

Dominion Energy®

IRP Technical Conference

Long-Term Planning

Long Term Planning – Historical Growth

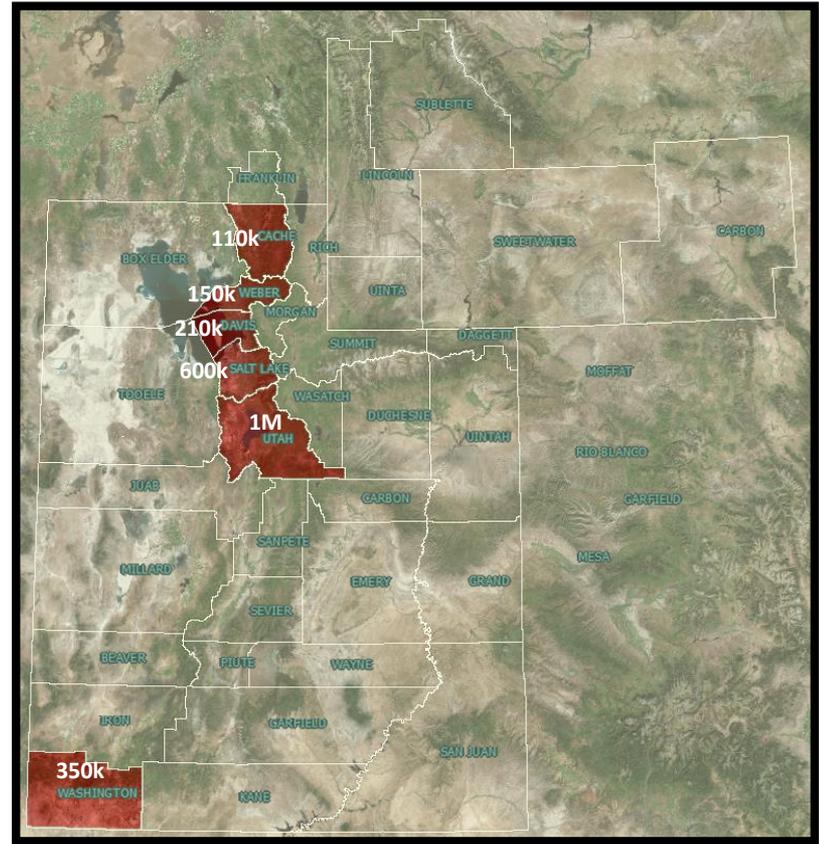
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Peak Day Growth	2.12%	2.51%	1.83%	3.03%	0.64%
Customer Growth	2.15%	2.76%	2.28%	2.60%	2.35%

