILITIES?**

16 A. The Bushy Park facility has the capability of converting natural gas into a  
17 liquid, a process known as liquefaction. It can store up to 980 million cubic feet of  
18 LNG.

19 The Salley facility has the capability of storing up to 900 million cubic feet  
20 of trucked-in LNG. LNG must be transported to Salley via truck because Salley  
21 does not possess the ability to liquefy natural gas.

22

1 **Q. DO YOU ANTICIPATE THAT THE SALE OF DOMINION ENERGY,**  
2 **INC.’S TRANSMISSION AND STORAGE ASSETS, INCLUDING DECGT,**  
3 **TO BERKSHIRE HATHAWAY ENERGY WILL HAVE ANY IMPACT ON**  
4 **THE COMPANY’S OPERATIONS OR ITS ABILITY TO SAFELY AND**  
5 **RELIABLY PROVIDE NATURAL GAS SERVICE TO ITS CUSTOMERS?**

6 A. No. There are no DESC employees or assets that will be transferred to  
7 Berkshire Hathaway Energy as part of the sale of Dominion Energy’s Inc.’s sale of  
8 its transmission and storage assets. As such, the sale is not expected to have any  
9 impact on DESC’s operations, and the Company will continue to safely and reliably  
10 provide natural gas to its customers.

11  
12 **Q. PLEASE DISCUSS THE GROWTH ON THE COMPANY’S SYSTEM**  
13 **DURING THE REVIEW PERIOD.**

14 A. During the Review Period, DESC continued to experience growth on its gas  
15 system. More specifically, DESC’s total number of natural gas customers grew by  
16 approximately 3.3%, which is largely attributable to the growth of our residential  
17 class of customers because of new home construction occurring across the  
18 Company’s service territory.

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21

1 **Q. WHAT STEPS HAS DESC TAKEN TO EXPAND ITS NATURAL GAS**  
2 **SYSTEM DURING THE REVIEW PERIOD?**

3 A. Over the years, DESC has expanded its system as needed by adding pipeline  
4 to reliably serve its new and existing customers and create operating flexibility on  
5 its system. Expansion of the system is also designed to accommodate population  
6 growth throughout South Carolina. For example, during the Review Period, DESC  
7 installed approximately 11,000 feet of 6-inch plastic pipeline along Koon Store  
8 Road to support the residential and commercial growth in the Blythewood area. The  
9 Company also installed approximately 8,000 feet of 6-inch plastic pipeline and a  
10 new regulating station along Calks Ferry Road to support residential and  
11 commercial growth in the Red Bank area. In the northeast Columbia area, the  
12 Company installed approximately 6,000 feet of 8-inch plastic pipeline along Two  
13 Notch Road to serve residential developments.

14 To meet the growing residential and commercial demand in the Myrtle Beach  
15 area and as part of a South Carolina Department of Transportation road widening  
16 project, the Company installed approximately 18,000 feet of 12-inch pipeline within  
17 the U.S. Highway 501 corridor between Conway and Myrtle Beach. The Company  
18 also installed approximately 22,000 feet of 12-inch pipeline along U.S. Highway  
19 701 and Pitch Landing Road in the Conway Area to support residential, commercial,  
20 and industrial growth in the Conway, Myrtle Beach, and surrounding areas of Horry  
21 County.

1 In the Sumter Area, the Company installed approximately 6,000 feet of 4-  
2 inch pipeline along Deschamps Road to serve an industrial customer and improve  
3 system reliability. In the Cheraw area, the Company installed approximately 1,600  
4 feet of 8-inch pipeline along Patrick Highway to serve an industrial customer.

5 In the Summerville area, the Company installed 5,500 feet of 6-inch steel  
6 pipeline to serve new industrial customers in the Charleston Trade Center. To  
7 support residential and commercial growth in James Island and surrounding areas,  
8 the Company installed approximately 5,700 feet of 8-inch steel pipeline along  
9 Plymouth Avenue.

10 In the Bluffton area, the Company installed 16,000 feet of 12-inch steel  
11 pipeline along U.S. Highway 17 as part of a South Carolina Department of  
12 Transportation road widening project and to support commercial and industrial  
13 customers in the Riverport Development in Jasper County.

