

Dominion Energy Utah
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DominionEnergy.com



November 15, 2018

Heber M. Wells Building
P. O. Box 45585
Salt Lake City, UT 84145-0585

*Re: Replacement Infrastructure 2019 Annual Plan and Budget –
Docket No. 18-057-22*

Dear Commissioners:

In accordance with Section 2.07 of Dominion Energy Utah's Natural Gas Tariff No. 400 (Tariff), Dominion Energy Utah (Dominion Energy or Company) hereby provides the annual plan and budget describing the estimated costs and schedule for the Replacement Infrastructure for 2019. As shown in Exhibit 1, Dominion Energy has budgeted \$53.886 million to replace segments of Feeder Lines 22, 23, and 47 during 2018 (Column B, Line 5). Dominion Energy has also budgeted \$16.5 million to replace several segments of intermediate high pressure (IHP) belt lines in Salt Lake and Davis Counties (Column B, Line 9). In addition to 2019 replacement, the Company expects to spend about \$0.55 million on engineering studies and preparation related to replacement projects scheduled to begin after 2019 (Column B, Line 10). Column B, Line 11 shows the total budgeted amount of \$70.936 million.

Exhibit 2 provides summaries taken from the High Pressure (HP) and IHP Master Lists. Page 1 shows the existing HP footages by size and year of installation in columns A-X. Column Y shows the anticipated footage that will be replaced in 2019. Page 2 shows similar information for the IHP belt line footages to be replaced. Exhibit 3 shows the route of each of the respective projects. Exhibit 4 shows the projected time line for each of the projects identified above.

As set forth in Section 2.07 of the Tariff, Dominion Energy considers a number of elements in determining which pipelines to replace. The criteria the Company uses in scheduling HP and IHP pipeline replacements is set forth in Attachment 5 to the Company's May 1, 2017 correspondence to the Commission and Confidential Exhibit E to the Partial Settlement Stipulation in Docket 13-057-05, respectively. Where possible, the Company has made an effort to group projects in proximate geographic areas to minimize Company and contractor travel and mobilization/demobilization costs.

Paragraph 24 of the Partial Settlement Stipulation in Docket No. 13-057-05 (approved by the February 21, 2014 Report and Order in the same docket) provides that the budget shall not exceed \$65 million (adjusted for inflation using the Global Insight "GDP Deflator" rate). Exhibit 5 is a copy of the GDP deflator provided in the October 2018

IHS US Economic Outlook publication. Adjusting the Commission-allowed \$65 million budget cap by the 1.1% 2015 inflation rate, the 1.1% 2016 inflation rate, the 1.9% 2017 inflation rate, the 2.3% 2018 inflation rate, and the 2.5% 2019 inflation rate results in a \$70.936 million cap for 2019. The Company anticipates that it will continue to replace HP and IHP infrastructure at a rate of \$65 million per year adjusted for inflation. The Company will continue to monitor the federal requirements related to pipeline safety and will report whether this level of spending is adequate in its next general rate case.

Also, in accordance with the Settlement Stipulation and Report and Order in Docket No. 13-057-05 and with Section 2.07 of Dominion Energy's Tariff, the Company will continue to submit quarterly reports to the Division of Public Utilities showing the progress and costs associated with these projects. As part of its first quarter report, the Company will also provide updated Master Lists and replacement schedules for HP and IHP infrastructure.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Kelly Mendenhall', is written over the typed name.

Kelly Mendenhall
Director
Regulatory and Pricing

cc: Division of Public Utilities
Office of Consumer Services

2019 Feeder Line Replacement Budget

(A) Feeder Line	(B) Projected 2019 Cost
1 High Pressure (HP)	
2 FL23/FL22	1/ \$34,351,572
3 FL21	2/ \$16,535,000
4 FL47	\$3,000,000
5	<u>\$53,886,572</u>
	Total HP
6 Intermediate High Pressure (IHP)	
7 Salt Lake County Total	\$4,500,000
8 Davis County Total	<u>\$12,000,000</u>
9	\$16,500,000
	Total IHP
10 Pre-engineering (future projects)	<u>\$550,000</u>
11 Total 2019 budget	\$70,936,572

1/ FL23 and FL22 are one continuous line that will be replaced by FL127.

