

Dominion Energy Utah
333 South State Street, Salt Lake City, UT 84145
Mailing Address:
P.O. Box 45360, Salt Lake City, UT 84145
DominionEnergy.com



Jennifer Nelson Clark
Senior Counsel
Direct Dial: 801-324-5392
E-mail: Jennifer.clark@questar.com

Mr. Gary Widerburg
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84110

November 30, 2017

Dear Mr. Widerburg:

In compliance with the Modified Standards and Guidelines for Integrated Resource Planning, the Report and Order in Docket No. 09-057-07 dated March 22, 2010, the Report and Order dated August 6, 2012 in Docket 12-057-07, and the Report and Order in Docket No. 13-057-04 dated October 22, 2013, Questar Gas Company dba Dominion Energy Utah (Dominion Energy) submits an original and seven copies of its confidential First Quarter Variance Report for the months June 2017 through August 2017.

Some of the attachments to these reports are filed as confidential information pursuant to Utah Admin. Code § 746-1-601 *et seq.* and "protected" pursuant to Utah Code Ann. 63G-2-101 *et seq.* Dominion Energy desires that this information not be released to the general public because to do so would cause an unfair competitive injury to Dominion Energy. Among other things, disclosure of the enclosed information would result in a significant bargaining disadvantage for the Company in negotiations with producers. Dominion Energy requests that the Commission maintain this report as confidential pursuant to the applicable statutes, rules and regulations. The Company will provide confidential copies of this report to the Division of Public Utilities and the Committee of Consumer Services pursuant to the confidentiality provisions of Utah Admin. Code § 746-1-601, *et. seq.*

I have also enclosed, for the Commission's convenience, a non-confidential redacted copy of the Report.

If you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

Jennifer Nelson Clark

JNC
Enclosures

cc: Chris Parker
Michele Beck

First Quarter
Variance Report
Redacted

June 2017
Through
August 2017
Docket No. 17-057-12

Dominion Energy Utah
First Quarter Variance Report
June 2017 – August 2017

Dominion Energy Utah (Dominion Energy or Company) respectfully submits this First Quarter Variance Report for the period June 2017 – August 2017. This report identifies the variance between the actual results and the projections set forth in the 2017 Integrated Resource Plan (IRP).

Weather

Exhibits 1.1 – 1.3

For the summer months, the actual weather was warmer than the 2017 - 2018 IRP normal temperature estimates. The mean temperature on June 13th was 61 degrees, incurring the only 4 heating degree days of the entire quarter. See Exhibit 1.1.

Gas Storage

Exhibits 2.1 – 2.4

Clay Basin had a lower inventory level in June than the 2017 – 2018 IRP forecast due to enforced injection constraints into Clay Basin. Inventory levels were higher than IRP estimates in July and August. The gas volumes injected into Clay Basin during July and August were greater than IRP estimates and helped avoid shut-in of cost-of-service gas that was also above IRP estimates. Injection constraints at Clay Basin were not enforced as often during these months.

Aquifer inventory was slightly higher than IRP estimates for the quarter but closely matched the off-season projections for the summer months. See Exhibit 2.2.

Firm Sales

Exhibits 3.1 – 3.4

Total usage for the first quarter was 11% below the forecasted level. Primarily because temperatures were above normal in June, heating degree days for that month were 4.0, well below the normal total of 46.

Gas Purchased from Third Parties Volume Variance

Exhibits 4.1 – 4.3

Exhibit 4.1 shows that the Company purchased no gas in June through August as projected. See Exhibit 4.1.

Gas Purchased from Third Parties Cost Variance

Exhibits 5.1 – 5.3

Because there was no gas purchased in these months, total monthly costs for third parties matched June through August IRP estimates. See Exhibit 5.1.

Gas Purchased from Third Parties Unit Cost Variance

Exhibits 6.1, 6.2

Because the Company purchased no gas, there were no unit costs. See Exhibit 6.1.

Cost-of-Service Gas

Exhibits 7.1 – 7.3

For June through August, cost-of-service gas volumes were slightly higher than 2017 – 2018 IRP estimates. Canyon Creek, Trail, Powder Wash, and Church Buttes fields all produced above IRP estimates for the quarter. See Exhibit 7.1.

Cost-of-Service Gas New Drill Component

Exhibits 8.1 – 8.3

Wexpro new drill volumes for June and July were below 2017 – 2018 IRP estimates. A Bruff well scheduled to be recompleted in June was dropped from the drilling schedule reducing new drill volumes in both June and July. August new drill was ahead of 2017 - 2018 IRP estimates. Six new Stewart Point wells slated to come on in September and October were completed early and started to flow at the end of August. Dominion Energy Wexpro is not the operator of these wells and does not have control over when the wells are completed.

Table 1 below summarizes estimated average daily shut-in verses actual average daily shut-in during the quarter. There was no shut-in gas during the 2017 – 2018 IRP first quarter.

TABLE 1

	June	July	August	Total Dth for Quarter
Estimated Shut-in (dth/day)	0	0	0	0
Actual Shut-in (dth/day)	0	0	0	0

Table 2 below summarizes purchase and cost-of-service volume variances using 2017 – 2018 IRP projections and actual results as a percent of total. The Q1 number is a percent of total and not an average.

TABLE 2

		Actual Purchase as Percent of Total	IRP Forecast (Normal) Purchase as Percent of Total	Actual Cost-of-Service Into-Pipe as Percent of Total	IRP Forecast (Normal) Cost-of-Service Into-Pipe as Percent of Total
1	Jun-17	0.00%	0.00%	100.00%	100.00%
2	Jul-17	0.00%	0.00%	100.00%	100.00%
3	Aug-17	0.00%	0.00%	100.00%	100.00%
4	Q1	0.00%	0.00%	100.00%	100.00%

Supplemental Graphs

Exhibits 9.1 – 9.3

Confidential Exhibits 9.1 and 9.2 show the total projection and new drill by nominations group. Confidential Exhibit 9.3 shows that there were no gas purchases in this quarter.

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

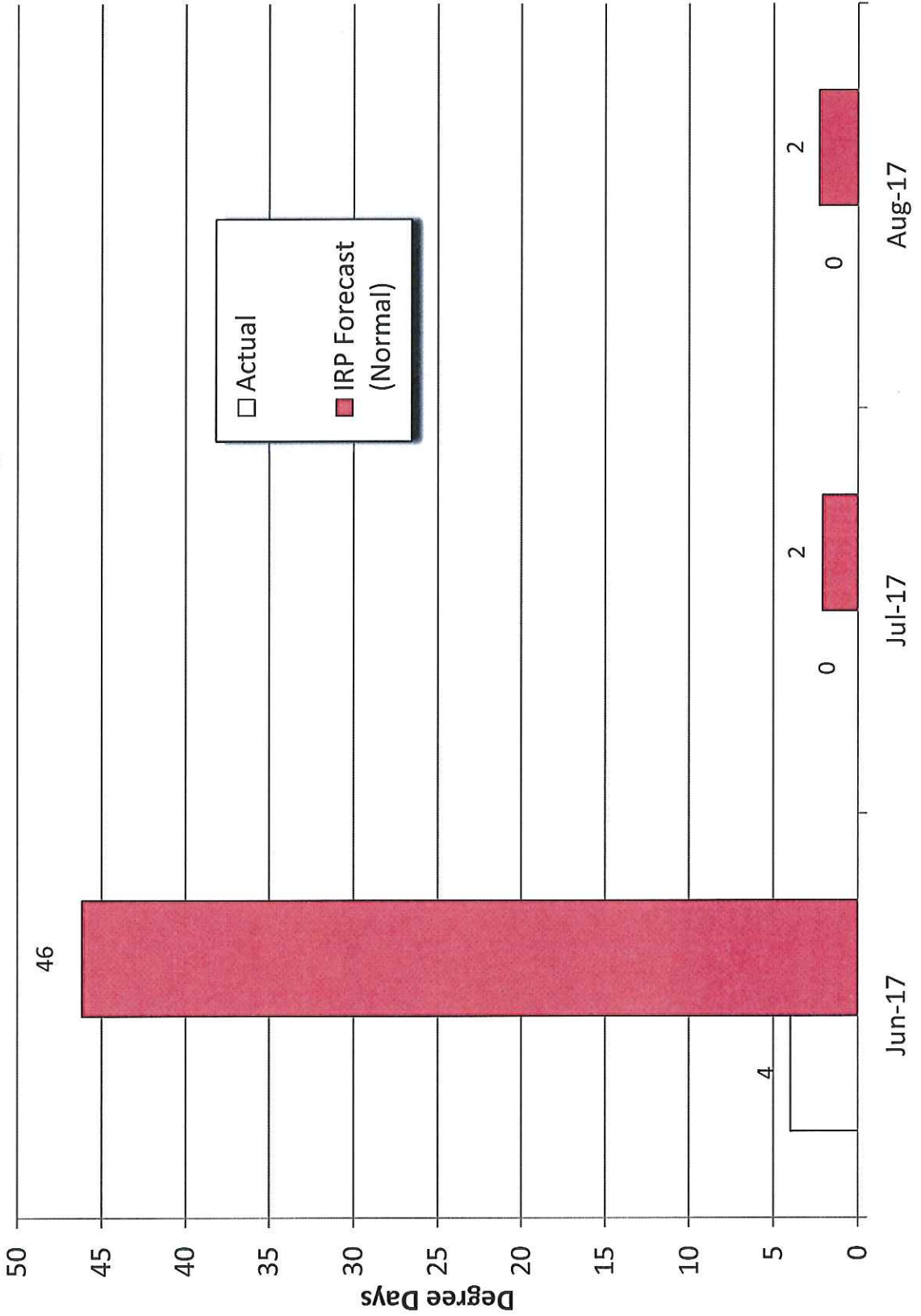
All projects were on schedule and on budget during the first quarter.

