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To: Public Service Commission of Utah

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Date: October 1, 2021

Re: **Docket No. 21-057-01,** Dominion Energy Utah's Integrated Resource Plan (IRP) for Plan Year: June 1, 2021to May 31, 2022

Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge the Integrated Resource Plan (IRP) filed by Dominion Energy Utah (Dominion or Company) as this IRP generally complies with the 2009 Standards and Guidelines.

Issue

The purpose of the IRP filing is to provide regulators with an update of the "process in which known resources are evaluated on a uniform basis, such that customers are provided quality natural gas services at the lowest cost to QGC and its customers consistent with safe and reliable service."[1]

While the Commission has made it clear that "Acknowledgement of an acceptable [IRP] Plan will not guarantee favorable ratemaking treatment of future resource acquisitions" (Docket No. 91-57-09), the Division uses the IRP as one tool among many to help evaluate the reasonableness of Dominion's business and regulatory plans for the coming year and beyond. Therefore, it is important that the IRP not simply adhere to the Standards and Guidelines set forth by the Commission but that it also provide regulators some measure of comfort that Dominion is making reasoned forward-looking choices.

Background

On March 31, 2009, the Commission issued its Report and Order on Standards and Guidelines for Dominion (Order) requiring it to file its 2009 IRP in accordance with the December 14, 2007, Report and Order.[2] Dominion was also ordered to file future IRPs, in compliance with new IRP standards and guidelines attached to the March 31, 2009, Order. On March 22, 2010, the Commission issued its Clarification Order[3] where it made several findings clarifying its expectations of some of the 2009 IRP Standards.

It its order on November 19, 2018, the Commission found that future IRPs should also provide complete information rather than incorporating information by reference. It also addressed the handling of confidential information and directed Dominion to convene a stakeholder meeting to

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[1] Proposed IRP Guidelines for Questar Gas Company, Docket No. 97-057-06, p. 1.

[2] In the Matter of the Revision of Questar Gas Company's Integrated Resource Planning Standards and Guidelines, Report and Order on Standards and Guidelines for Questar Gas Company, Docket No. 08-057-02, March 31, 2009. It is assumed that the order referenced on page 20 as the "December 17, 2007, Report and Order" is in fact the "December 14, 2007, Report and Order."

[3] In the Matter of Questar Gas Company's Integrated Resource Plan for Plan Year: May 1, 2009 to April 30,2010, Report and Order, Docket No. 09-057-07, Issued: March 22, 2010.

"address the OCS's concerns regarding the insufficiency of certain information," which it has done.

On January 16, 2020, the Commission issued its Report and Order on the 2019-2020 IRP finding that "the 2019 IRP, as filed, generally complies with the requirements of the 2009 Standards and Guidelines." The Commission adopted Dominion's commitment to include an additional subsection in the "System Capacity and Constraints section, labeled "Long-Term Planning," which will "provide an outline of demand growth trends along with any known future projects beyond the scope of the DNG Action Plan." The Commission also adopted Dominion's commitments to provide information related to sustainability goals, STEP initiatives, and expansion in rural areas. The Commission ordered Dominion to "convene a stakeholder meeting as early as practicable prior to DEU's filing of the 2020 IRP to discuss concerns regarding the sufficiency of information in the IRP." On March 10, 2020, representatives from Dominion, the Division, and the Office of Consumer Services (Office) met and discussed these issues.

In its 2020 IRP Order dated January 5, 2021, the Commission noted that "DEU agrees to provide additional details on any relevant changes that impact costs in its quarterly variance reports."[4] It also adopted Dominion's commitments to: 1) include an additional subsection labeled "Supply Reliability" in future IRPs, which will include updates on the operation of the LNG facility and discuss any other concerns regarding supply reliability; 2) provide pandemic-related updates in the quarterly variance reports going forward; 3) provide additional details when management overrides the SENDOUT model recommendations in future variance reports; 4) provide additional details in the Long-Term Planning and Sustainability Sections of future IRPs; and 5) include summaries of stakeholder meetings in future IRPs and IRP-related technical conferences.

On January 7, 2021 Dominion filed its Notice of Intent to File IRP and Request for Scheduling Order and Notice of Technical Conferences. The specified Technical Conferences were held and on June 14, 2021, it filed its IRP for the plan year June 1, 2021 to May 31, 2022. On July 8,

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[4] In the Matter of Questar Gas Company's Integrated Resource Plan for Plan Year: June 1, 2020, to May 31, 2021, Order, Docket No. 20-057-02, Issued: January 5, 2021.

