

# **2019-2020 Integrated Resource Plan Technical Conference**

**Docket No. 19-057-01**

# 2019 IRP Workshops

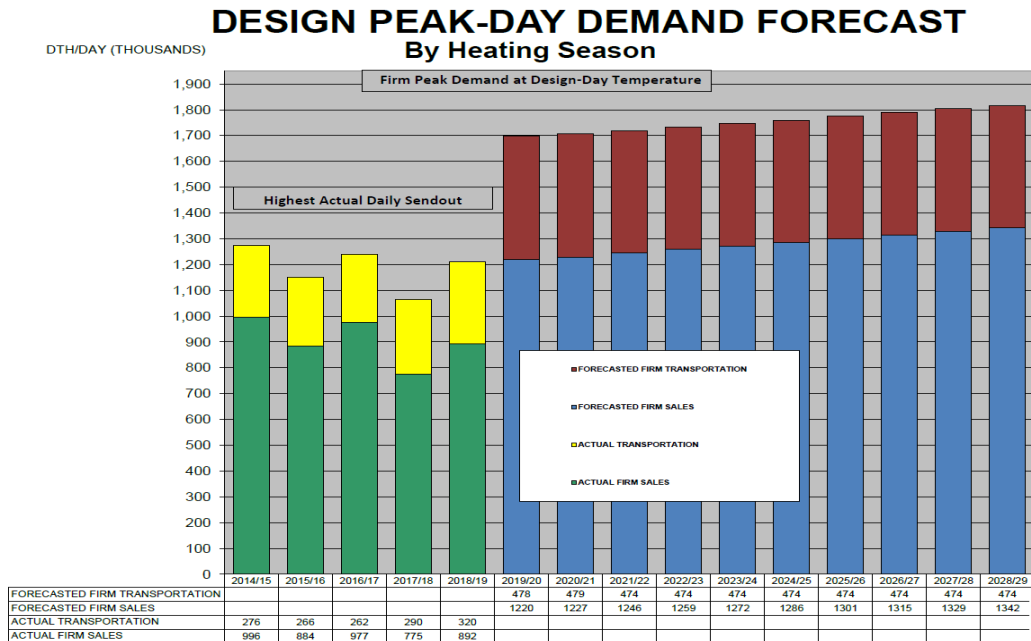
- February 20, 2019 – Technical Conference
  - IRP Standards and Guidelines
  - Review of 2018 Order
  - Proposed 2019 IRP Outline
  - Renewable Natural Gas Update
  - Wexpro Well Freeze-offs
- April 2, 2019 – Technical Conference
  - Heating Season Review
  - Long Term Planning
  - Normal Heating Degree Days Update
  - Rural Expansion
  - Rate Case Preview

# 2019 IRP Workshops

- April 25, 2019 – Technical Conference
  - RFP Recommendations (Confidential)
  - Supply Reliability Results (Confidential)
- May 29, 2019 – Technical Conference
  - Wexpro Matters (Confidential)
  - Integrity Management Update
- June 20, 2019 – Technical Conference
  - Presentation of Integrated Resource Plan

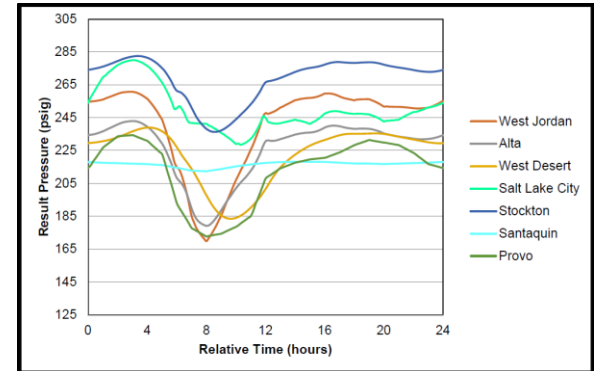
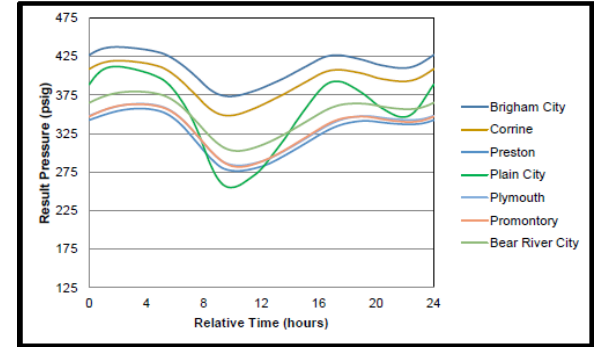
# 2019-2020 Customer and Gas Demand Forecast