Heating Degree Day Graphs

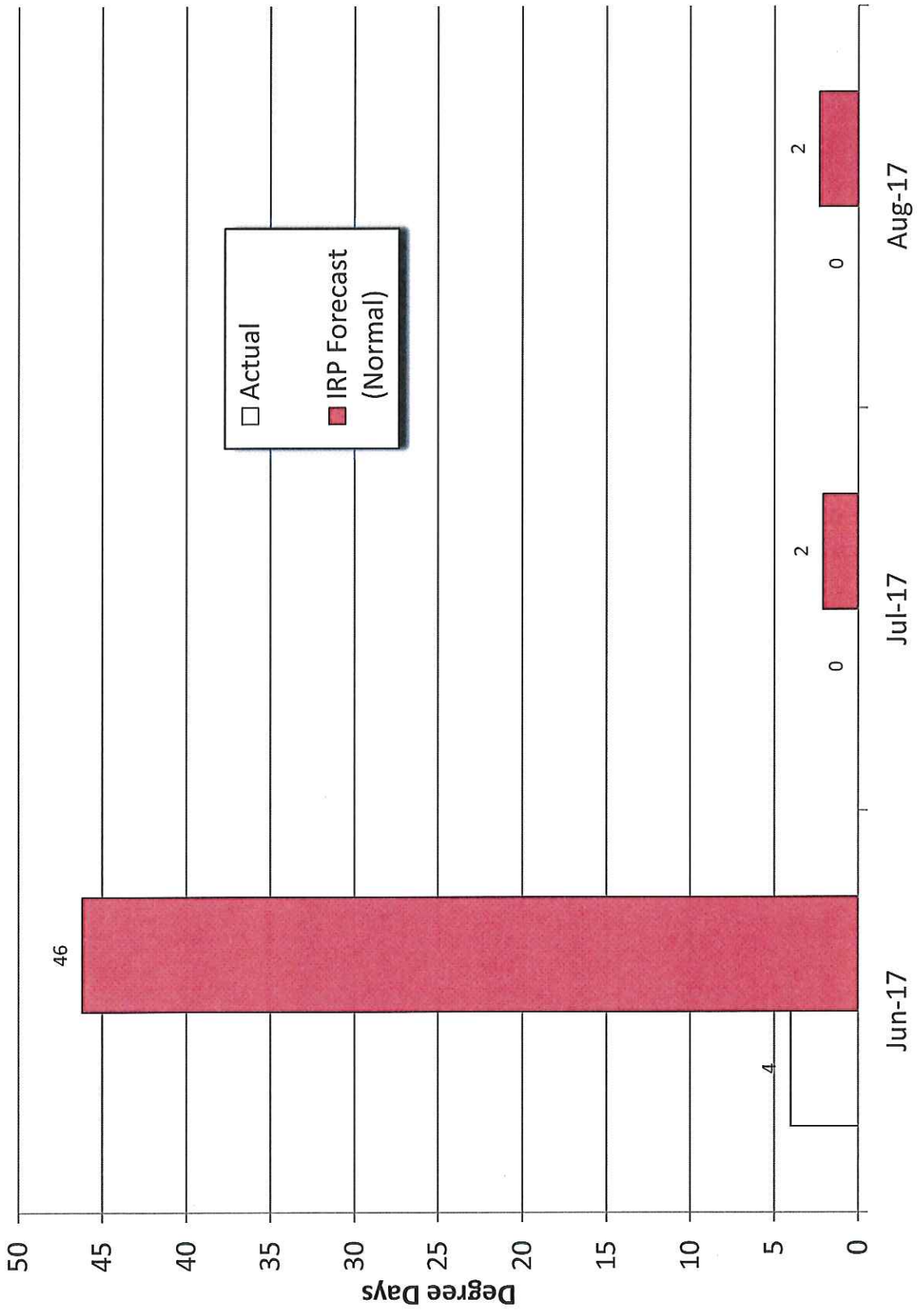
Exhibit 1.1 – 1.3

Docket No. 17-057-12

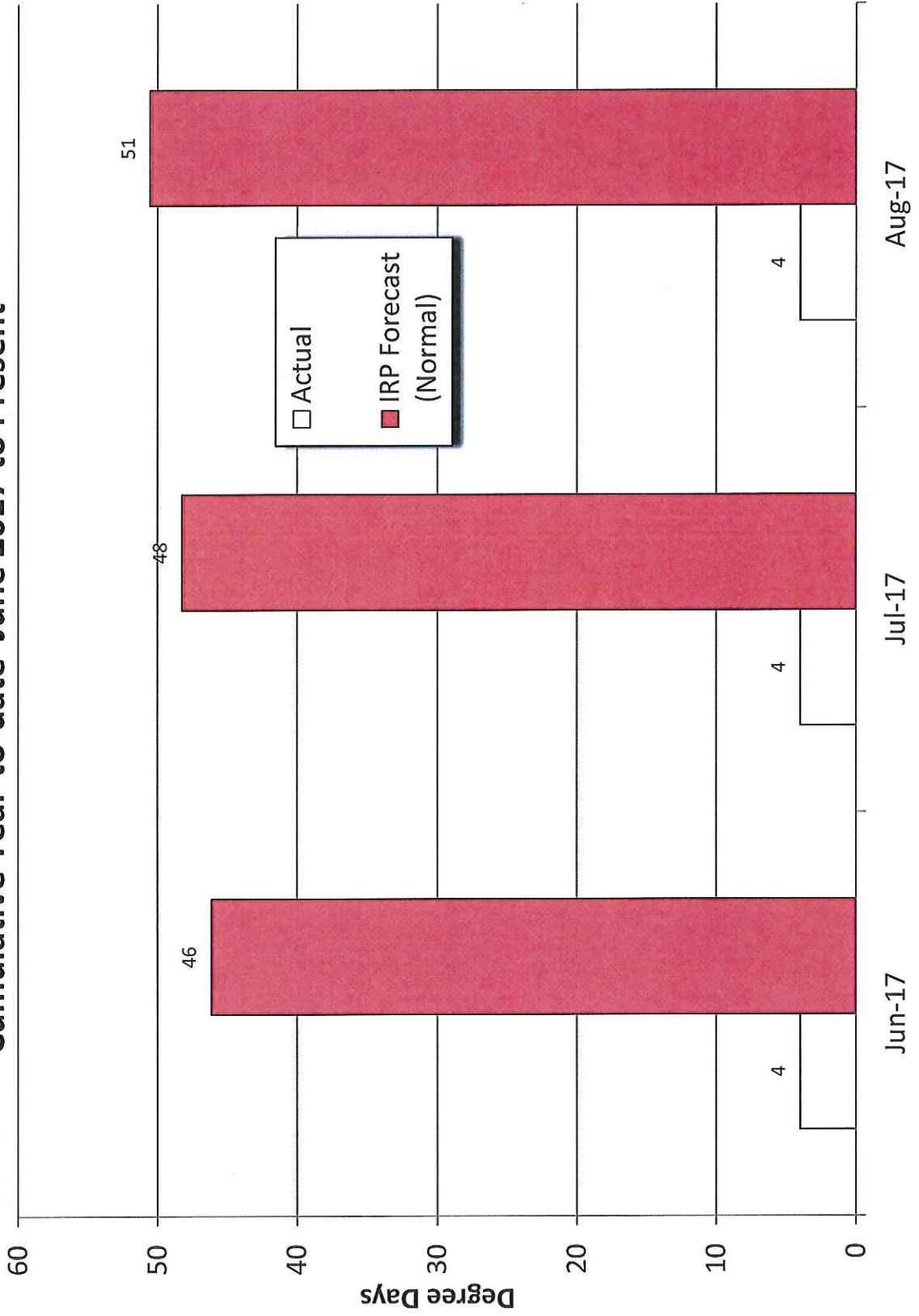
Heating Degree Day Variance IRP First Quarter: June to August



Heating Degree Day Variance Year to date - June 2017 to May 2018

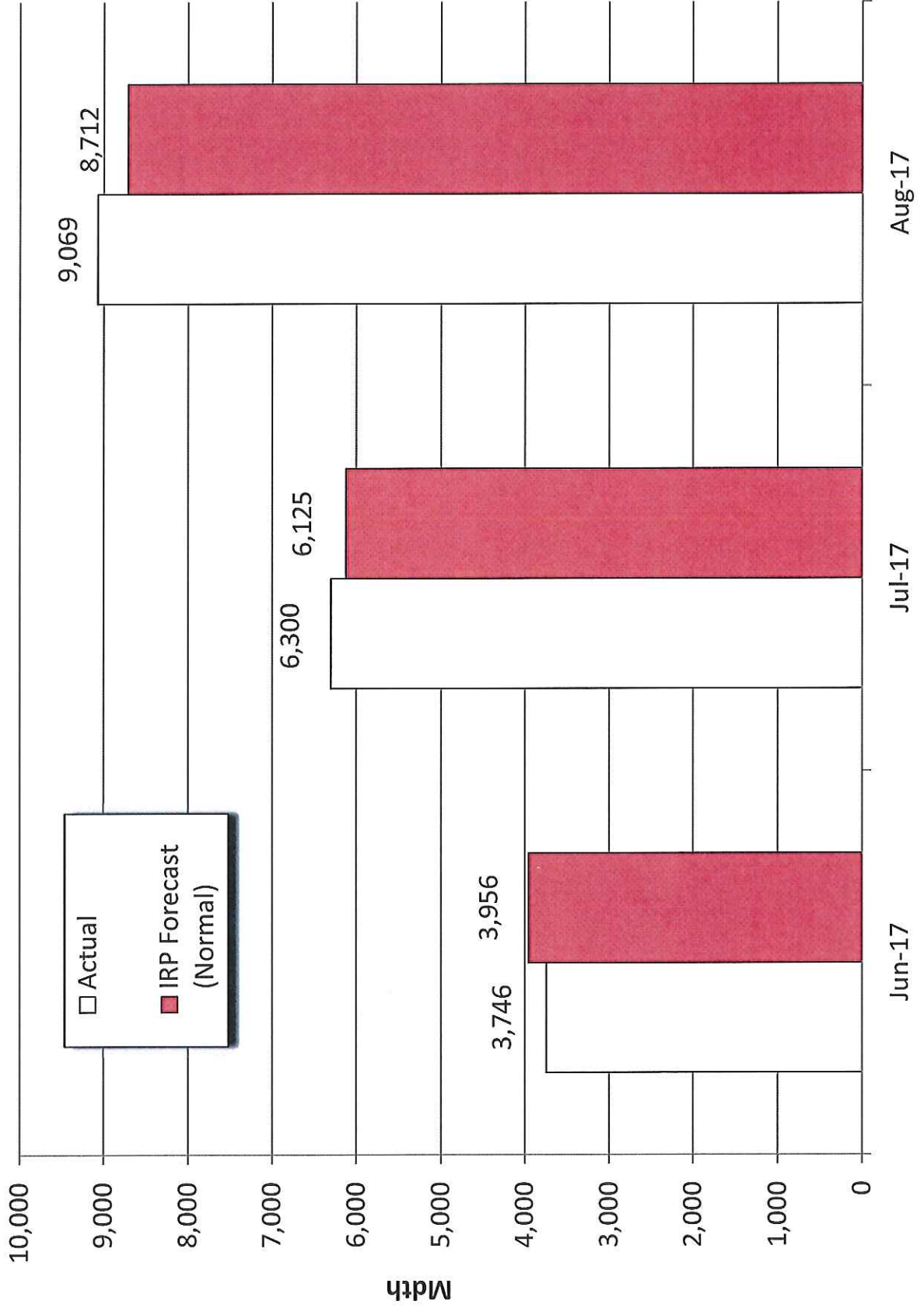


Heating Degree Day Variance Cumulative Year-to-date June 2017 to Present

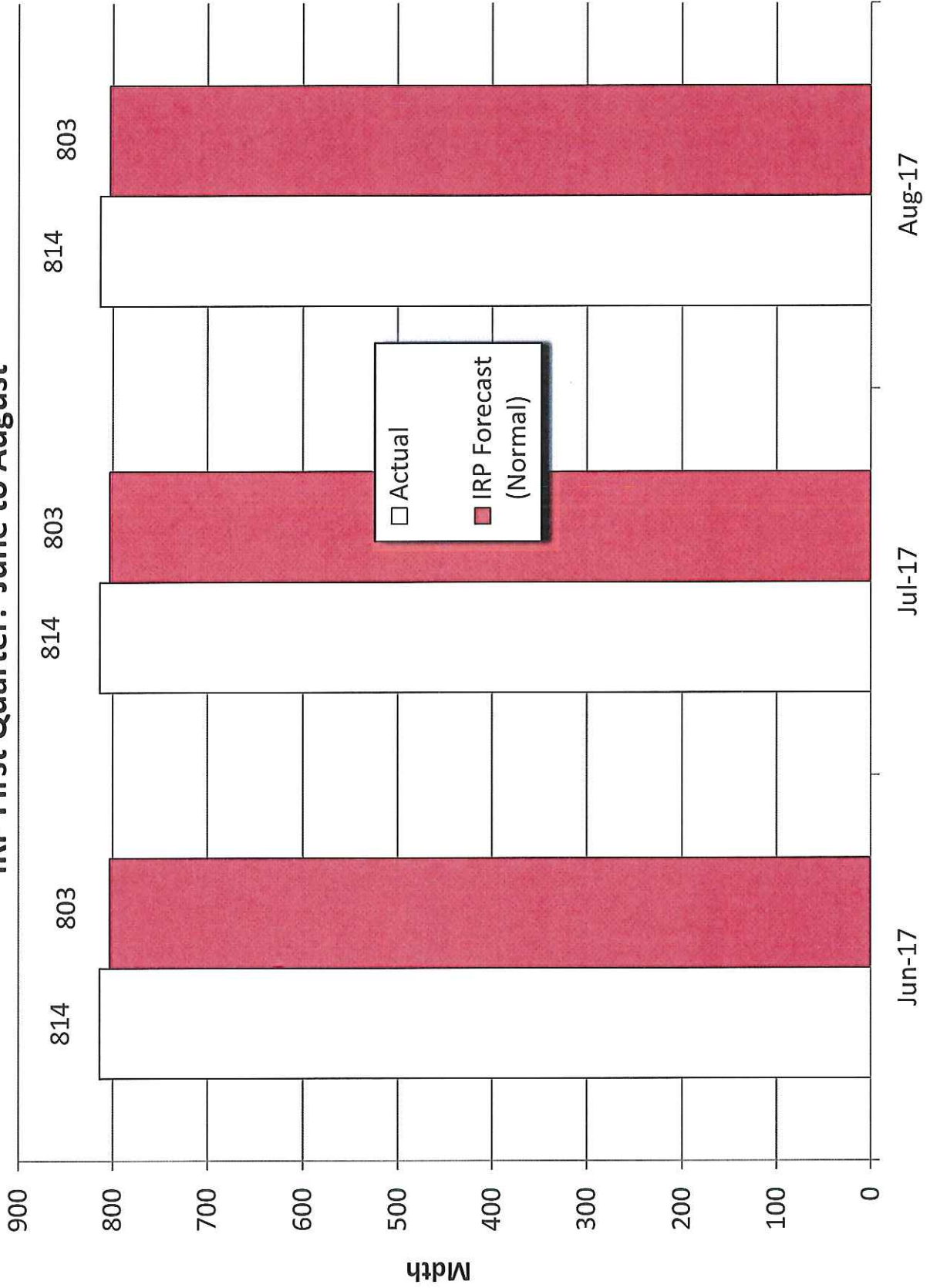


Gas Storage Graphs
Exhibits 2.1 – 2.4
Docket No. 17-057-12

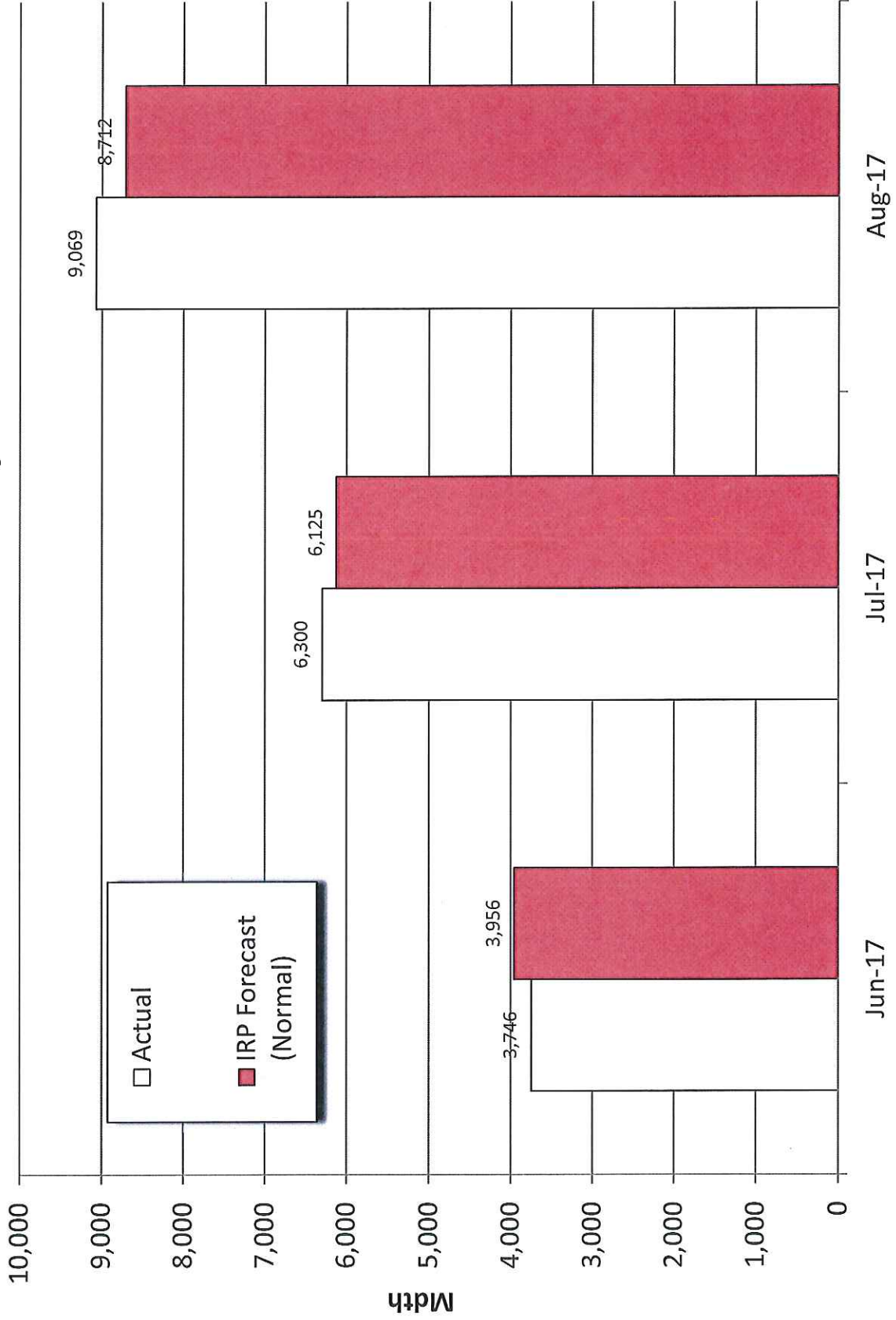
Clay Basin Month End Inventory IRP First Quarter: June to August