14  
15 **Q. HAS THE 2019 NOVEL CORONAVIRUS (“COVID-19”) PANDEMIC HAD**  
16 **ANY ADVERSE MATERIAL IMPACT ON THE COMPANY’S**  
17 **EXPANSION EFFORTS OR DAILY OPERATIONS?**

18 **A.** No. Although certain timelines for receipt of necessary permits may have  
19 been extended as a result of stay-at-home orders, the Company has not experienced  
20 any material delays in construction activities to support expansion. The Company  
21 has likewise not experienced any material adverse impacts to its daily operation of  
22 its natural gas system.

1 **Q. DID THE COMPANY UNDERTAKE ANY PROJECTS DURING THE**  
2 **REVIEW PERIOD TO IMPROVE THE SAFETY, INTEGRITY, AND**  
3 **RELIABILITY OF ITS NATURAL GAS SYSTEM?**

4 A. Yes. In addition to system expansion, DESC completed a number of  
5 projects to improve system safety, integrity and reliability.

6 During the Review Period, DESC completed work on two inline inspection  
7 (“ILI”) projects on two transmission pipelines totaling approximately 16 miles.  
8 Since implementing ILI for its transmission pipelines, DESC has conducted ILI on  
9 nine pipelines totaling approximately 74 miles. To date, we have completed ILI on  
10 approximately 49% of our pipelines which are currently capable of being inspected  
11 by the technology.

12 In addition to ILI, DESC conducts additional enhanced inspections of its  
13 transmission pipeline system. These inspections are targeted to those transmission  
14 pipelines deemed most susceptible to damage by third parties, specifically those  
15 residing in road rights-of-way corridors where excavation by others is more  
16 common. To date, we have completed inspections on approximately 102 miles of  
17 pipeline in road right-of-way corridors and have made 66 repairs in total, 38 having  
18 resulted from third party damage.

19 As for the Company’s distribution system, over the last several years DESC  
20 has replaced vintage polyethylene 3306 “black plastic” service lines located within  
21 its system in accordance with recommendations by the Pipeline and Hazardous  
22 Materials Safety Administration (“PHMSA”). During the Review Period, the

1 Company replaced 1,017 of these service lines. To date, the Company has replaced  
2 approximately 25,415 “black plastic” service lines in the system and work continues  
3 on this multi-year replacement program. At present, the Company estimates that it  
4 has approximately 738 service lines remaining to be replaced, which the Company  
5 hopes to complete replacement of by the end of the next review period, i.e., July 31,  
6 2021.

7  
8 **Q. PLEASE BRIEFLY DESCRIBE THE SAFETY PERFORMANCE OF DESC**  
9 **CONCERNING ITS NATURAL GAS SYSTEM.**

10 A. As a regulated natural gas utility, DESC is subject to comprehensive federal  
11 and state regulation. At the federal level, PHMSA, acting through the Office of  
12 Pipeline Safety, has developed pipeline safety regulations over the years. These  
13 pipeline safety regulations include, among other things, provisions governing  
14 pipeline design, construction, testing, operations, maintenance, and emergency  
15 response activities. There are also specific requirements for training and qualifying  
16 personnel to work on natural gas systems, as well as additional requirements for  
17 administering integrity management programs for both gas transmission and  
18 distribution pipelines. The South Carolina Office of Regulatory Staff monitors the  
19 Company’s compliance with pipeline safety regulations.

20 DESC has an outstanding safety record due in large part to the Company’s  
21 safety-focused culture. DESC’s highest priority is to safeguard and protect those  
22 individuals who come into contact with the DESC system, including employees,

1 customers, and the public at-large. Moreover, the Company employees who work  
2 on DESC's pipeline system and at the LNG facilities take great pride in safety  
3 performance.

4  
5 **Q. WHAT ARE YOU REQUESTING OF THE COMMISSION IN THIS**  
6 **PROCEEDING?**

7 A. The primary commitments of DESC continue to be to operate our system in  
8 a safe, reliable and efficient manner. Further, our employees are committed to  
9 providing outstanding customer service and operational excellence. During the  
10 Review Period, the Company prudently managed its business operations, which  
11 included the purchase and recovery of its gas supplies and administration of the  
12 PGA. Therefore, on behalf of DESC, I respectfully request the Commission find  
13 that the Company has recovered its gas costs for the Review Period consistent with  
14 its tariffs and Commission orders and that it has purchased its gas supplies and  
15 administered the PGA in a prudent and reasonable manner.

16  
17 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

18 A. Yes.