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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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| Dominion Energy Utah – Application for Modification of Order in 16-057-01, to allow equity infusion greater than 55%. |))))) | Docket No. 18-057-23 DOMINION ENERGY UTAH’S REPLY COMMENTS |
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Dominion Energy Utah (Dominion Energy or Company) respectfully submits these Reply Comments to the Action Request Response issued by the Utah Division of Public Utilities (Division) on December 17, 2018 in the above-referenced docket.

On November 19, 2018, Dominion Energy filed an Application requesting that the Commission modify its Order Memorializing Bench Ruling Approving Settlement Stipulation issued September 14, 2016 in Docket No. 16-057-01 (referred to herein as Merger Stipulation and Merger Order, respectively). The Company filed a Settlement Stipulation with that Application by which the parties in Docket No. 16-057-01 stipulated to the requested modification to the Merger Stipulation and Merger Order. On November 20, 2018, the Commission issued an Action Request directing the Division to review the Application and make recommendations, as well as a Notice of Filing and Comment Period indicating that interested parties may submit comments on or before Wednesday December 19, 2018 and

reply comments on or before January 3, 2019. On December 17, the Division submitted an Action Request Response recommending that the Commission approve the Application. The Division found that “the Stipulation to Modify Commission Order in docket 16-057-01 and Approve Amended Settlement Stipulation . . . to be just, reasonable and in the public interest.” Action Request Response dated December 17, 2018, page 1. No other parties submitted Comments. The Company offers the following reply comments in response to the Division’s Action Request Response.

The Company agrees with the Division’s conclusion that approval of the Application in this Docket and accompanying Stipulation is just, reasonable and in the public interest. The Company appreciates the collaboration that took place between the Company, the Division of Public Utilities, the Office of Consumer Services, the Utah Association of Energy Users, the American Natural Gas Council, Inc., the Idaho Public Utilities Commission Staff and the Governor’s Office of Energy Development to develop an amendment that helps to maintain the financial health of the Company while at the same time preserving the spirit of the original Merger Stipulation and Order.

The Division points out in its Action Request Response that it believes the modification of the Merger Stipulation and Merger Order as set forth in this docket preserves the Division’s rights and responsibilities to analyze, present evidence, and recommend levels less than 55% in immediately anticipated and future rate cases if the Division feels such lower equity levels are prudent and in the public interest. Paragraph 60 of the Merger Stipulation supports this argument.

It states,

60. Nothing in this Settlement Stipulation or Commission approval of this Settlement Stipulation shall constitute an approval, pre-approval or determination of prudence or cost recovery as to any expenditures, the prudence or appropriateness of any particular capital structure or cost of capital, or any other ratemaking issue other than as expressly provided in the Settlement Stipulation. Dominion Questar Gas shall retain its burden to demonstrate the prudence of its expenditures and the justness and reasonableness of any rates it proposes in the future, and all Parties will retain all rights to challenge or propose adjustments to Dominion Questar Gas' request for any change in its rates in any regulatory proceeding.

Because the Merger Stipulation already preserves the rights of parties to propose equity levels below 55%, no additional direction or order from the Commission is necessary at this time.

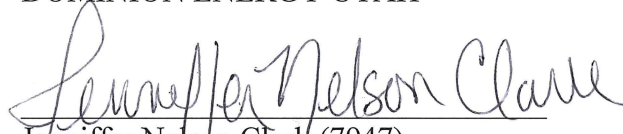
The Company intends to issue additional equity in December 2018 that will raise equity levels above the 55% cap. For this reason, the Company respectfully asks the Commission to issue an order on this matter as expeditiously as possible.

Based on the foregoing, the Company requests that the Commission approve the settlement stipulation.

DATED this 20th day of December, 2018.

Respectfully submitted,

DOMINION ENERGY UTAH



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Dominion Energy Utah's Reply Comments was served upon the following persons by e-mail on December 20, 2018:

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