

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Motion of Dominion Energy Utah for Approval to Deviate from Applicable Tariff Provisions and Commission Order Regarding Transportation Service Customer Deadlines	<u>DOCKET NO. 21-057-04</u> <u>ORDER GRANTING MOTION</u>
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ISSUED: March 15, 2021

On March 12, 2021, Dominion Energy Utah (DEU) filed a Motion and Request for Expedited Treatment (“Motion”) with the Public Service Commission (PSC). In the Motion, DEU requests authority to deviate from certain provisions of its Utah Natural Gas Tariff No. 500 (“Tariff”), in response to an extraordinary weather event and the associated market response.

BACKGROUND

DEU states that between February 10-15, 2021, severe winter storms occurred across the United States, resulting in a severe loss of power in the state of Texas. This, in turn, caused a significant drop in natural gas production and supplies. The drop in natural gas production subsequently caused a corresponding and steep increase in natural gas prices. These events led to DEU’s recognition that it would be unable to secure additional supply for Transportation Service (TS) customers if they did not have sufficient supply to match their usage. In recognition of the supply shortage, DEU further states that it thus decided to impose a “Hold Burn to Scheduled Quantity” restrictions on TS customers. This decision triggered the provisions in the Tariff which penalizes TS customers for certain actions and from which DEU seeks a waiver. Thus, the basic purpose of the request for such waiver is to avoid unnecessary penalties for TS customers that acted responsibly to deliver sufficient natural gas supply during this extraordinary weather event.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Section 5.06 (“Customer Imbalance Management”) of DEU’s Tariff provides that DEU will issue a Hold Burn to Scheduled Quantity restriction when DEU determines “such actions are required to maintain safe and reliable service to serve firm sales customers in the event of gas supply constraints.”¹ Section 5.06 also provides that DEU shall assess penalties for TS customers who do not follow the balancing requirements. TS customers may avoid or lessen these penalties by exchanging or aggregating Hold Burn to Scheduled Quantity imbalances *at a given receipt point group (“RPG”)*. Emphasis added.

DEU states that despite best efforts, some of its TS customers were out of balance and incurred significant penalties. This out of balance condition was not due to any normal system constraint at a given point but, rather, to the widespread supply availability issues which were not isolated to specific RPGs. Therefore, TS customers were not able to avoid or lessen penalties by exchanging or aggregating Hold Burn to Scheduled Quantity imbalances at a given RPG. Hence, DEU seeks PSC approval to waive the Tariff requirement that nominating parties can only aggregate imbalances at a given RPG. DEU explains that widening the aggregation scope, i.e., by allowing aggregation between multiple RPGs, customers, agents or both, that provided sufficient supply in the aggregate will be able to avoid the most significant penalties. DEU also states it has communicated with the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) about the Motion, and represents that neither agency opposes the Motion.

¹ DEU’s Tariff Section 5.06.

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ORDER

Based on our review of the Motion, DEU's explanation of the necessity of the waiver, and DEU's representation that DPU and OCS do not oppose the Motion, we find the Motion is in the public interest and therefore grant it as filed and without a comment period for the public interest reasons set forth by DEU.²

DATED at Salt Lake City, Utah, March 15, 2021.

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#317731

² Any person that is prejudiced by this action may file a motion asking the PSC to revoke the waiver.

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on March 15, 2021, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

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