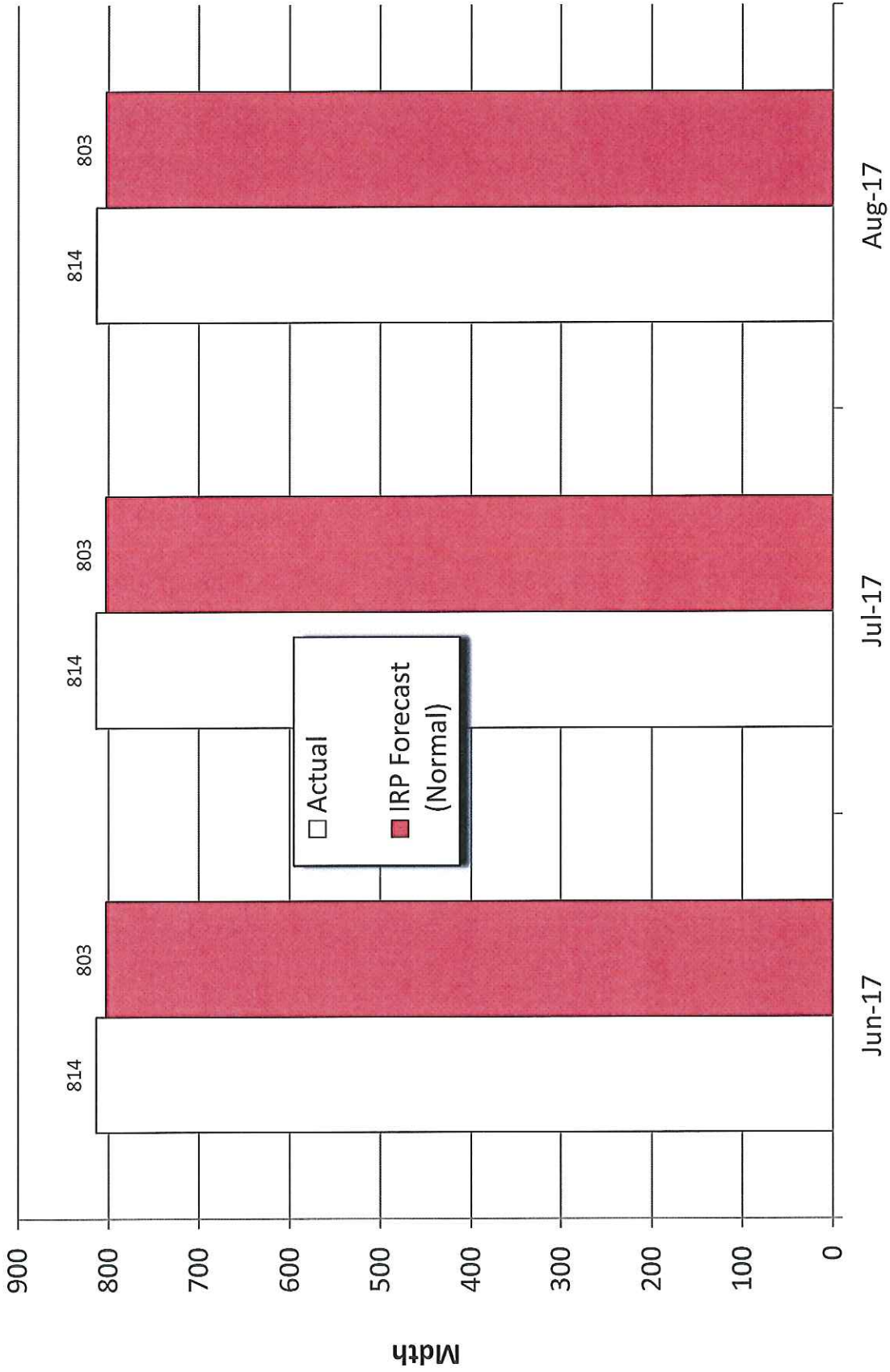
Aquifer Month End Inventory IRP First Quarter: June to August



