Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Manager
Doug Wheelwright, Utility Technical Consultant Supervisor
Eric Orton, Utility Technical Consultant

Date: January 19, 2021

Re: **Docket No. 21-057-T01,** Dominion Energy Utah's Application to Modify Tariff to Add Receipt Point Locations.

Recommendation (Approve)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve Dominion Energy Utah's (Dominion) application requesting approval to implement modifications to Section 5.06 of its Utah Natural Gas Tariff No. 500 (Tariff).

Issue

In this filing, Dominion proposes to add two new receipt point groups to Section 5.06 of its Tariff. Dominion claims that, if the application is approved, the new proposed Tariff changes will not affect present rates. Dominion requests approval of the proposed Tariff change with an effective date of February 15, 2021.

Background

On January 8, 2021, Dominion filed this application requesting approval of certain modifications to Section 5.06 of its Utah Natural Gas Tariff No. 500 (Tariff). On that same date, the Commission issued its Action Request to the Division directing it to investigate the filing and file a response by January 25, 2021.

On January 11, 2021, the Commission sent out its Notice of Filing and Comment Period stating that parties may submit comments on or before January 25, 2021, also notifying parties that reply comments will be due on or before February 1, 2021.

This memo is the Division's Action Request Response and Comments.

Discussion

Dominion proposes to add two new receipt point groups to Section 5.06 of the Tariff. Section 5.6 addresses the management of transportation customer's nomination imbalances. Nomination imbalances occur when the amount of gas a transportation customer notifies Dominion it will deliver onto its system turns out to be different from the actual amount a customer takes off Dominion's system. It is common for these difference (imbalances) to occur and generally these imbalances do not have an impact on Dominion's system. This section of the Tariff is meant to address those times when an imbalance might have an impact on Dominion's system.

There are four ways these imbalances are managed by Dominion and/or the transportation customer, (1) Monthly Imbalance, (2) Daily Imbalance, (3) Restriction on Daily Imbalances, and (4) Hold Burn to Scheduled Quantity Restriction.

> 1) Monthly Imbalance. Dominion allows a + 5% monthly imbalance tolerance with no adverse consequences to the customer and it allows 15 days following the end of the month to make adjustments and/or trades to bring the end-of-month balance within this limit.
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> 2) Daily Imbalance. Dominion's customers are expected to maintain daily imbalances within a +5% tolerance or, according to this Tariff section, they "will be assessed a

charge for the services used each day to manage the difference…" that is outside of this boundary.

3) Restriction on Daily Imbalance. Dominion will issue a Restriction on Daily Imbalance Operational Flow Order (OFO) in order to "require customers or nominating parties to adjust receipts or usage to meet a daily imbalance tolerance…" if "a customer's imbalance may contribute to an expected aggregate imbalance" that may affect Dominion's ability to maintain the needed pressure to supply the natural gas needs of its firm demand customers.

4) Hold Burn to Scheduled Quantity Restriction. A Hold Burn to Scheduled Quantity Restriction is also issued through an OFO and occurs when Dominion determines "such actions are required to maintain safe and reliable service to serve firm sales customers in the event of gas supply constraints." This restriction is meant to prohibit a customer from using more gas than they have scheduled to be delivered into Dominion's system. This restriction may be applied on a system-wide basis or a geographic area basis, as circumstances may require. Customers who fail to comply with a Hold Burn to Scheduled Quantity Restriction may be "subject to immediate termination or restriction of service".

This "geographic area" mentioned above in the Hold Burn to Scheduled Quantity Restriction is the object of this filing. Currently there are 12 geographic areas, or receipt point groups as they are sometimes called, (labeled A-L) which Dominion says it uses to "manage customer imbalances after a Hold Burn to Scheduled Quantity Restriction." Dominion has recently added two new receipt points to its system; the Rose Park city gate and the Wasatch Resource Recovery (WRR) Biogas facility. The purpose of this filing is to add these two gates and create a new geographic region for each and label them as "M" and "N" respectively, making 14 total receipt point groups. These receipt point groups are diverse and contain from one to seven gate stations per geographic area.

The proposed changes to Section 5.06 of the Tariff are shown in both legislative and final form in the attached Exhibits 1 and 2, respectively.

Additionally, the Division inquired of Dominion the reason that these two gate stations were given their own geographic regions when other gates are in close proximity to these two gates and are included as components in these 12 geographic regions designations already in the Tariff. Dominion responded that the decision was based on the pipeline supplying the gas and the location of compressors on the interstate pipeline, which results in Rose Park having its own balancing agreement. Regarding the WWR gate, that receipt point doesn't come from an interstate pipeline. It is delivered directly onto Dominion's high pressure feeder line, so it was determined that it should be its own geographic region as well. The Division does not disagree with these positions.

Conclusion

The Division recommends the Commission approve the tariff changes in section 5.6 for the addition of two gate stations and their corresponding geographic region designations as filed.

This filing is not requesting any change in the Company's current rates.

Cc: Kelly B. Mendenhall, Dominion Energy Utah
Michele Beck, Office of Consumer Services