2021, the Commission issued its Scheduling Order stating that comments are due by September 15, 2021, with reply comments due October 27, 2021.

On September 10, 2021, Dominion filed a Motion to Suspend the Commission's July 8, 2021, Scheduling Order and requested the Commission allow for an additional Technical Conference and modify the deadline for comments. Dominion stated that it met with the Division and Office "on several occasions between February 2021 and August 2021 to discuss options for price stabilization measures it may want to use during the 2021-2022 IRP year. Dominion made its selection of the responses to its RFP for fixed price supply contracts. Dominion asked for the Technical Conference to "update the Commission as to its price-stabilization activities" and recognized that parties may need more time for comments as a result of this late-filed information.

On September 14, 2021, Dominion filed its Submission for Supplemental Information where it referenced discussions it had with regulators regarding both long term options and this heating season as it attempts to stabilize gas prices during the winter heating season. Of the options available to it, Dominion chose to pursue fixed price options. The result of that decision is that Dominion will hedge an additional 80,000 dth/day for December, January and February in the upcoming winter heating season using these additional fixed price contacts.

Also on September 14, 2021, the Commission issued its Order Granting the Motion, Amended the Scheduling Order, and issued a Notice of Virtual Technical Conference and set September 22, 2021, as the date for the requested Technical Conference. Comments from parties were extended to October 1, 2021, and October 27, 2021, was ordered as the new due date for reply comments. This memorandum represents the Division's comments.

Discussion

This current IRP has 16 sections including the Glossary and Executive Summary. The Division's comments will focus on three areas, namely: 1) comments on whether Dominion fulfilled its commitments as required in the Commission's 2020 IRP order referenced above; 2) comments on certain topics discussed in the current IRP; and 3) the supplemental information filed in September 2021. The Division's comments will not address every issue or section of the current IRP, rather it will address only those items of primary interest.

ADOPTED COMMITMENTS FROM THE 2020 IRP

The Division reviewed Dominion's 2021 IRP to determine if the Company adhered to its commitments found in the 2020 report and order. The following are the commitments and the corresponding section in the current IRP where Dominion included the required information.

> 1) "[I]nclude an additional subsection labeled "Supply Reliability" in future IRPs, which will include updates on the operation of the LNG facility and discuss any other concerns regarding supply reliability"[5]; This is found in section 11, labeled Supply Reliability.
>
> 2) "[P]rovide pandemic-related updates in the quarterly variance reports going forward"[6]; These were found in sections 3-1 of Customer and Gas Demand Forecast – Effects of Covid-19, also in section 9-6 in Cost-of-Service Gas Production Shut-Ins, and in Section 13-4 and 13-11 Energy Efficiency Programs, Utah Thermwise Home Energy Plan, and there may be other references to the pandemic not noted here.
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> 3) "[P]rovide additional details when management overrides the SENDOUT model recommendations in future variance reports"[7]; This was mentioned in Section 2-8 of the Industry Overview and 9-6 of Cost-of-Service section, and 15-1 General IRP Guidelines. However, even though overriding the model was mentioned, the Division did not find "additional details when management overrides the SENDOUT model" as required.

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[5] In the Matter of Questar Gas Company's Integrated Resource Plan for Plan Year: June 1, 2020, to May 31, 2021, Order, Docket No. 20-057-02, Issued: January 5, 2021. Page 10

[6] Id

[7] Id

4) "[P]rovide additional details in the Long-Term Planning and Sustainability Sections of future IRPs"[8]; Section 4-12 addresses to Long-Term planning; The 2020 and 2021 are nearly identical except for this paragraph "The Company is also working towards a sustainable future through a hydrogen pilot program which looks at the benefits of blending hydrogen with natural gas. The hydrogen pilot program is discussed in further detail in the Sustainability section of this report." The Division does not consider this substantial "additional details." While the addition of a paragraph may technically fulfill the non-defined "additional details," it is not substantially beneficial to stakeholders as it provides no further details nor clarifying information.

5) "[I]nclude summaries of stakeholder meetings in future IRPs and IRP-related technical conferences"[9]; These summaries were included in section 2-8 through 2-10 in the Industry Overview.

Except for the Division's interpretation of the term "more information" in the Long-Term Planning section (number 4 above), and the lack of detail provided when Dominion overrides the SENDOUT model (number 3 above), Dominion has substantially fulfilled its commitments and Commission order to include the above listed information in its 2021 IRP.