Clay Basin Month End Inventory Year to date - June 2017 to May 2018

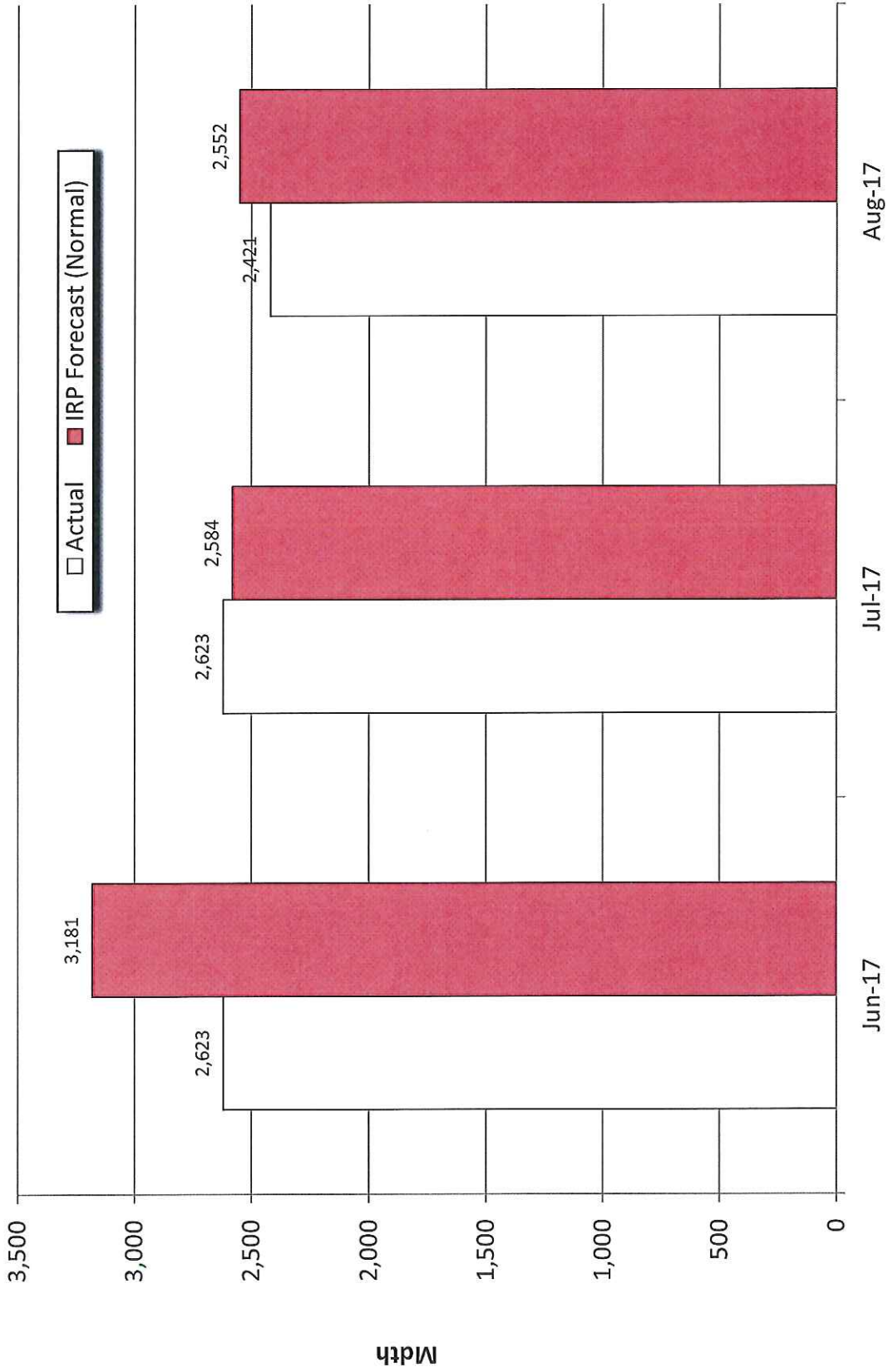


Aquifer Month End Inventory Year to date - June 2017 to May 2018

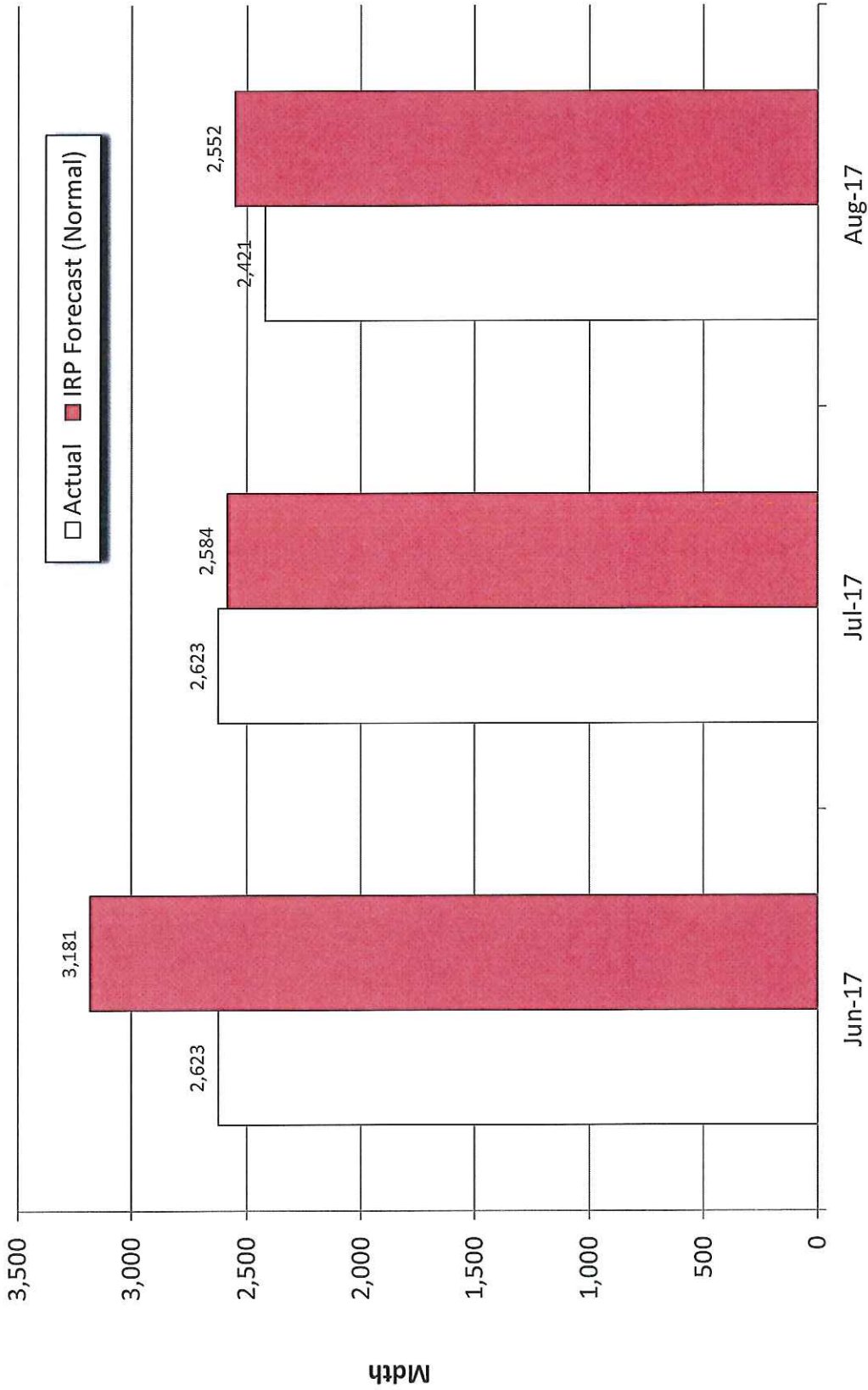


Firm Sales Graphs
Exhibits 3.1 – 3.4
Docket No. 17-057-12

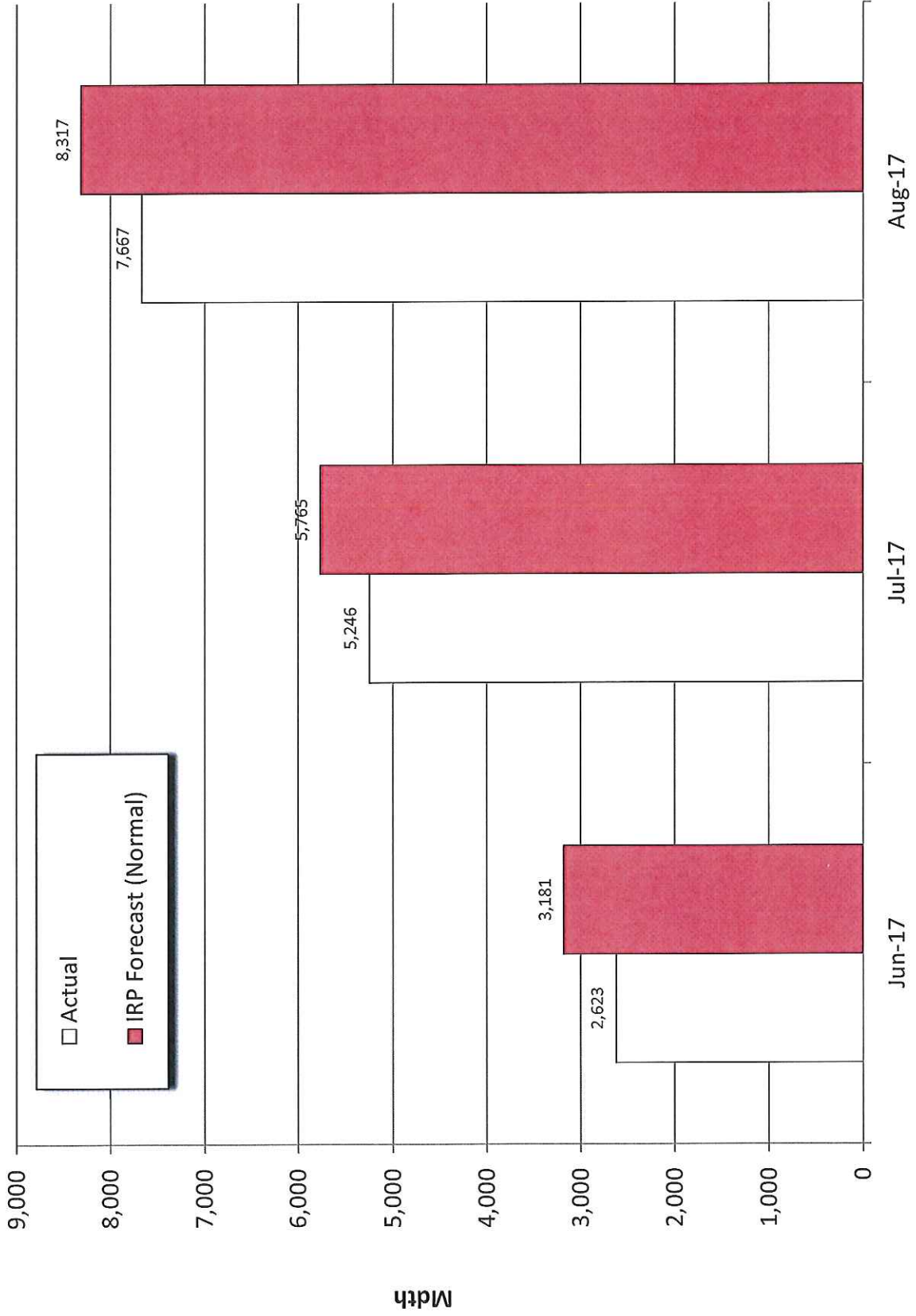
Firm Sales Variance
IRP First Quarter: June 2017 to August 2017



Firm Sales Variance IRP Year: June 2017 to Present



Firm Sales Variance Cumulative Year-to-date June 2017 to Present



IRP Variance

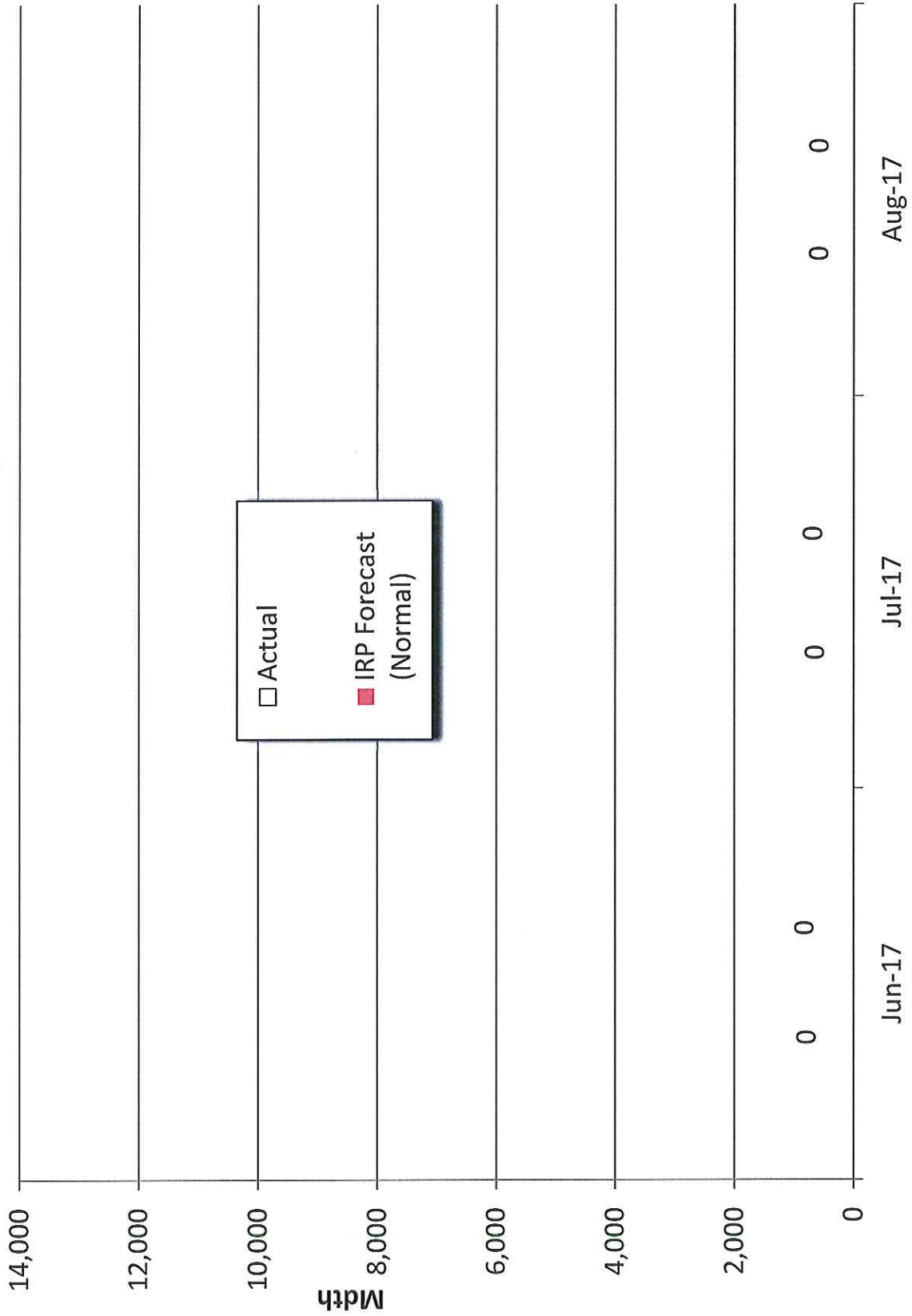
Actual Results

	Jun-17		Jul-17		Aug-17	
	Actual	IRP	Actual	IRP	Actual	IRP
SUPPLY						
1 Cost of Service Prod (Mbtu)	5,374	5,280	5,445	5,350	5,879	5,755
2 Purchases (Mbtu)	-	-	0	0	-	-
3 Clay Basin With (Mbtu)	-	-	-	-	-	-
4 Acquifers With (Mbtu)	1	-	0	-	0	-
5 Off-System	41	69	17	71	35	71
6 Total Supply	5,416	5,348	5,462	5,421	5,914	5,826
DEMAND						
7 Firm Sales (Mbtu)	2,623	3,181	2,623	2,584	2,421	2,552
8 Interruptible Sales (Mbtu)	80	32	59	30	42	30
9 Clay Basin Inj (Mbtu)	2,277	1,796	2,530	2,452	2,769	2,858
10 Acquifers Inj (Mbtu)	0	-	0	-	0	-
11 Off-System	41	66	17	68	35	68
12 Fuel	125	260	134	274	128	306
13 Company Use / L&U	270	15	99	12	519	12
14 Total Demand	5,417	5,348	5,462	5,421	5,915	5,826
15 Clay Basin Fuel Usage Adjustment	-	-	(0)	-	-	-
16 Clay Basin Transfers	-	-	25	-	-	-
17 Acquifers Fuel Usage Adjustment	(0)	-	(0)	-	(0)	-
18 Acquifers Transfers	-	-	-	-	-	-
19 Clay Basin Current Balance	3,746	3,956	6,300	6,125	9,069	8,712
20 Acquifers Current Balance	814	803	814	803	814	803
21 Purchases(\$/Dth)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 Purchases \$ (000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Variances						
23 Cost of service volumes	94	-	95	-	124	-
24 Purchase volumes	-	-	-	-	-	-
25 Purchase \$ Act over (under) IRP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26 Vol Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27 \$ Variance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 Check	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29 Quarter Variance					\$ -	
30 Vol Variance					\$ -	
31 \$ Variance					\$ -	
32 Check					\$ -	