2/ FL21 will be replaced by FL122.

IHP Belt Line Master List

A B C D E F G H I J

Salt Lake County		Footage							Estimated 2019 Retirement/ Replacement Footages
Size	Material	1929	1930-39	1940-49	1950-59	1960-69	1970	Total	
24"	Steel	0	0	0	0	11,497	0	11,497	
20"	Steel	0	0	5,572	0	2,784	0	8,356	
16"	Steel	43,151	0	0	0	0	33	43,184	2,850
12"	Steel	11,120	0	0	2,100	2,686	0	15,906	7,000
10"	Steel	1,068	3,402	7,991	9,373	688	24	22,546	
8"	Steel	2,408	0	9	12,939	14,959	0	30,315	
Salt Lake County Footage								131,804	9,850
Salt Lake County Miles								25.0	1.9

Utah County		Footage							Estimated 2019 Retirement/ Replacement Footages
Size	Material	1929	1930-39	1940-49	1950-59	1960-69	1970	Total	
12"	Steel	0	0	154	0	0	0	154	
10"	Steel	0	0	0	0	3,235	0	3,235	
8"	Steel	0	0	0	86	1,629	0	1,715	
Utah County Footage								5,104	0
Utah County Miles								1.0	0.0

Weber County		Footage							Estimated 2019 Retirement/ Replacement Footages
Size	Material	1929	1930-39	1940-49	1950-59	1960-69	1970	Total	
16"	Steel	0	0	0	0	17	0	17	
14"	Steel	0	0	0	17,737	36	0	17,773	
10"	Steel	766	5,838	0	12,789	2,401	0	21,794	
8"	Steel	2,093	0	3,983	13,199	15,231	0	34,506	
Weber County Footage								74,090	0
Weber County Miles								14.0	0.0

Davis County		Footage							Estimated 2019 Retirement/ Replacement Footages
Size	Material	1929	1930-39	1940-49	1950-59	1960-69	1970	Total	
12"	Steel	0	0	0	0	2,901	0	2,901	
10"	Steel	418	0	0	64,553	0	0	64,971	35,200
8"	Steel	0	0	0	0	7,336	0	7,336	
Davis County Footage								75,208	35,200
Davis County Miles								14.2	6.7

	Footage	Miles	Estimated 2019 Retirement/ Replacement Footages
Salt Lake County	131,804	25.0	Footage
Utah County	5,104	1.0	
Weber County	74,090	14.0	Mileage
Davis County	75,208	14.2	
Total	286,206	54.2	45,050
			8.5