Average growth of ~2% for demand and customer count

Projected Population Growth

Kem C. Gardner Policy Institute Population Change

Top 6 counties with 50 year absolute population increases shown

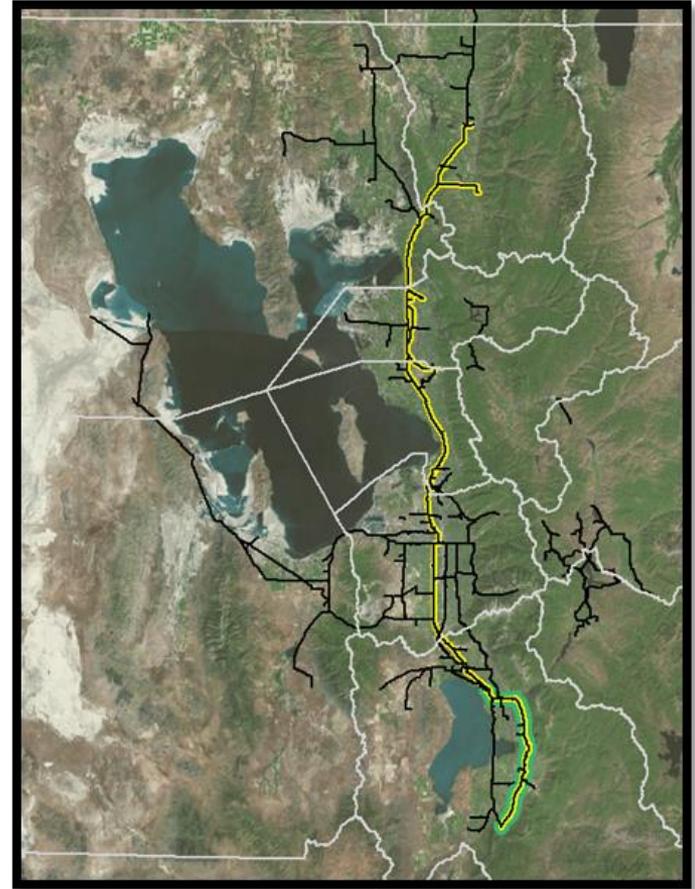


720 psig Corridor

Demand growth will drive projects and require reinforcements

Aging infrastructure will be replaced which still comprises a significant portion of the system

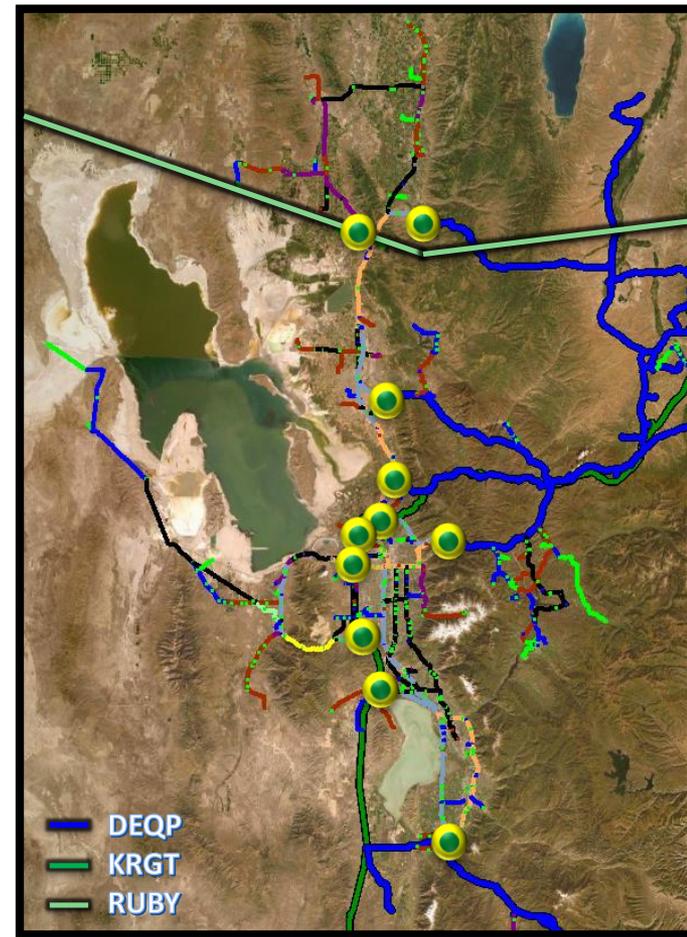
The 720 psig corridor will continue to extend from Payson to Hyrum



Future Transportation Capacity

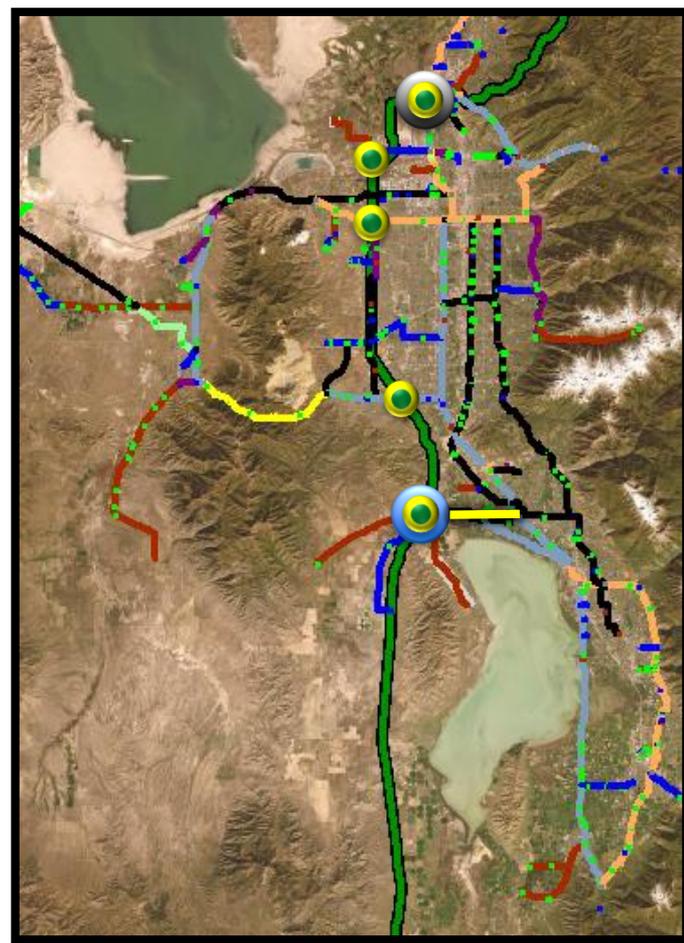
In the long-term, the Company will require investment in upstream pipeline systems to increase capacity to the Wasatch Front.