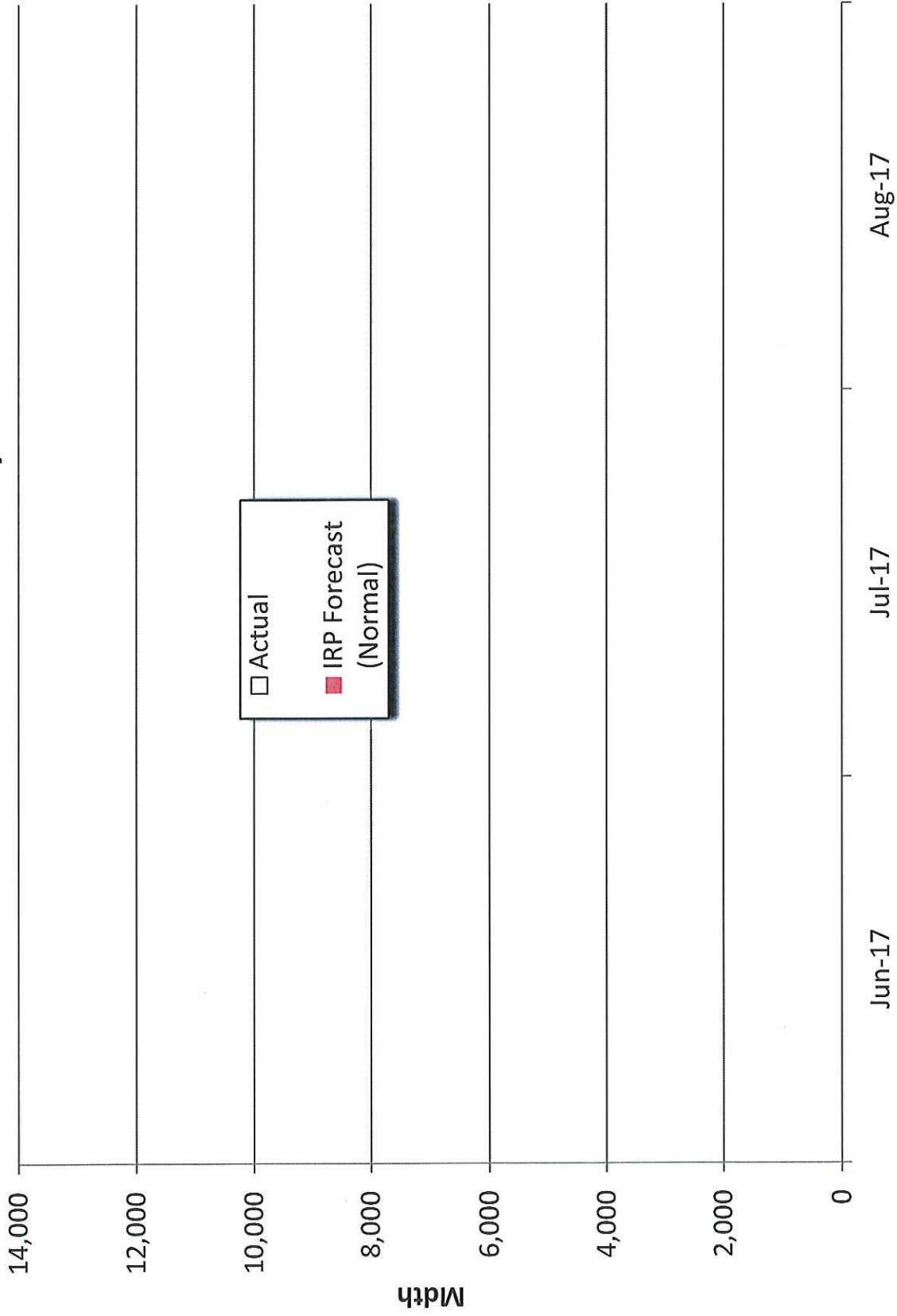
Gas Purchased
From Third Parties

Volume Variance
Exhibits 4.1 – 4.3
Docket No. 17-057-12

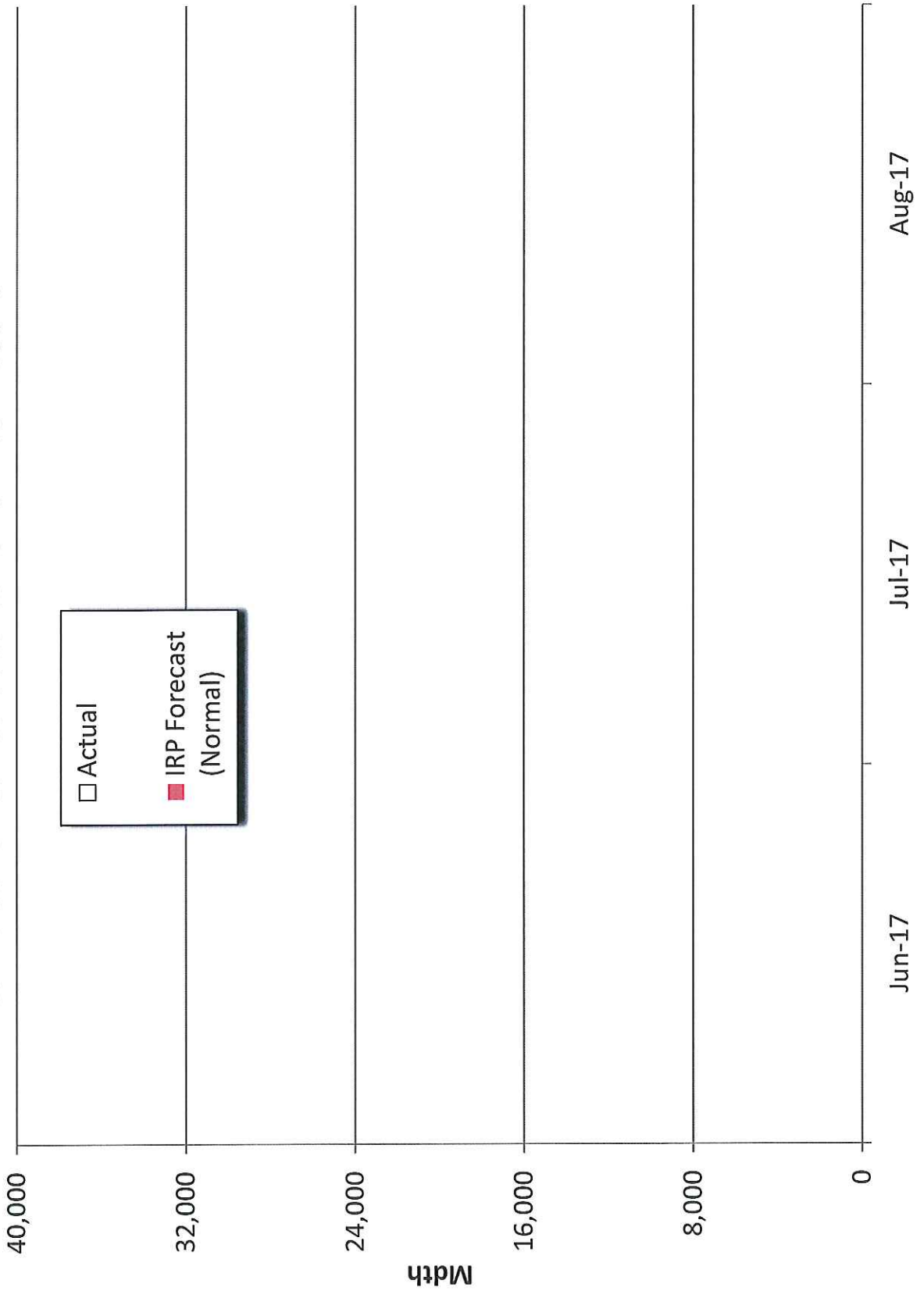
Purchased Gas Variance IRP First Quarter: June to August



Purchased Gas Variance Year to date - June 2017 to May 2018



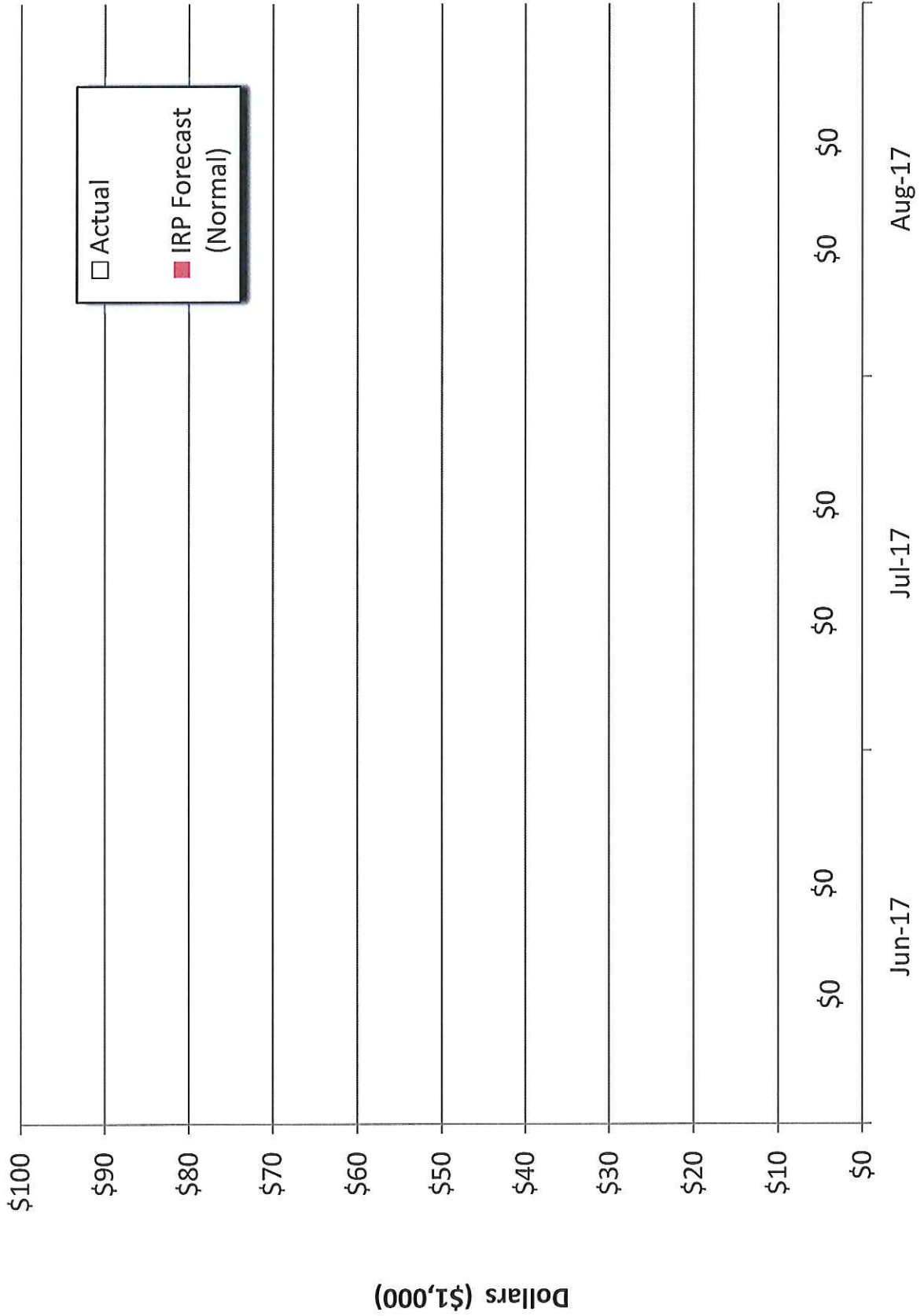
Purchased Gas Variance Cumulative Year-to-date June 2017 to Present



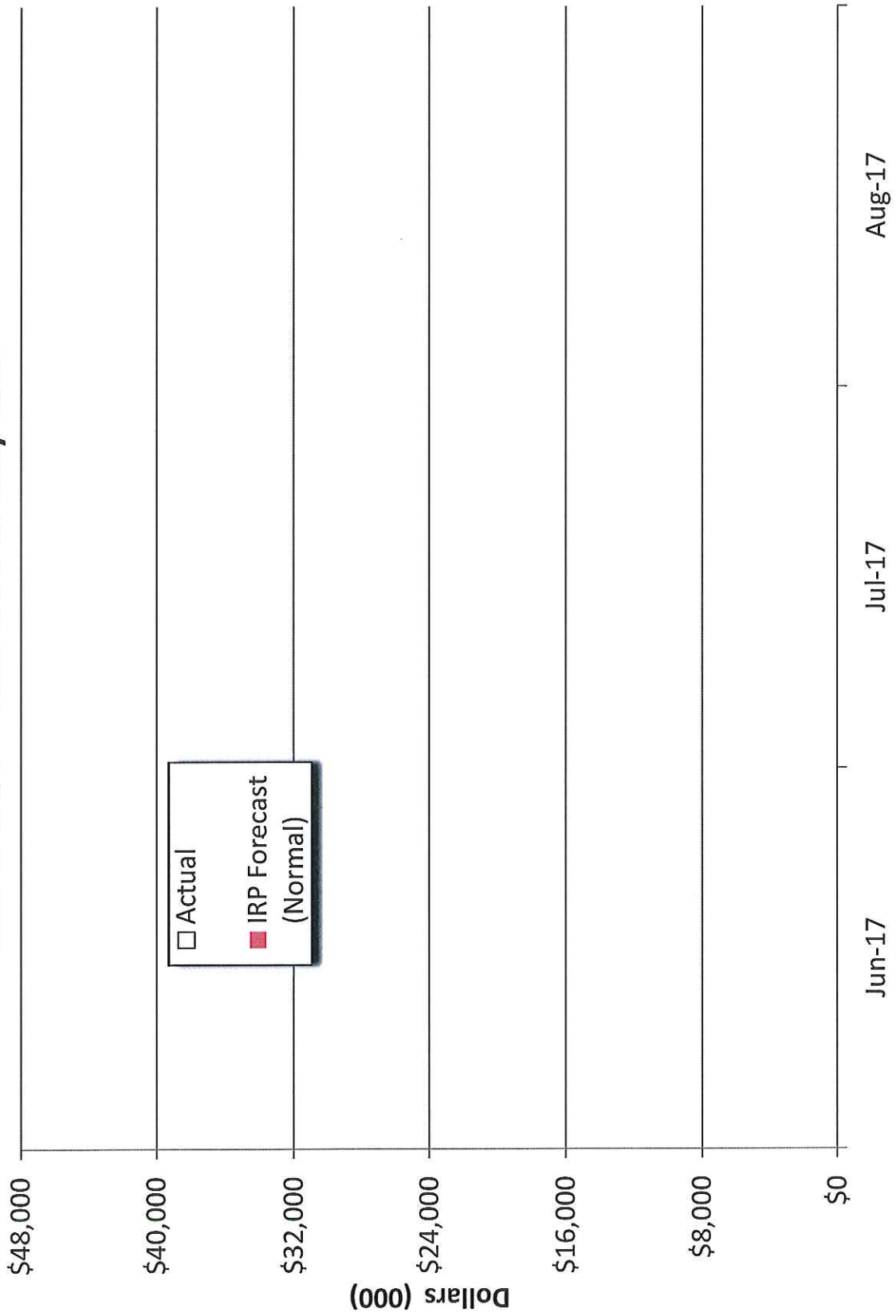
Gas Purchased
From Third Parties

Cost Variance
Exhibits 5.1 – 5.3
Docket No. 17-057-12

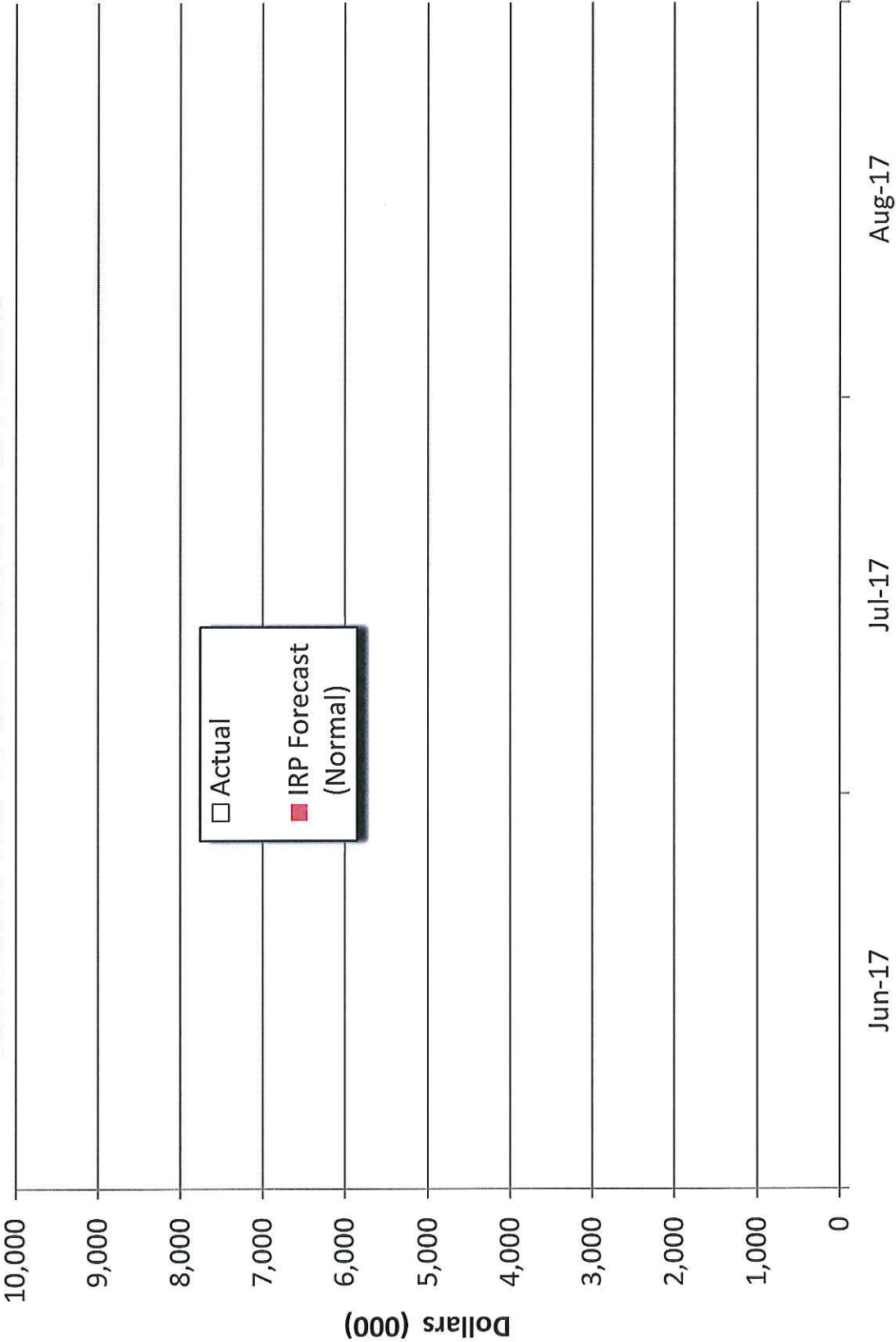
Purchased Gas Cost Variance IRP First Quarter: June to August