Davis County Belt Line Replacement

Phase I: Glovers Ln in Farmington to 500 S in Bountiful

Phase II: Glovers Ln in Farmington to Old Mill Ln in Kaysville

FL21 Replacement

Phase I: Glovers Ln in Farmington to Center Street in North Salt Lake

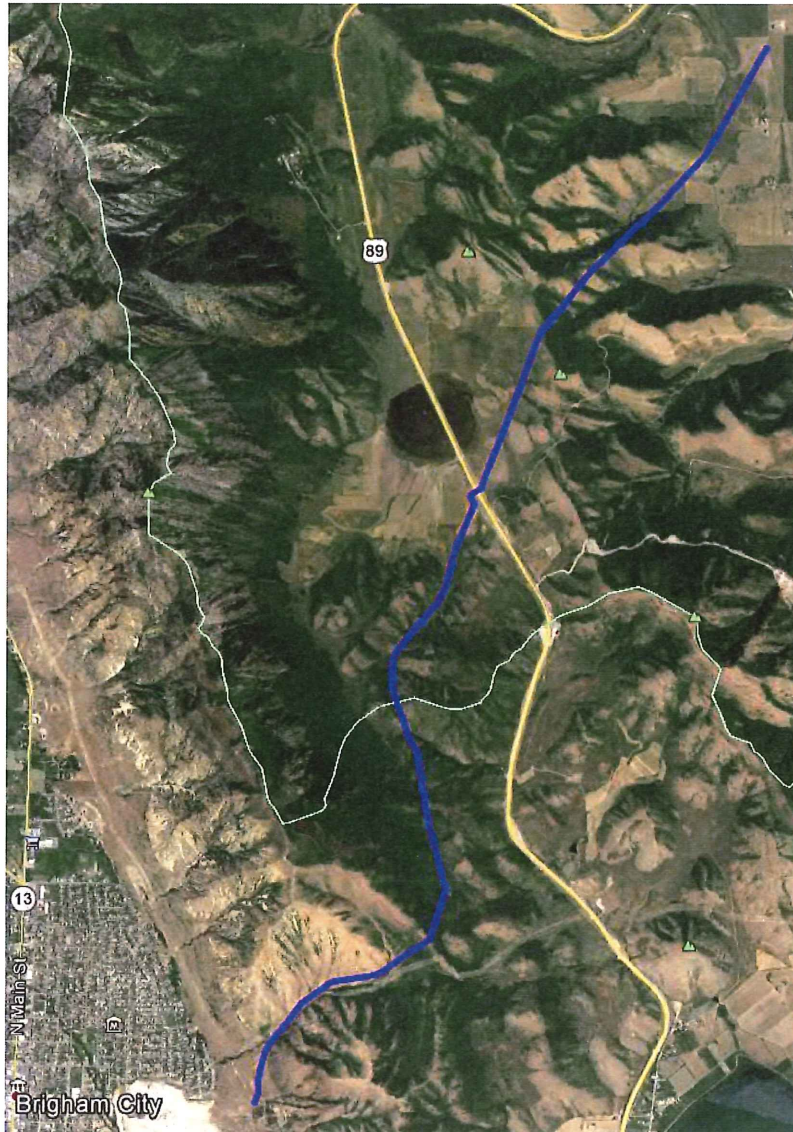
Phase II: Glovers Ln in Farmington to SR-193 in Clearfield