The Company is considering constructing a new Ruby Pipeline gate station near Brigham City.



Saratoga Tap to Central

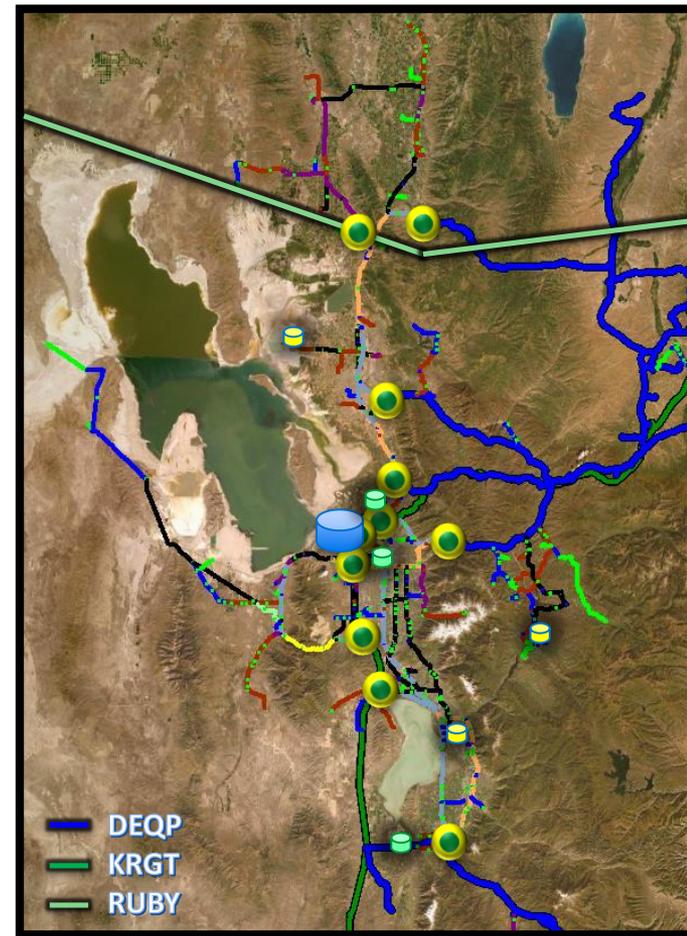
First, the Company is considering increasing the size of FL85, that runs from the Saratoga KRGT gate station to the Central HP system, to increase supply. Doing so will increase the takeaway capacity downstream of the KRGT gate station at Saratoga Springs and will increase flows to the central HP system.



Modular LNG Sites and RNG

The Company is considering constructing modular LNG sites throughout its system.

The Company is also considering constructing RNG sites as possible supply resources that would both provide renewable natural gas on the Company's system, and could address system concerns as well.