Purchased Gas Cost Variance Year to date - June 2017 to May 2018



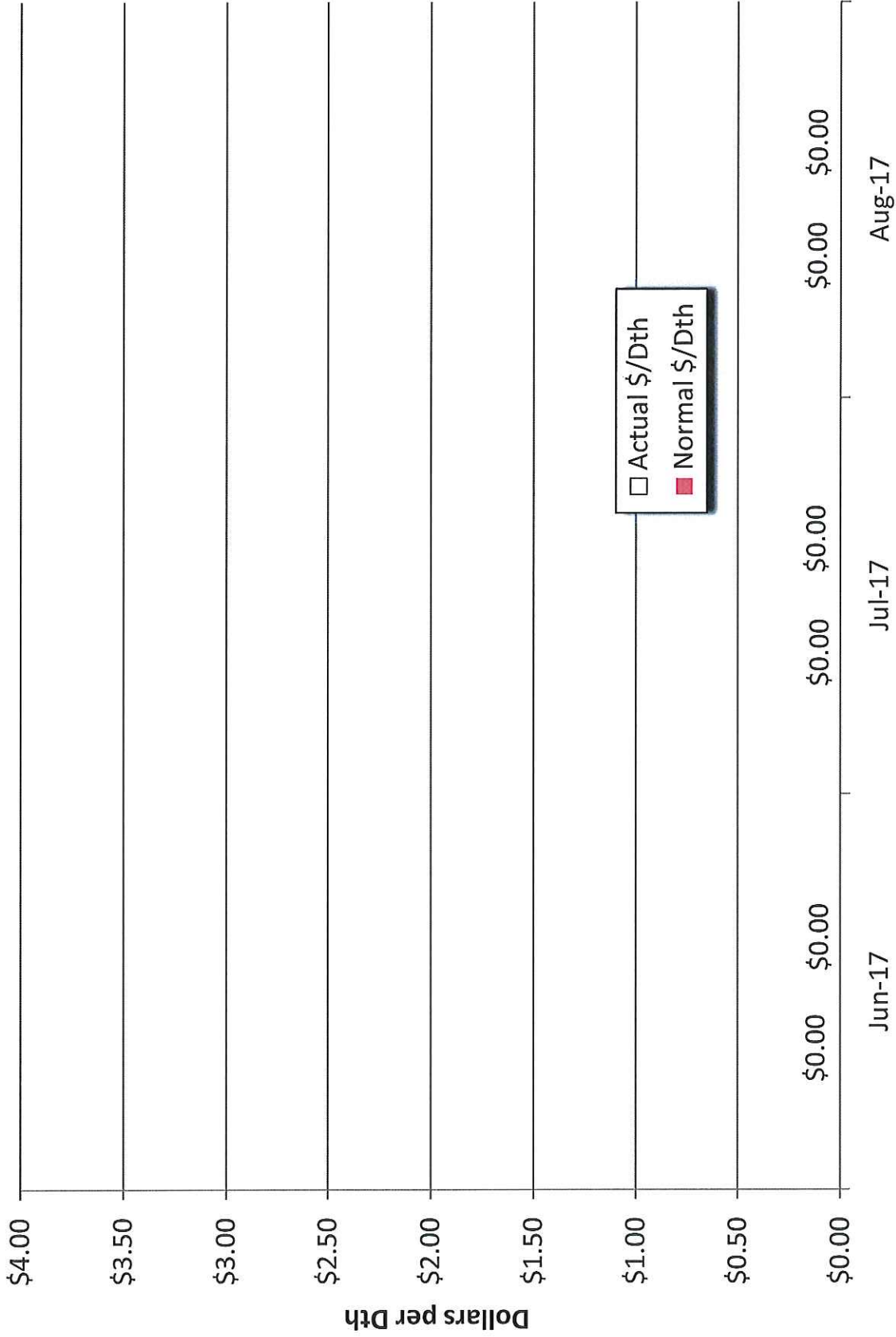
Purchased Gas Cost Variance Cumulative Year-to-date June 2017 to Present