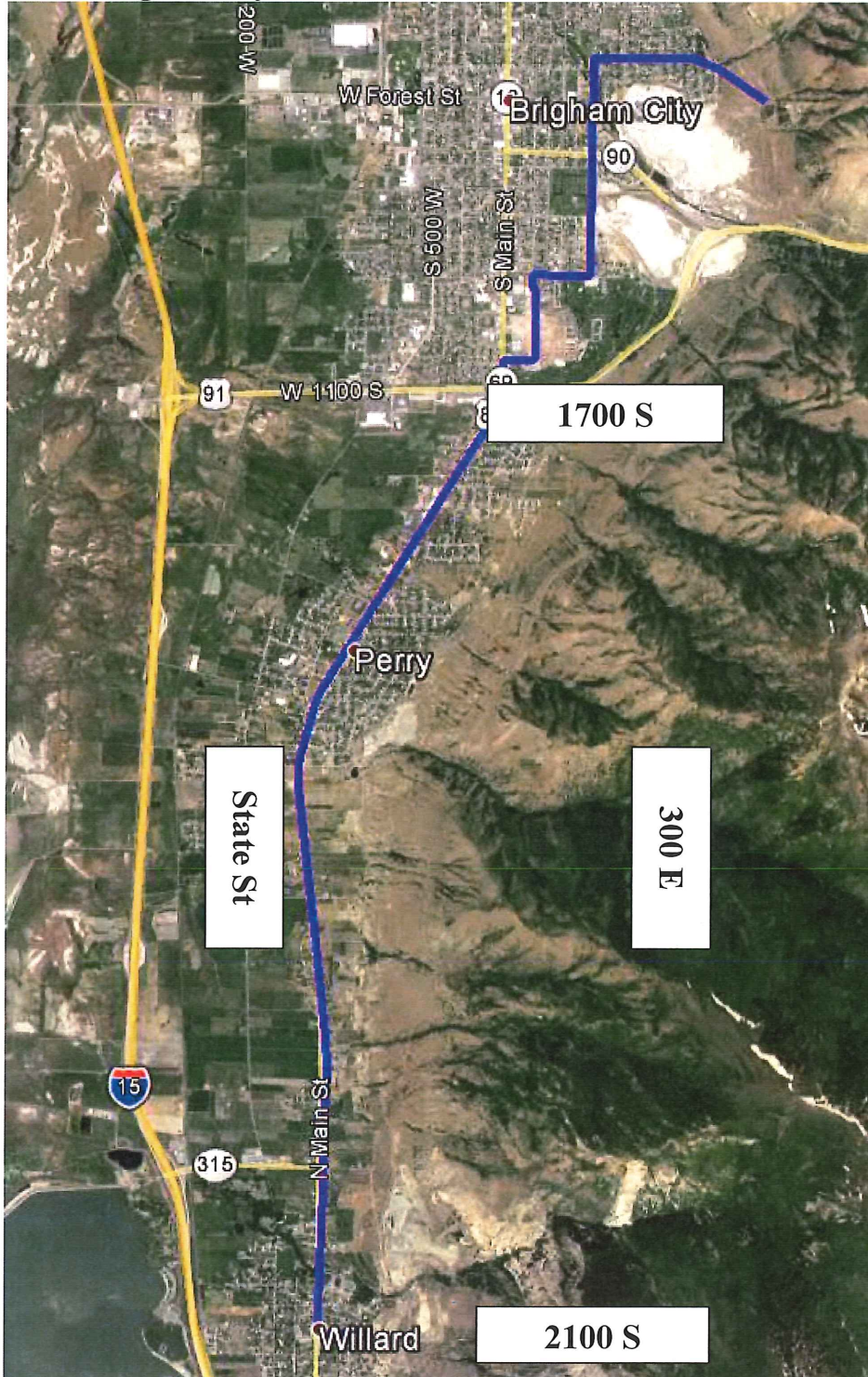
**FL47 – I-15 and West of I-15 relocation project.
SR193 relocation in Clearfield**



