Dominion Energy Utah
Third Quarter Variance Report
December 2019 – February 2020

Questar Gas Company *dba* Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Third Quarter Variance Report for the period December 2019 – February 2020. This report identifies the variance between the actual results and the projections set forth in the 2019 – 2020 Integrated Resource Plan (IRP).

Weather Exhibits 1.1 – 1.3

During the third quarter, the actual weather was warmer than the 2019 – 2020 IRP normal temperature estimates for December and January and about equal to the 2019 – 2020 IRP normal temperature estimates for February.

Gas Storage Exhibits 2.1 – 2.6

In the third quarter, Clay Basin inventory was higher than the 2019 – 2020 IRP estimates for the quarter. The higher inventory throughout was due to the warmer weather and the transfer of 750,000 Dth from a Park and Loan contract into Clay Basin inventory. The Park and Loan contract was a short term storage contract for additional inventory at Clay Basin that was used for additional injection capacity to manage cost-of-service production during the summer months. See Exhibit 2.1.

Aquifer inventory for the quarter were slightly lower than the 2019 – 2020 IRP Aquifer inventory. The lower inventories were not significant and created additional inventory capacity to allow for injections on a day if needed. See Exhibit 2.2.

Actual Spire Storage West inventory was higher than the 2019 – 2020 IRP inventory estimates due to warmer than normal weather. Exhibit 2.3.

Firm Sales Exhibits 3.1 – 3.4

Actual sales through the third quarter of the 2019 – 2020 IRP year were 5% lower than projected normal-weather usage due to warmer weather. The monthly variation followed heating degree days. See Exhibit 3.1.

Gas Purchased from Third Parties Volume Variance Exhibits 4.1 – 4.3

Gas purchases in December and February were in line with the 2019 – 2020 IRP estimates. January was lower due to the warmer weather and plentiful storage inventories. See Exhibit 4.1.

Gas Purchased from Third Parties Cost Variance Exhibits 5.1 – 5.3

Purchase gas costs were slightly higher than the 2019 – 2020 IRP estimates in December, but significantly lower than estimates in January and February because the Company purchased less gas, and because gas costs were lower than forecasted. See Exhibit 5.1.

Gas Purchased from Third Parties Unit Cost Variance Exhibits 6.1, 6.2

Purchased Gas unit costs were slightly higher in December, but significantly lower in both January and February compared to the 2019-2020 IRP estimates. See Exhibit 6.1.

Cost-of-Service Gas Exhibits 7.1 – 7.3

The cost-of-service gas volume for December, January and February were slightly higher than the 2019 – 2020 IRP estimate. The higher production was due to recompletions and production optimization programs in the Canyon Creek wells and production optimization programs and workovers in the Trail, Bruff, and Church Butte wells. This overproduction offset underproduction in Powder Wash and Whiskey Canyon wells that resulted from downtime events. See Exhibit 7.1.

Cost-of-Service Gas New Drill Component Exhibits 8.1 – 8.3

Wexpro New Drill Volumes and Legacy volumes were in line with the 2019 – 2020 IRP Estimate. See Exhibit 8.1.

Table 1 below summarizes purchase and cost-of-service volume variances using 2019 – 2020 IRP projections and actual results as a percent of total. The 2019 -2020 IRP projected purchase gas to be 66.37% for the quarter. Due to warmer weather and decreased purchases the actual purchase gas represented 62.47% of total gas for the quarter. The Q2 number is a percent of total and not an average.

TABLE 1

	Actual Purchase as Percent of Total	Normal Purchase as Percent of Total	Actual Cost-of-Service as Percent of Total	Normal Cost-of-Service as Percent of Total
Dec-19	64.31%	64.77%	35.69%	35.23%
Jan-20	60.11%	68.47%	39.89%	31.53%
Feb-20	62.82%	65.64%	37.18%	34.36%
Q3	62.47%	66.37%	37.53%	33.63%

Table 2 below summarizes estimated average daily shut-ins compared to actual average daily shut-ins during the second quarter.

TABLE 2

	December	January	February	Total Dth for Quarter
Estimated Shut-in (dth/day)	0	0	0	0
Actual Shut-in (dth/day)	0	0	0	0

Supplemental Graphs Confidential Exhibits 9.1 – 9.3

These exhibits reflect source data for Cost-of-service, New Drill and Purchase Gas exhibits.

Average Market Price and Cost-of-Service Price Exhibit 10.1, 10.2

Exhibit 10.1 shows the price difference between cost-of-service gas and average market price. Exhibit 10.2 compares the actual market price with the trailing twelve months (TTM) price of cost-of-service gas on an into-pipe basis.

DNG Action Plan

The first and second quarter variance reports provided details on project updates. All other projects were on schedule and on budget during the third quarter.

Third Quarter
Variance Report

December 2019
Through
February 2020
Docket No. 19-057-01

Heating Degree Day Graphs
Exhibit 1.1 – 1.3
Docket No. 19-057-01

Gas Storage Graphs
Exhibits 2.1 – 2.6
Docket No. 19-057-01

Firm Sales Graphs
Exhibits 3.1 – 3.4
Docket No. 19-057-01

Gas Purchased From Third Parties

Volume Variance Exhibits 4.1 – 4.3 Docket No. 19-057-01

Gas Purchased From Third Parties

Cost Variance Exhibits 5.1 – 5.3 Docket No. 19-057-01

Gas Purchased From Third Parties

Unit Cost Variance Exhibits 6.1 – 6.2 Docket No. 19-057-01

Cost-of-Service Gas
Exhibits 7.1 – 7.3
Docket No. 19-057-01

Cost-of-Service Gas
New Drill Component
Exhibits 8.1 – 8.3
Docket No. 19-057-01

Data
Confidential
Exhibits 9.1 – 9.3
Docket No. 19-057-01

Average Market Price and Cost-of-Service Price Exhibits 10.1 – 10.2

Docket No. 19-057-01