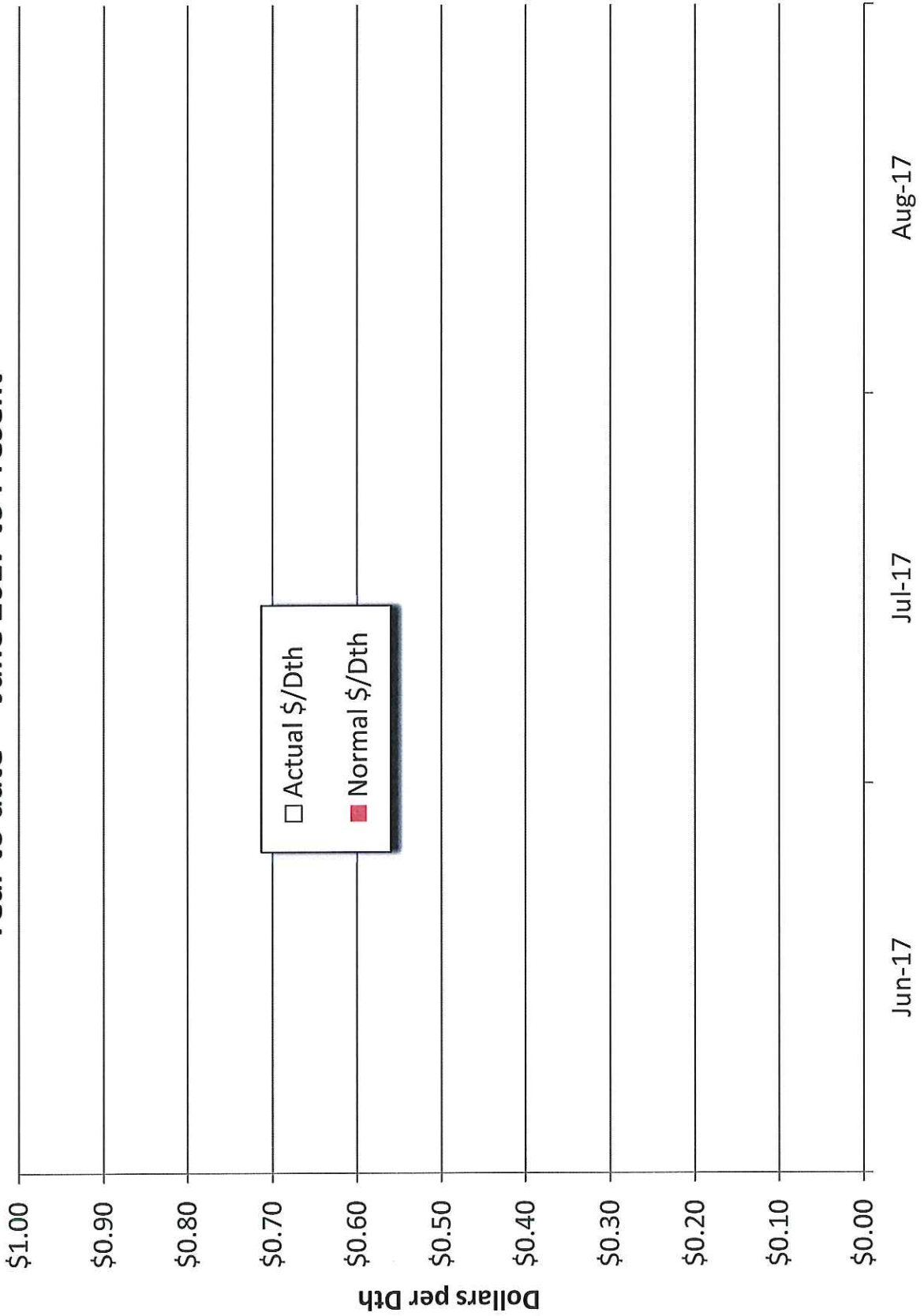
Gas Purchased
From Third Parties

Unit Cost Variance
Exhibits 6.1 – 6.2
Docket No. 17-057-12

Purchased Gas Unit Cost Variance

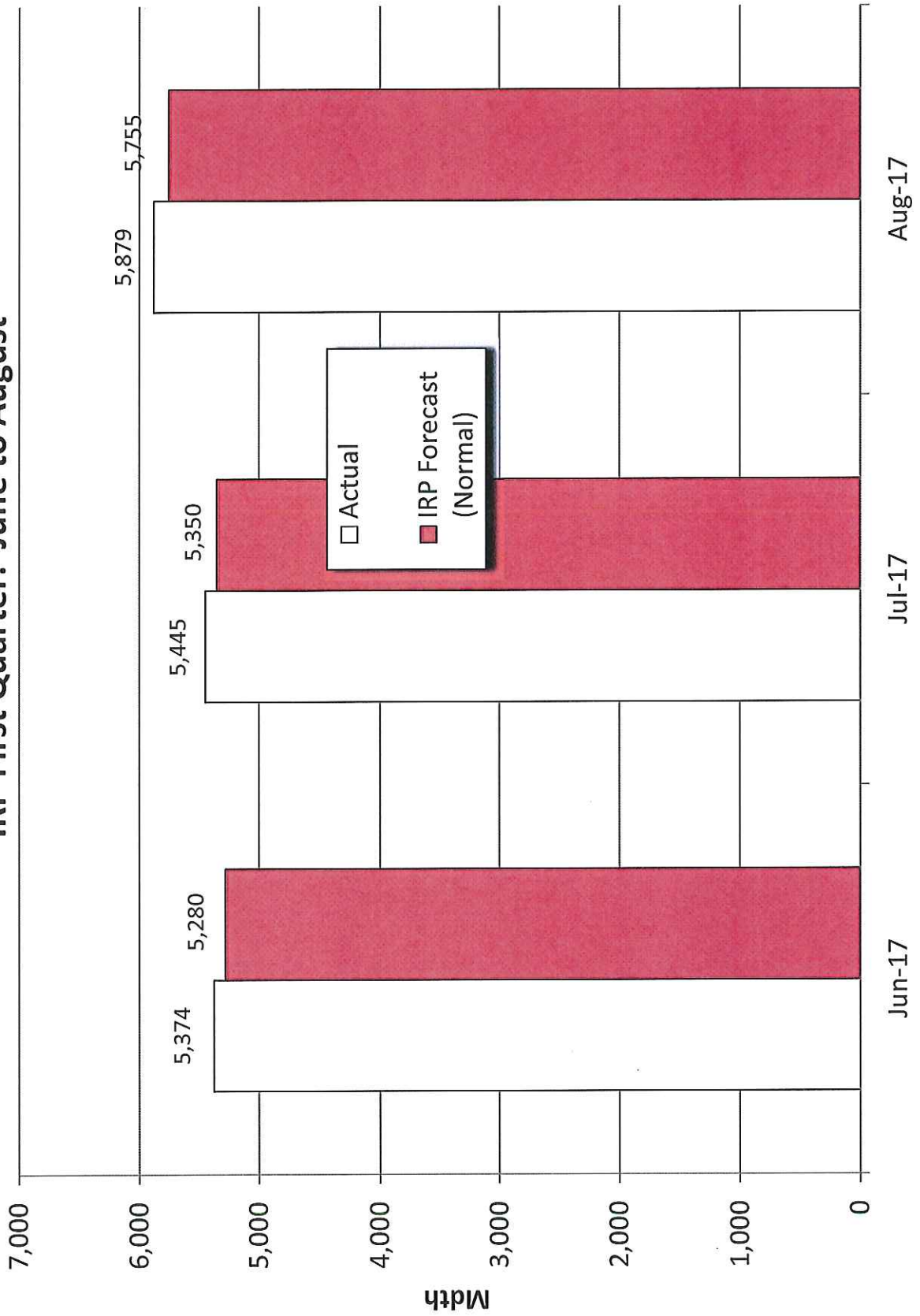


Purchased Gas Unit Cost Variance Year to date - June 2017 to Present

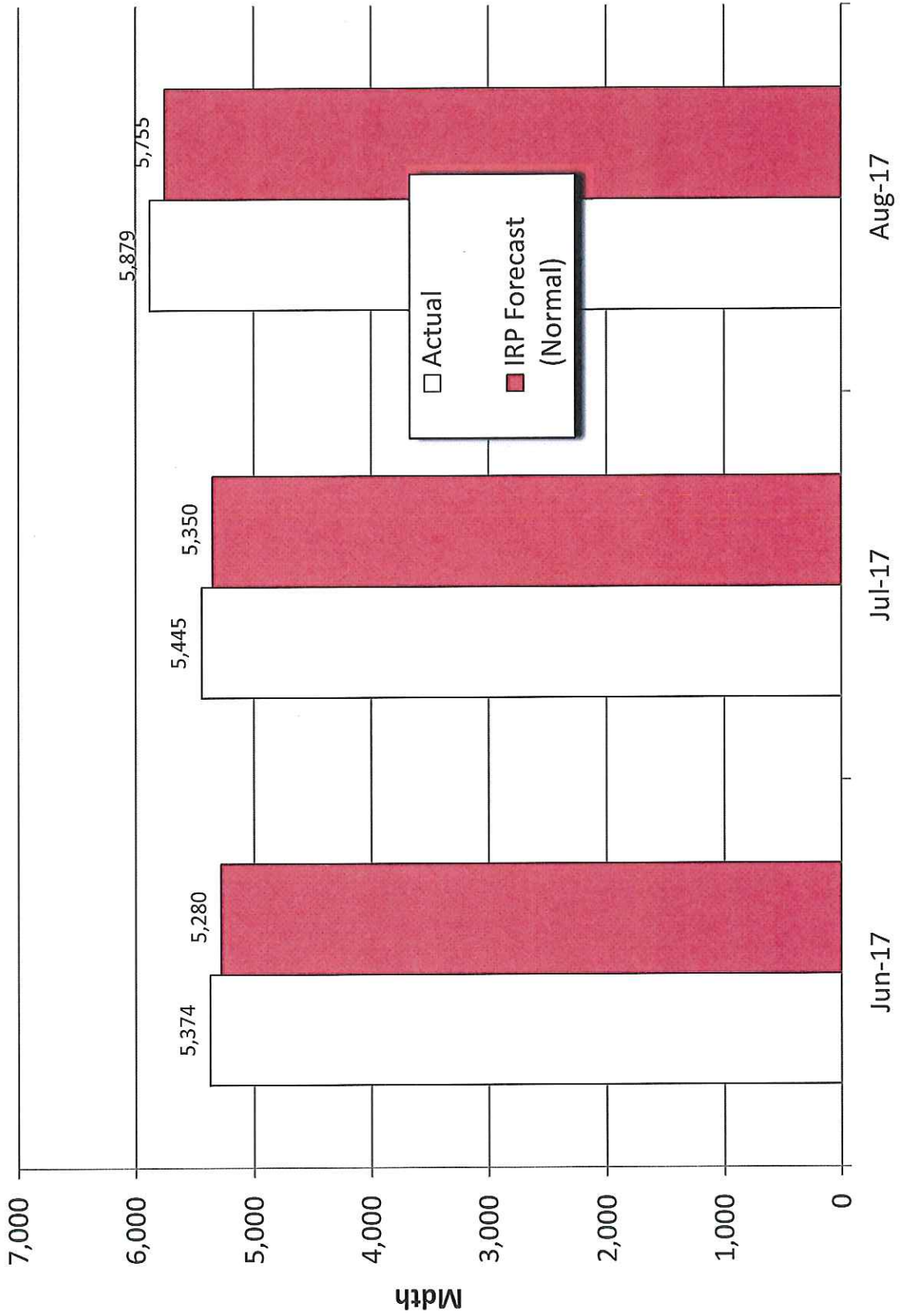


Cost-of-Service Gas
Exhibits 7.1 – 7.3
Docket No. 17-057-12

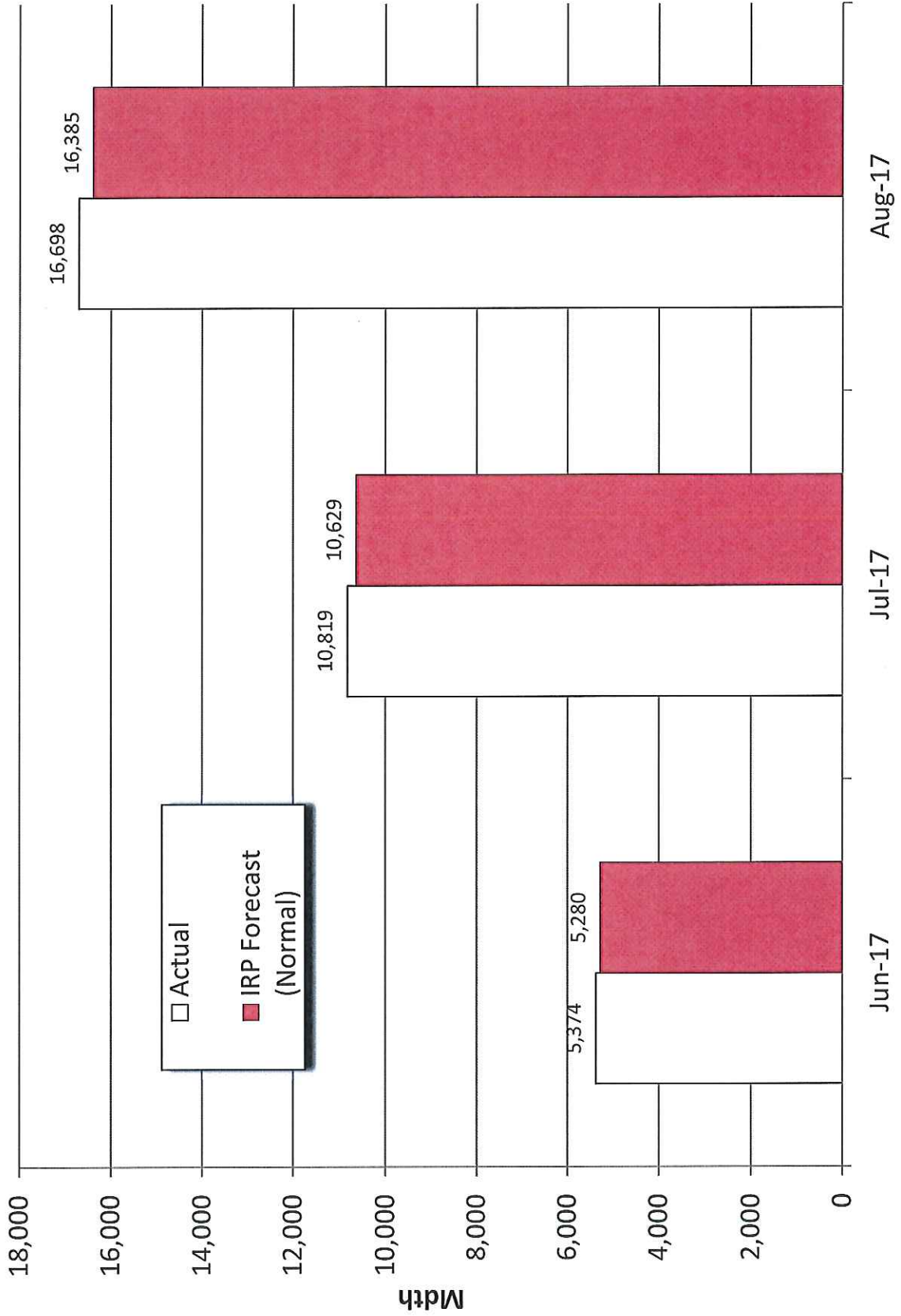
Cost-of-Service Gas Variance IRP First Quarter: June to August



