

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Request to Increase the  
2017 Annual Plan and Budget for the  
Infrastructure Replacement Program

Docket No. 16-057-17

**SETTLEMENT STIPULATION**

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Pursuant to Utah Code Ann. § 54-7-1 and Utah Admin. Code R746-100-10.F.5, Dominion Energy (“Dominion”) and the Utah Division of Public Utilities (“Division”) submit this Settlement Stipulation. This Settlement Stipulation shall be effective upon the entry of a final order of approval by the Commission.

**PROCEDURAL HISTORY**

1. On November 11, 2016, Dominion Energy filed its Infrastructure Replacement Tracker 2017 Annual Plan and Budget (2017 Plan). The 2017 Plan detailed the specific replacement projects the Company would undertake in 2017 and showed a total budget of \$64.15 million.

2. On July 13, 2017 Dominion sent a letter to the Commission regarding its Replacement Infrastructure 2017 Annual Plan and Budget Update notifying the Commission of its intent to request an allowance to exceed its 2017 Tracker budget cap to replace a portion of Feeder Line 51.

3. On August 30, 2017, Dominion sent a letter to the Commission formally requesting permission to increase its 2017 Infrastructure Replacement Tracker budget by \$5.27 million based on required work on Feeder Line 51 in Weber County. On that same day, the Commission issued an Action Request to the Division directing the Division to review this filing for compliance and make recommendations.

4. On September 29, 2017 the Division filed its Action Request Response regarding the Company's request to increase the 2017 Annual Plan and Budget by \$5.27 million.

5. On October 13, 2017 the Company filed reply comments to the Division's September 29, 2017 Action Request Response.

6. On October 17, 2017 the Commission issued a Notice of Scheduling Conference to be held on Tuesday, October 31, 2017.

### **TERMS AND CONDITIONS**

The Parties agree for purposes of settlement that the Company's request to increase the 2017 Annual Plan and Budget should be granted and approved subject to the following commitments:

1. Dominion Energy will reduce its upcoming 2018 infrastructure replacement tracker budget by the lesser of \$5.27 million or the actual amount that replacement spending in 2017 exceeds the allowed 2017 spend amount of \$64.17 million.
2. The Parties agree that this Settlement Stipulation shall not preclude the Company from requesting modifications to exceed infrastructure replacement plans or budgets in future infrastructure replacement tracker filings due to exigent circumstances.
3. The Parties agree that settlement of those issues identified above is in the public interest and that the results are just and reasonable.
4. The Parties agree that no part of this Settlement Stipulation or the formulae or methods used in developing the same, or the relevant Commission orders approving the same shall in any manner be argued or considered as precedential in any future case. All negotiations

related to this Settlement Stipulation are privileged and confidential, and no Party shall be bound by any position asserted in negotiations. Neither the execution of this Settlement Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Settlement Stipulation.

5. 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 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.

6. Dominion and the Division will each make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. As applied to the Division the explanation and support shall be consistent with their statutory authorities and responsibilities, and nothing in this Settlement Stipulation shall abrogate the authority and responsibilities of the Division under Utah Code Ann. § 54-4-4.

**RELIEF REQUESTED**

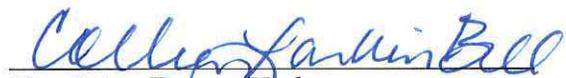
Based on the foregoing, the Parties request that the Commission issue an order approving this Settlement Stipulation and adopting its terms and conditions.

RESPECTFULLY SUBMITTED: October 30, 2017.



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*Utah Division of Public Utilities*



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*Dominion Energy Utah*