- Design-day firm sales demand = 1.220 MMDth



# 2019-2020 System Capabilities and Constraints

- Distribution system meets current design-day needs
  - Feeder line systems have adequate capacity to meet average-daily and peak-hourly demands
  - Supply contracts are adequate
- Projects have been identified to address constraints and concerns
  - Increasing demand and limited supply in the Northern and Central Regions
  - Low pressures at the endpoint of FL 51 near Plain City
  - Trending pressures in Fort Duchesne
  - Demand growth in the Southern HP System
  - Station capacity of the Saratoga Tap



# 2019-2020 Distribution System Action Plan

- High Pressure Projects:

Year	Project	Estimated Cost	Revenue Requirement
2019	FL43 Ext, Ioka, Utah	\$1,500,000	\$149,000
	Flyer Way HP Regulator Station	\$6,400,000	\$634,000
	New Utah State Prison Extension	\$2,862,000	\$283,000
2020	FL55 Extension	\$2,400,000	\$238,000
	TG0007 District Regulator Station	\$9,300,000	\$921,000
	Rose Park Gate Station	\$15,800,000	\$1,565,000
	St George Reinforcement Tie	\$21,000,000	\$2,080,000
	Syracuse District Regulator Station	\$5,200,000	\$515,000
	LG0012 District Regulator Station	\$4,800,000	\$475,000
2021	American Fork District Regulator Station	\$3,000,000	\$297,000
	TG0005 Saratoga KR Gate Station	\$2,000,000	\$198,000
2021-2022	Central 20-in Loop (Phase 1)	\$32,813,000	\$3,250,000
2022	White Dome District Regulator Station	TBD	TBD
2023	Bluffdale District Regulator Station	TBD	TBD
2024-2025	Central 20-in Loop (Phase 2)	TBD	TBD
2027-2028	Central 20-in Loop (Phase 3)	TBD	TBD

# 2019-2020 Distribution System Action Plan

- Proposed Plant Projects
  - On-System LNG Facility
- Intermediate High Pressure Projects
  - Belt Main Replacement Program
  - Aging Infrastructure Replacement (Not Included in the Infrastructure Rate Adjustment Tracker)
- Rural Expansion
  - Utah's 2017 legislative session, lawmakers amended Utah Code Ann. §§ 54-17-401, 402, and 403 to encourage expansion of natural gas service to rural communities
  - Evaluating the feasibility of expanding to several interested communities including:
    - Green River
    - Eureka
    - Kanab
    - Rockville/Springdale
  - Will complete its analysis in the coming months
  - Anticipates seeking Commission approval for an expansion project in the fourth quarter of 2019

# 2019-2020 Integrity Management

	2019	2020	2021
Transmission Integrity Management Program	8,014	9,303	8,298
Distribution Integrity Management Program	2,483	1,689	1,689
<b>Total Integrity Management Cost (\$ Thousands)</b>	<b>10,497</b>	<b>10,992</b>	<b>9,987</b>

Year	HCA Miles Assessed	Anomalies Repaired
2012	26.470	28
2013	50.367	27
2014	54.555	20
2015	11.040	2
2016	37.226	4
2017	12.935	8
2018	30.212	9

- Mega Rule
  - PHMSA anticipates the first rule making will be published summer 2019
- Plastic Pipe Rule
  - PHMSA final rule on November 11, 2018 with an effective date of January 22, 2019
- Valve Installation and Minimum Rupture Detection Standards Rule
  - PHMSA issued its latest update on November 16, 2018
  - Planned to publish this rule as a notice of proposed rule making (NPRM) in January 2019
  - To date the NPRM has not been published.



# 2019-2020 Environmental Review

- DEU is committed to compliance with environmental laws and regulations
  - National Environmental Policy Act, the Endangered Species Act, the Clean Air Act, the Clean Water Act, the Toxic Substance Control Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Emergency Planning and Community Right to Know Act, the Oil Pollution Act, and the National Historic Preservation Act
  - Similar state and local laws that can be more strict than their federal counterparts
- Conservation efforts will continue to have a positive environmental impact
  - Estimated annual savings of more than 6 MMDth of natural gas from 2007 to 2017
    - Equivalent of about 318,000 metric tons of CO<sub>2</sub>e or 67,541 passenger vehicles each driven for one year (calculated using EPA's GHG equivalencies calculator)
  - Lifetime savings attributable to the ThermWise® program totals more than 3.4 million tons of CO<sub>2</sub>e
    - Equivalent of about 74,300 passenger vehicles each driven for one year

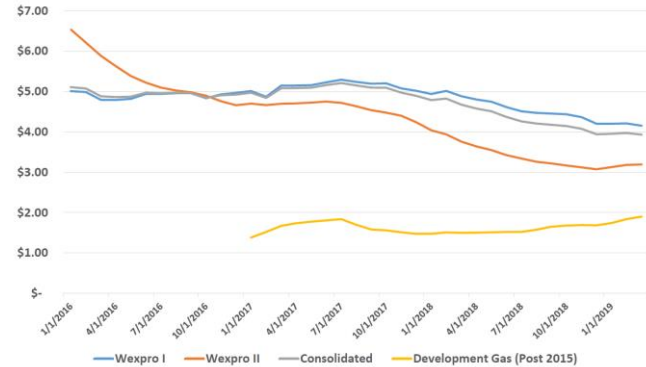
## 2019-2020 Purchased Gas

- Balanced portfolio of gas purchases of approximately 56.7 MMDth
- Historical heating season pricing:

NPC FOM Index Price per Dth – Heating Season			
Month	2017-2018	2018-2019	Difference
Nov	\$2.63	\$3.23	\$0.60
Dec	\$2.73	\$5.70	\$2.97
Jan	\$2.50	\$4.22	\$1.72
Feb	\$2.80	\$3.38	\$0.58
Mar	\$2.17	\$3.77	\$1.60
Average	<b>\$2.57</b>	<b>\$4.06</b>	<b>\$1.49</b>

# 2019-2020 Cost-of-Service Gas

- Level of production
  - 65.9 MMDth (56% of forecasted demand)
  - Cost-of-service continuing to decline



- Drilling Plans
  - For calendar year 2019, Wexpro plans on completing to production 4.8 net wells
    - Drilling activity through the end of 2019 is expected to focus in the Mesa/Pinedale area
    - No planned Wexpro II drilling
  - 2020 through 2024, the total planned net wells 14, 21, 19, 19, and 19 respectively

# 2019-2020 Gathering, Transportation, and Storage

- Transportation Capacity
  - Contracted capacity is adequate to meet design-day demands
    - Kern River Gas Transmission contract rates reduced due to FERC rate case settlement
- Firm Peaking Services
  - Firm Peaking Services offered by both KRGT and DEQP are currently the most cost-effective and reliable solution to meet peak-hour demand
  - DEU has adequate contracts in place to cover its peak hour needs during the 2019-2020 IRP year
  - In 2019, DEU will again review available options for meeting peak-hour demand requirements

# 2019-2020 Supply Reliability

- Supply reliability resources
  - In 2019, DEU conducted an RFP for potential supply reliability resources
  - An LNG facility has been proposed as the lowest-cost and most reliable resource
  - A FEED study has been completed
  - Filed for review of a Voluntary Resource Decision in Docket 19-057-13



# 2019-2020 Sustainability

*“Dominion Energy is fully committed to meeting its customers’ energy needs in an environmentally responsible and proactive manner. It is our duty to protect natural and cultural resources – and a good business practice. We aim to do what’s right for the communities we serve by meeting or going beyond basic obligations to comply with applicable environmental laws and regulations.”*

- Sustainability Programs and Initiatives
  - Methane Reduction Program
  - Clean Water Initiatives
  - Sustainability Legislation
  - Renewable Natural Gas Programs

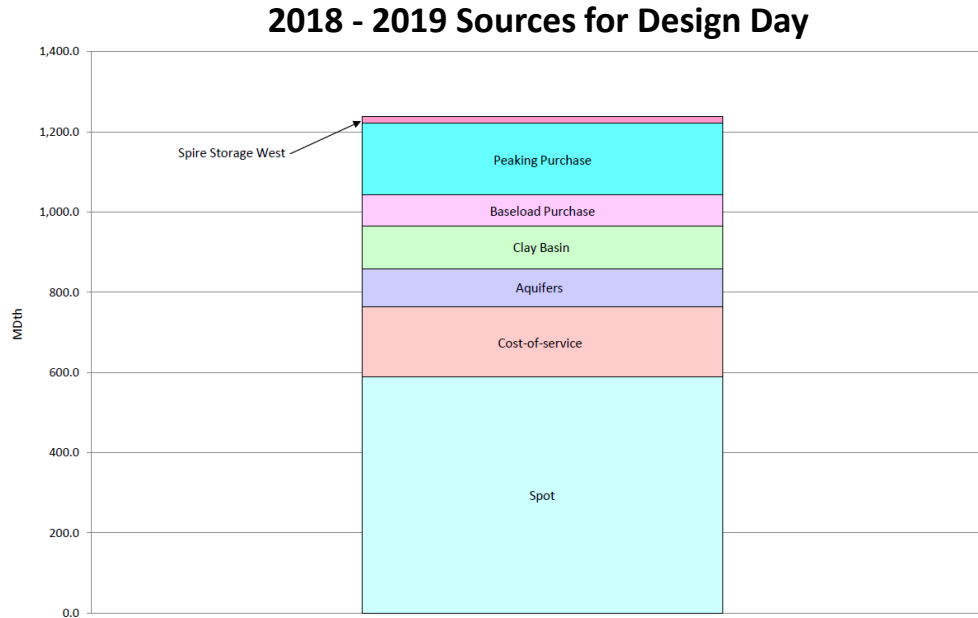
# 2018-2019 Energy Efficiency Programs

- Company should continue to promote cost-effective energy efficiency programs



# 2018-2019 Model Results

- Plan includes adequate supplies to meet design-day demand





# Questions?