Distribution Action Plan

2020-2021 Distribution System Action Plan

- High Pressure Projects:

Year	Project	Estimated Cost	Revenue Requirement
2020	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
	New Utah State Prison Extension	\$2,862,000	\$331,992
2021	TG0005 Saratoga KR Gate Station	\$2,000,000	\$198,000
	RE0027 FL 26 HP Regulator Station	\$2,500,000	\$290,000
	LG0012 District Regulator Station	\$4,800,000	\$475,000
	FL55 Extension	\$2,400,000	\$238,000
2022	Central 20-in Loop (Phase 1)	\$32,813,000	\$3,250,000
	White Dome District Regulator Station	TBD	TBD
	American Fork District Regulator Station	\$3,000,000	\$297,000
	SY0002 Syracuse District Regulator Station	\$5,200,000	\$515,000
2022/2023	Jamestown, W Y 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

2020-2021 Distribution Action Plan

- Plant Projects
 - On-System LNG
 - EPC contract to be awarded on May 15, 2020
- Intermediate-High Pressure Projects
 - Belt Main Replacement Program
 - Aging Infrastructure Replacement (Not included in the Infrastructure Rate Adjustment Tracker)
- Transponder Replacement Program
 - To be complete by end of September 2020

Rural Expansion

Legislation Summary – HB422 (2018)

- “In a decision relating to a request for approval of rural gas infrastructure development, the Commission may determine that spreading all or a portion of the costs of the rural gas infrastructure development to the larger customer base is in the public interest.”
- “...Commission may approve the inclusion of rural gas infrastructure development costs within the gas corporation’s base rates if:
 - Inclusion of those costs will not increase the base distribution non-gas revenue requirement by more than **2%** in any three-year period **\$69.5 million**
 - The distribution non-gas revenue requirement increase related to the infrastructure development costs under Subsection (1)(c)(i) does not exceed **5%** in the aggregate; and **\$173.8 million**
 - The applicable distribution non-gas revenue requirement is the annual revenue requirement determined in the gas corporation’s most recent rate case.”

Calculation of Spending Caps

- DNG from most recent general rate case \$391,436,970
- 2% of DNG = \$7,828,739
- 5% of DNG = \$19,571,848
- Used tracker model to add investment

	2% cap	5% cap
	Mains Revenue Requirement	Mains Revenue Requirement
Total Net Investment	\$69,523,201	\$173,808,007
Less: Amount currently in rates	\$0	\$0
Replacement Infrastructure in Tracker	\$69,523,201	\$173,808,007
Less: Accumulated Depreciation	(\$894,532)	(\$2,236,330)
Accumulated Deferred Income Tax	(4,401,528)	(11,003,821)
Net Rate Base	\$64,227,141	\$160,567,856
Current Commission-Allowed Pre-Tax Rate of Return	8.90%	8.90%
Allowed Pre-Tax Return (Line 6 x Line 7)	\$5,716,216	\$14,290,539
Plus: Net Depreciation Expense	\$1,341,798	\$3,354,495
Net Taxes Other Than Income (1.2% x Line 6)	\$770,726	\$1,926,814
Total Revenue Requirement	\$7,828,739	\$19,571,848
Adjustment for Interruptible Penalty	\$0	\$0
Remaining Revenue Requirement	\$7,828,739	\$19,571,848
Previous Revenue Requirement	\$0	\$0
Incremental Revenue Requirement	\$7,828,739	\$19,571,848

Rural Utah Expansion Allowed Spend Example

Year 1	Year 2	Year 3	Year 4	Year 5
\$30	\$10	\$29.5	\$30	\$10
\$69.5M spent years 1-3				
	\$69.5M spent years 2-4			
		\$69.5M spent years 3-5		

Total spent years 1-5 = \$109.5 million

Total allowed at current revenue requirement: \$173.8 million

Remaining that may be spent in future years \$64.3 million

Legislation Summary – HB 129 (2020)

- Definition change only
 - No change to the spending caps
- "Rural gas infrastructure development" means the acquisition, planning, development, extension, expansion, and construction of ~~an extension or expansion of~~ natural gas ~~main lines~~ utility facilities to serve previously unserved rural areas of the state.
- Clarifies what funds can be used for
 - Acquiring existing systems to feed new communities
 - LNG system might be more cost-effective than a main line extension
 - Including all infrastructure costs in program could increase participation in new communities

Currently in progress

- Green River
 - Analyzing costs
 - Regulatory (FERC) implications of owning a gathering line that feeds Green River and an interstate pipeline
 - Complications with existing owners and contracts
 - Meeting with city officials and gauging interest from residents and businesses
- Genola/Goshen
 - Verbal interest due to Eureka project, no official response from cities
- Willing to look at other opportunities
- Future communities will be presented to regulators as they get closer

Questions?