



January 26, 2021

Chris Parker
Utah Division of Public Utilities
Heber M. Wells Building, 4th Floor
P. O. Box 146751
Salt Lake City, UT 84114-6751

Re: Replacement Infrastructure Annual Plan and Budget, Fourth Quarter Variance Report
Docket No. 19-057-30

Dear Chris,

Questar Gas Company dba Dominion Energy (Dominion Energy or the Company) respectfully submits this report and its accompanying exhibit to the Utah Division of Public Utilities (Division) in accordance with the Report and Order issued February 21, 2014 in Docket No. 13-057-05 (Order). In the Order, the Utah Public Service Commission (Commission) approved a Partial Settlement Stipulation (attached to the Order as Appendix A). Paragraph 22(C) of the Partial Settlement Stipulation indicates that the Company will file quarterly variance reports showing the actual expenditures in the infrastructure replacement program, as compared to the budget, and describing any material variances from the most current replacement schedule.

On March 31, 2020, Dominion Energy submitted an adjusted Replacement Infrastructure Annual Plan and Budget in Docket No. 19-057-30 (2020 Budget) replacement plan to the Commission. The 2020 Budget included a budget for high pressure feeder line (HP) and intermediate high-pressure belt main (IHP) replacement projects during 2020.

The attached Exhibit 1 provides budgeted amounts for both HP and IHP projects to be replaced in 2020, as well as the amount spent for each replacement project through December 31, 2020. Column B of Exhibit 1 shows the budget by project. Column C shows the costs through the fourth quarter. Column D shows the variance for 2020 for each of these projects. Some of the information contained in DEU Confidential Exhibit 1 is Confidential and subject to protection pursuant to Utah Admin. Code §R746-1-601 *et. seq.* As shown on row 10 of Exhibit 1, the Company spent \$73.4 million on infrastructure replacement projects in 2020, which is \$1.2 million over the budgeted amount. This overspend was largely due to unusually mild winter weather this year which led to increased productivity in the Company's construction efforts late into the year.

The Company notes that the Commission approved a method to treat such an overspend in its Report and Order in Docket No. 19-057-02, page 11. In accordance with this Order, when the Company files its next infrastructure replacement surcharge application in 2021 the Company will reduce the investment balance used in its rate base calculation by the \$1.2 million overspend amount that occurred in 2021.

The Company will continue to provide quarterly feederline progress updates on an ongoing basis. If you or your staff has additional questions concerning these reports, please contact me.

Sincerely,

/s/ Kelly Mendenhall
Kelly Mendenhall
Director
Regulatory and Pricing

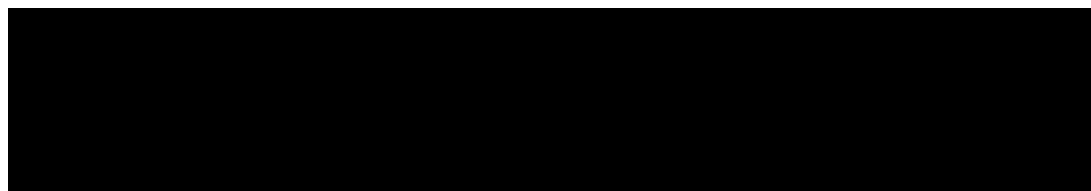
cc: Public Service Commission
Office of Consumer Services

2020 Infrastructure Replacement Budget
For the Fourth Quarter Ending December 31, 2020

A	B	C	D
Feeder Line	2020 Budget	Actual Costs as of December 31, 2020	Variance (Over) / Under
High Pressure			
1 FL23/FL22	\$53,490,000	\$49,833,817	\$3,656,183 1/
2 FL21	\$110,000	-\$207,683	\$317,683 2/*
3 FL43	\$7,985,000	\$14,509,690	(\$6,524,690) 3/
4 FL47	-	\$157,140	(157,140) 4/
5 Total High Pressure	\$61,585,000	\$64,292,964	(\$2,707,964)
Intermediate High Pressure			
6 Salt Lake County Total	\$10,000,000	\$8,226,399	\$1,773,601 3/
7 Davis County Total	\$65,000	-\$39,127	104,127 5/*
8 Total Intermediate High Pressure	\$10,065,000	\$8,187,272	\$1,877,728
9 Pre-engineering (Future Projects)	\$550,000	\$901,646	(\$351,646)
10 Total	\$72,200,000	\$73,381,881	(\$1,181,881) 6/

- 1/ FL23 and FL22 are one continuous line that will be replaced by FL127. Some delays related to property negotiations and wetland watering occurred with FL23/FL22, so the funds were reallocated to FL43.
- 2/ FL21 will be replaced by FL122. FL21 restoration costs incurred in 2020 exceeded expectations.
- 3/ Some delays related to property negotiations and wetland watering occurred with FL23/FL22, so the funds were reallocated to FL43. Additionally, the work on FL43 necessitated that funds from the Salt Lake County IHP budget be reallocated to FL43.
- 4/ The Company anticipated minimal restoration work on FL47 in 2020, a project that was placed into service in 2019. However, there was an adjacent project with different topography and landscape and the Company decided it was best to match the landscape and topography between the two projects as much as possible, which introduced additional cost for FL47 that had not been included in the original 2020 budget.
- 5/ This IHP work in Davis County was in tandem with FL21, which was discussed above.
- 6/ Due to the unusually mild winter weather this year, the Company was able to delay stopping construction, which led to increased productivity in the Company's construction efforts, and explains the \$1.18 million over-spend.

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the 4th Quarter 2020 Infrastructure Tracker Update was served upon the following persons by e-mail on January 26, 2021.

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/s/ Ginger Johnson