Cost-of-Service Gas Variance Year to date - June 2017 to Present

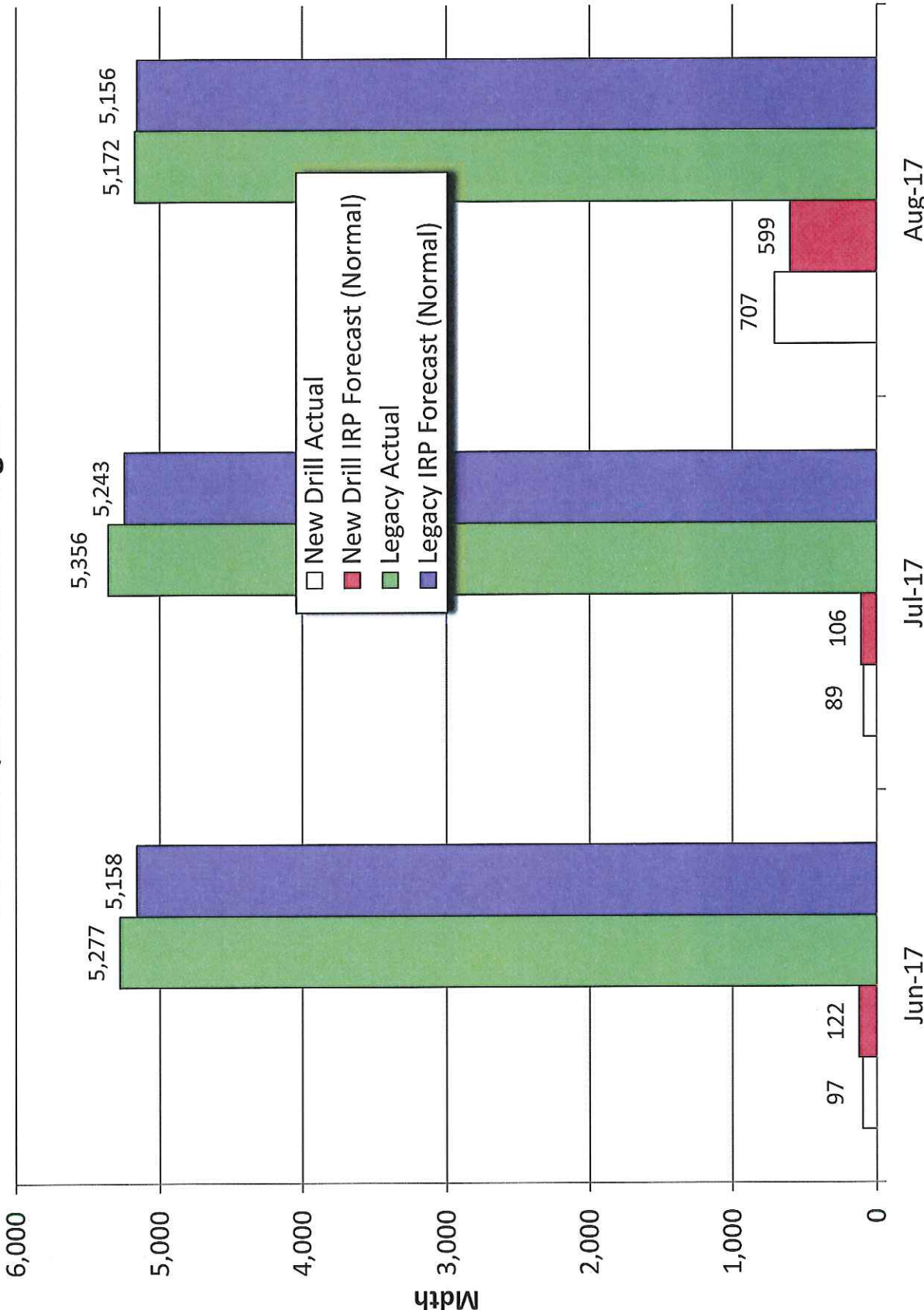


Cost-of-Service Gas Variance Cumulative Year-to-date June 2017 to Present

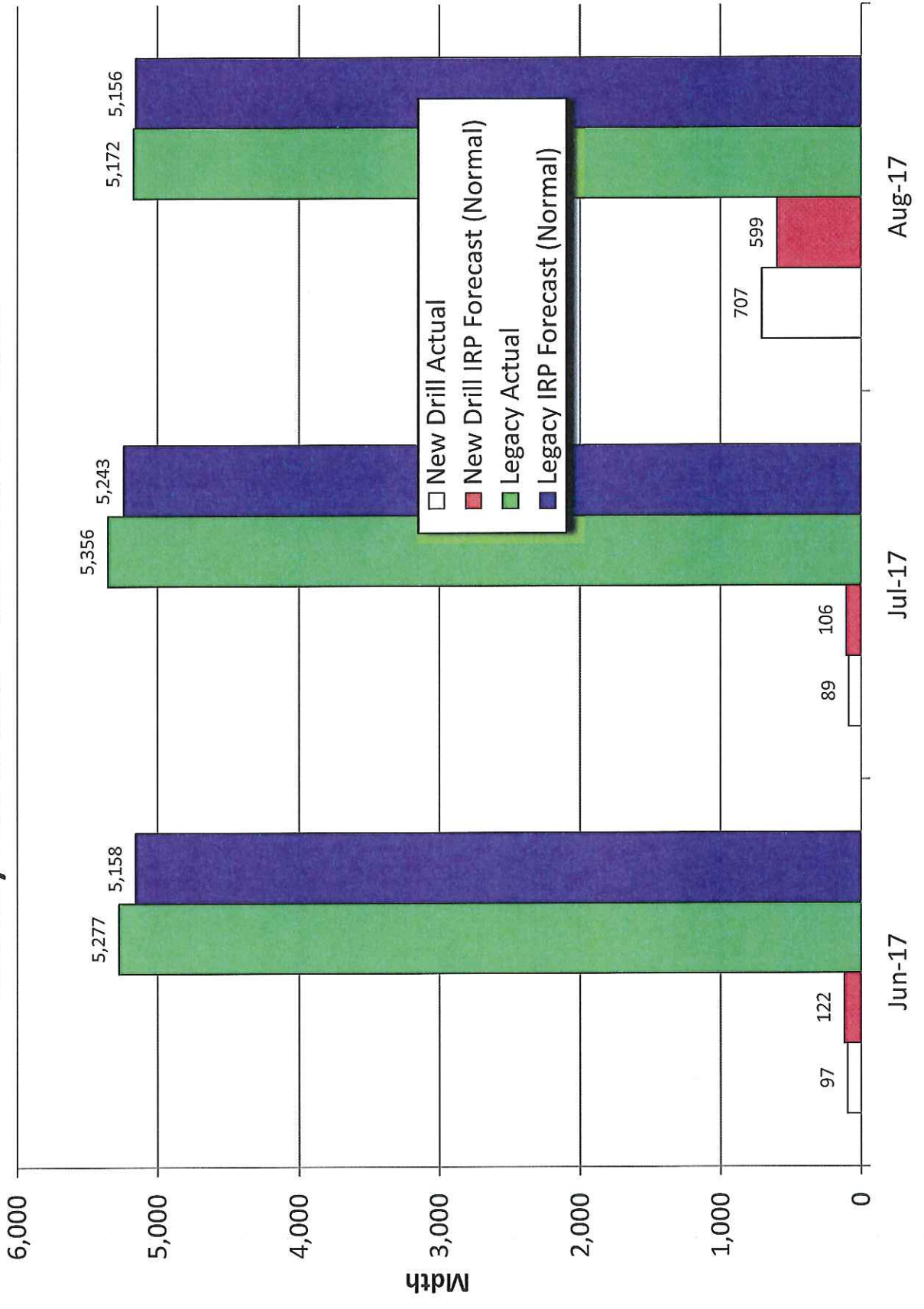


Cost-of-Service Gas
New Drill Component
Exhibits 8.1 – 8.3
Docket No. 17-057-12

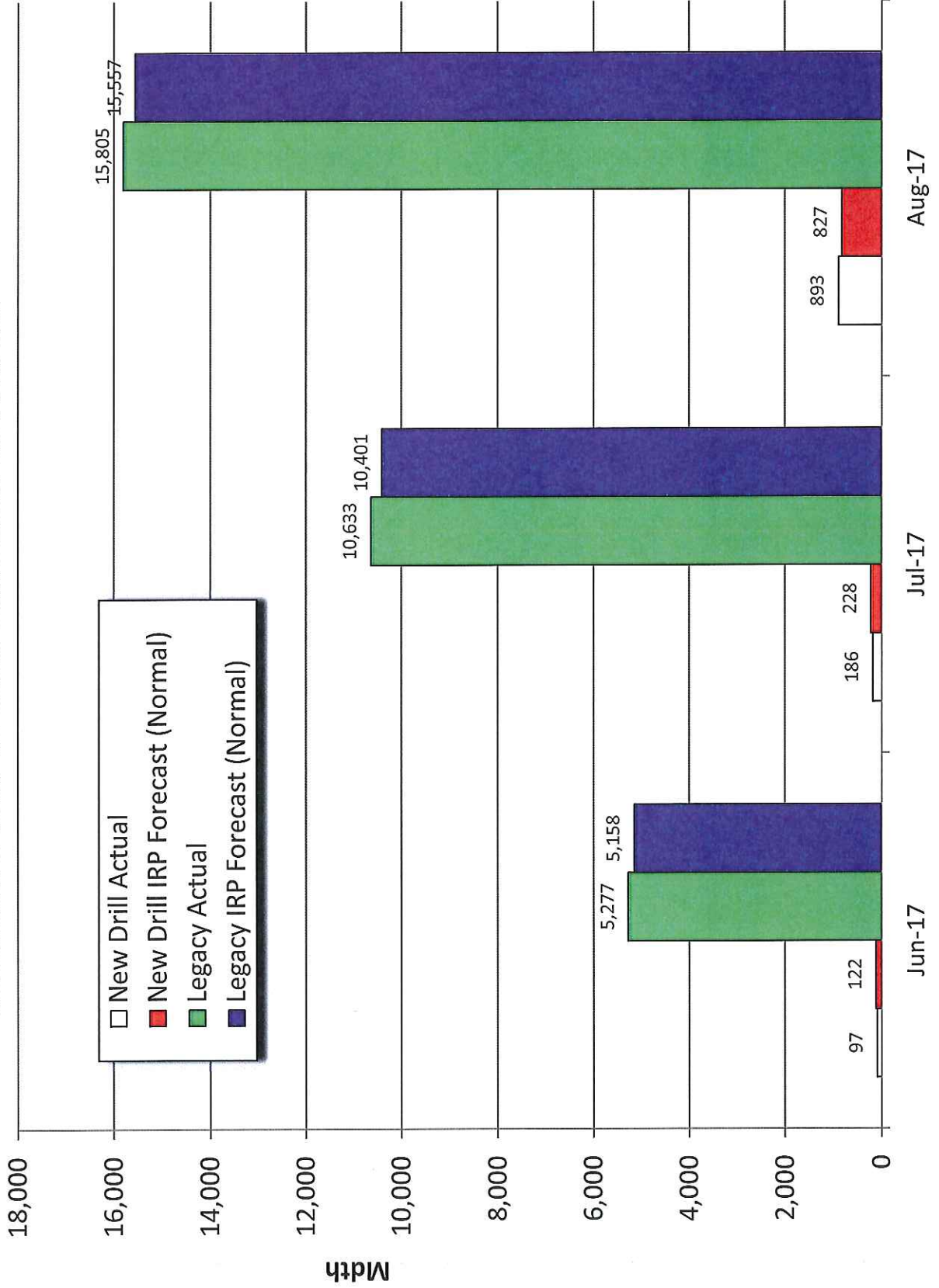
**Cost-of-Service New Drill Component
 IRP First Quarter: June to August**



Cost-of-Service New Drill Component Monthly Year to date - June 2017 to Present



Cost-of-Service New Drill Component Cumulative Year-to-date June 2017 to Present



Data
Exhibits 9.1 – 9.3
Docket No. 17-057-12

Dominion Energy Utah
Docket No. 17-057-12
DEU Variance Exhibit 9.1

June 2017 Cost-of-Service
Variance Mdth

July 2017 Cost-of-Service
Variance Mdth

August 2017 Cost-of-Service
Variance Mdth

First Quarter Cost-of-Service
Variance Mdth

[REDACTED]

Dominion Energy Utah
Docket No. 17-057-12
DEU Variance Exhibit 9.2

June 2017 Cost-of-Service
Variance Mdth

July 2017 Cost-of-Service
Variance Mdth

August 2017 Cost-of-Service
Variance Mdth

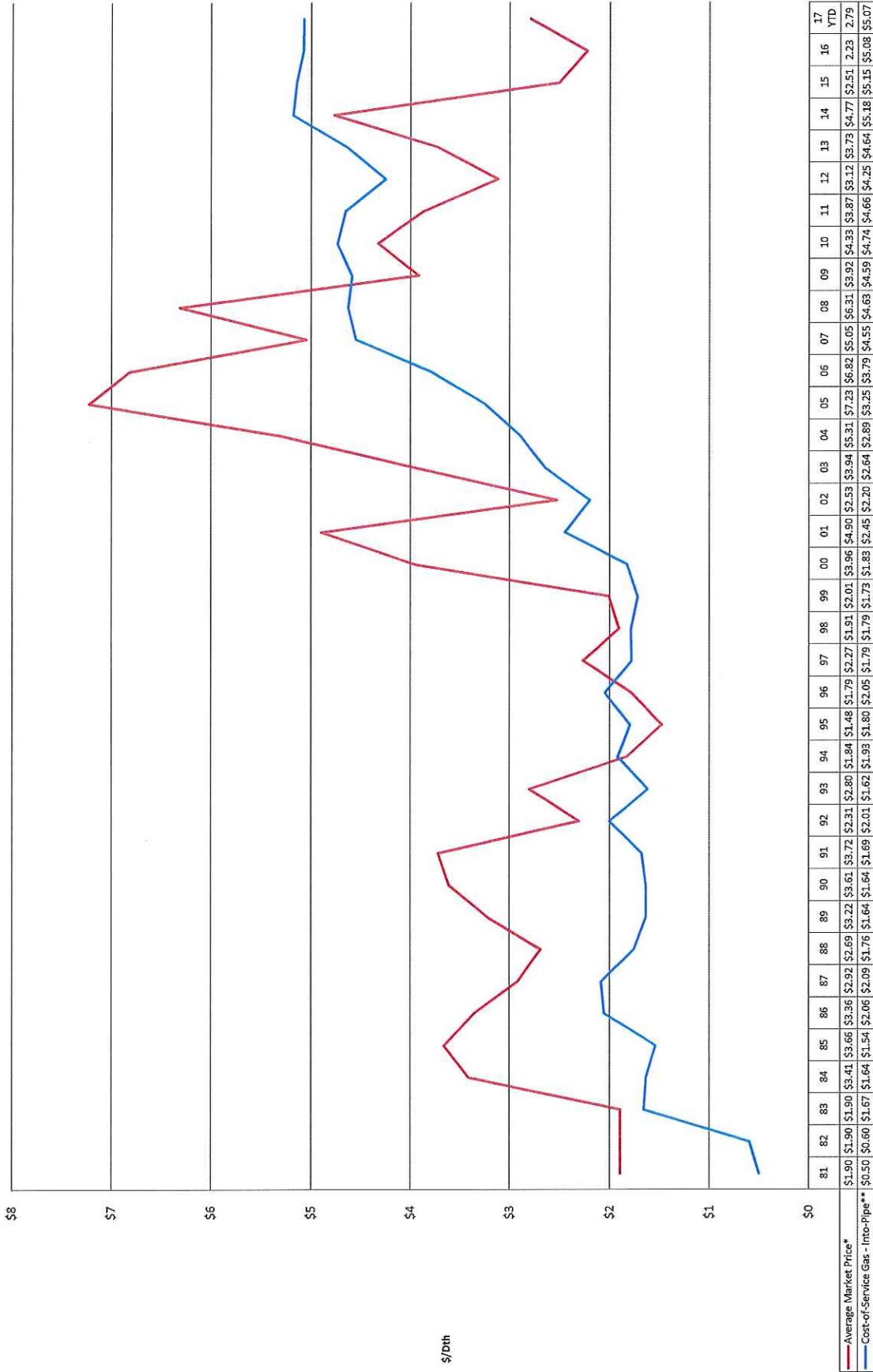
First Quarter Cost-of-Service
Variance Mdth

[REDACTED]

[REDACTED]

Average Market Price and
Cost-of-Service Price
Exhibits 10.1 – 10.2
Docket No. 17-057-12

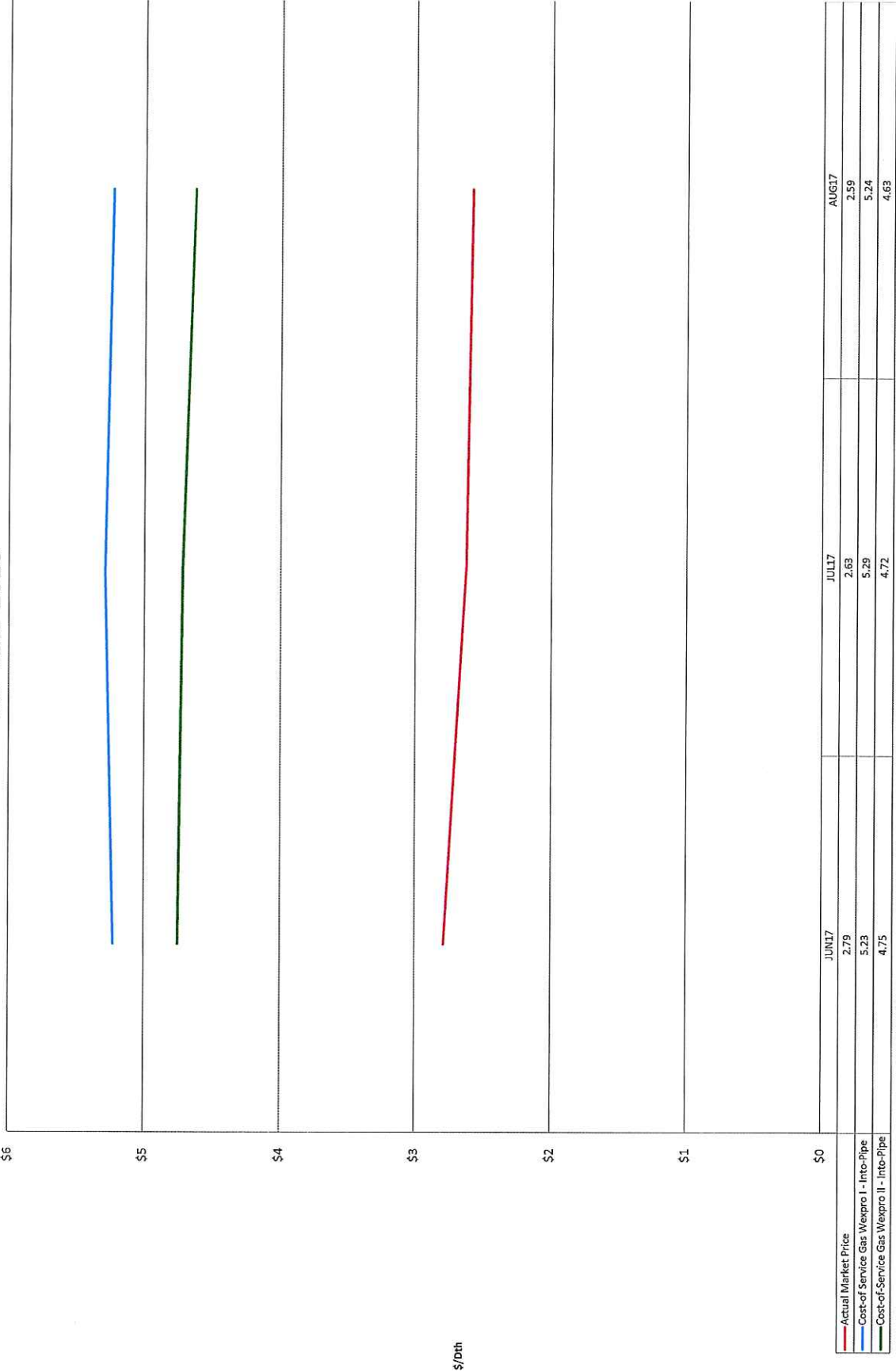
Average Market Price vs Cost-of-Service Gas Historical



*1981-2015; purchased gas average price; 2016 YTD; Northwest Pipeline first-of-month average price

**The into-pipe volumes used to calculate the cost-of-service gas price prior to 2011 is an estimated 3.8% less than the wellhead volume. The 3.8% was discussed in the May 18th 2015 IRP workshop. The volume used for 2011 - current comes from the Questar Pipeline Company invoice.

Actual Market Price vs. TTM Cost-of-Service Gas
 IRP Year 2016



\$/Dth