**FL22/23 Phase 1 Replacement:
Brigham City foothills to Wellsville**



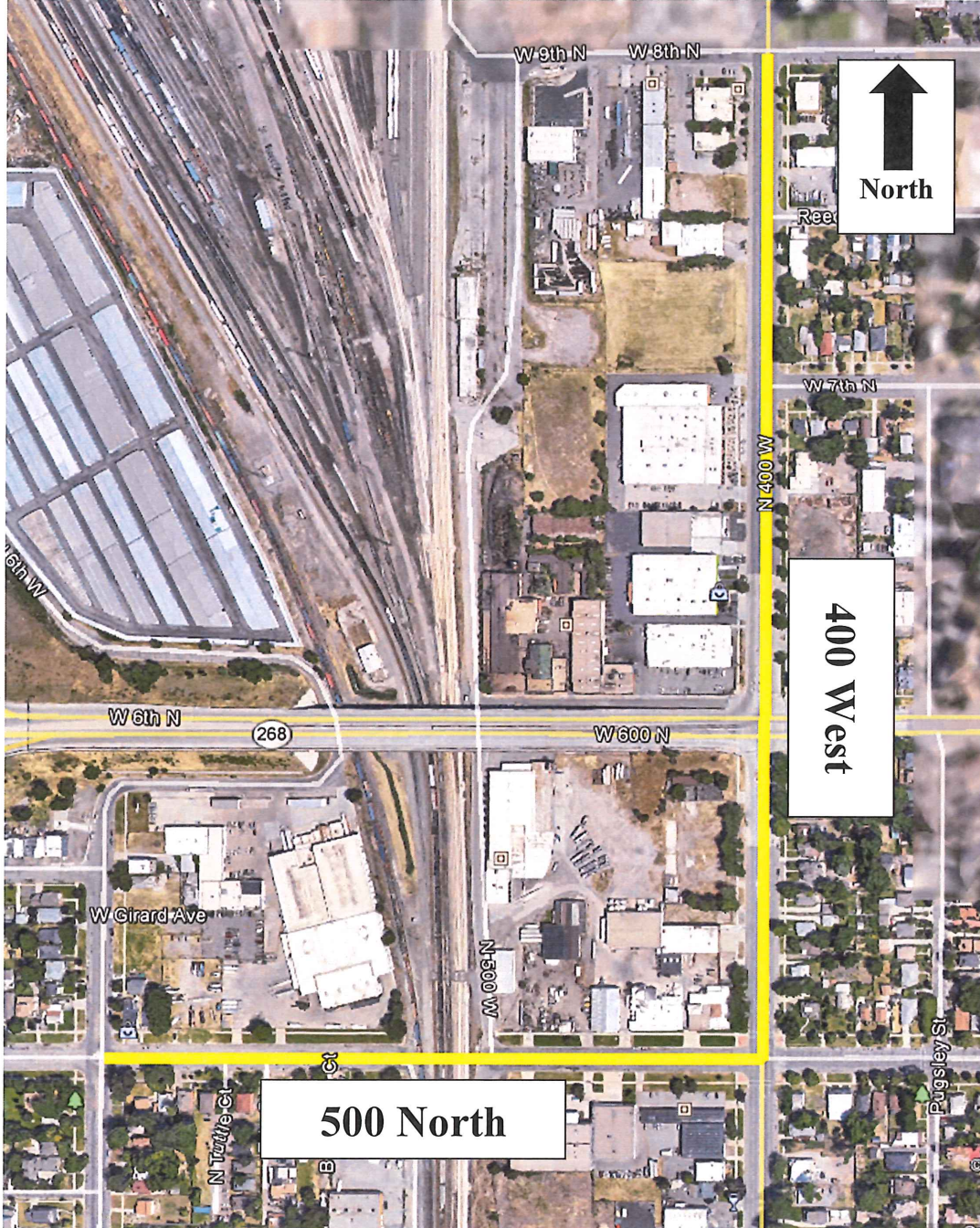
**FL22 Phase 2 Replacement:
Brigham City foothills to Wellsville**



**Salt Lake County Belt Line Replacement
300 E between 1700 S and 2100 S in Salt Lake City**



**Salt Lake County Belt Line Replacement
400 W 500 N in Salt Lake City**



	Real GDP	Nominal GDP	Deflator	Inflation Rate (Using GI GDP Deflator)	Amount
2014	16,899.8	17,521.7	1.04		65,000,000
2015	17,386.7	18,219.3	1.05	1.1	65,695,135
2016	17,659.2	18,707.2	1.06	1.1	66,413,512
2017	18,050.7	19,485.4	1.08	1.9	67,675,887
2018	18,574.0	20,508.5	1.10	2.3	69,222,477
2019	19,084.8	21,594.3	1.13	2.5	70,936,572
2020	19,472.0	22,586.8	1.16	2.5	72,721,500
2021	19,775.9	23,522.7	1.19	2.5	74,570,936
2022	20,075.7	24,469.5	1.22	2.5	76,414,026
2023	20,386.2	25,429.9	1.25	2.3	78,203,655

CERTIFICATE OF SERVICE

This is to certify that on November 15, 2018 a true and correct copy of the Dominion Energy Utah application for Replacement Infrastructure 2019 Annual Plan and Budget Replacement was served upon the following by electronic mail:

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