<u>REFERENCING CERTAIN SECTIONS IN THE CURRENT IRP</u>

SECTION 3 - CUSTOMER AND GAS DEMAND FORECAST

In last year's forecast it was uncertain what affects the COVID-19 pandemic was introducing and how its effects would unfold among the customer base. With no similar historical event to base any analysis or forecasting considerations on, Dominion was challenged with a wide uncertainty in the scope of its forecast. The Company states that it is still uncertain about the future impacts

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[8] Id

[9]Id

of this pandemic. This year's forecast at least incorporates some time and exposure to have measured some of the impacts and a certain amount of understanding of some of the immediate effects. For example, there is a minimal decline in the commercial and industrial sector usage range between 2-5%. The average usage among the GS commercial customers dropped by over 20 Dth, the average usage among the residential class declined by about 1 Dth (weather normalized). Dominion still anticipates the commercial and industrial usage to return to pre-pandemic levels in 2021.

Greater than the anticipated decline in usage was the pandemic's surprising effect on customer growth (or more correctly, lack of effect on customer growth). Dominion anticipated residential construction and customer growth to subside, yet it saw its largest number of new customer additions since before the 2008 recession. Last year it had more than 1,090,000 customers, which grew by 30,000 in 2020 to more than 1,120,000 customers currently. At this time, 2021 is showing signs of similarly high new customer activity and Dominion anticipates this surge will continue through its IRP year and continue for the next couple of years. This strong growth offsets per customer usage declines and has prompted Dominion to raise its demand forecasts into the future.

Gas Lost and Unaccounted For

In this section Dominion makes the statement "Gas that is lost and unaccounted for is chiefly a measurement and gas accounting issue. Nevertheless, some gas is physically lost through leaks, theft, and damage to the Company's pipe by third parties." This second statement gives the impression that gas is only physically lost through the actions of third parties. That is not completely accurate. While it is true that most of the gas lost by damaging the distribution system is caused by third parties, first and second parties should not be ignored. First and second party damages and other activities cause gas loss in the distribution system and should be accounted for as well in IRP filings.

Design Peak-Day Demand Forecast by Heating Season

Exhibit 3-9 shows a graphical representation of the difference between the Highest Actual Daily SENDOUT as compared to the Firm Peak Demand at Design-Day Temperature. This bar graph compares the estimated peak-day usage, to the actual highest day usage for each year. On an overall basis, there is roughly a 30% cushion between the highest use and the estimated peak day. This equates to a margin of security when the Company uses Design-Day in modeling, designing its system and making other decisions. The Division has raised this issue previously in IRP comments, the second LNG docket[10], and the Peak Hour docket[11] and is still concerned about how it is used and its relevant practical applicability.

SECTION 4 - SYSTEM CAPABILITIES AND CONSTRAINTS

Last year Dominion operations grew its system some 464 miles from approximately 20,189 miles to 20,653. With the increase, the system has some new operating dynamics with new delivery capabilities. However, several system constraints remain ongoing and outstanding among projects addressed in this IRP. Following discussions with Dominion, the Division finds the planning schedule of these projects to be relatively accurate and consistent when considering the unknown conditions and influences as of the date when this IRP was filed.

System Supply Analysis and Joint Operating Agreement

This section is where Dominion describes how it works very closely with its sister company (DEQP) to "ensure that the Company receives adequate inlet pressures." In last year's IRP Comments, the Division stated that "Recently DEQP was sold as part of an asset sale of Dominion Corporation to a division of Berkshire Hathaway. The sale is subject to regulatory

[10] In the Matter of the Request of Dominion Energy Utah for Approval of a Voluntary Resource Decision to Construct an LNG Facility, 19-057-13, Surrebuttal Testimony of Douglas D. Wheelwright

[11] In The Matter of the Application of Questar Gas Company to Make Tariff Modifications to Charge Transportation Customers for Peak Hour Services, 17-057-09, Direct Testimony of Douglas D. Wheelwright

approval and is expected to close in the fourth quarter of this year." The sale was not completed. Dominion indicates it is actively seeking a new buyer.

Ongoing and Future System Analysis Projects

Under the section entitled "Master Planning Models" Dominion states that it "creates gas network analysis (GNA) master planning models to more accurately predict impacts of system growth. The models are created using global growth projections as well as anticipated growth from specific planned developments in each area. The benefit of using this data is that "the resulting system pressures will reflect the impact of the specific growth centers and provide improved projections of system impacts during a peak event." The result of this analysis and the corresponding results are not clearly shown in the IRP and they should be.

Interruption Analysis

This section states that "The Company performs an interruption analysis on an annual basis." Dominion explained to the Division that this analysis divides its system into zones with High Pressure (HP) and Intermediate High Pressure (IHP) areas. The zones are then effectually analyzed by posing the question, "if these customers are using their full contract amount, how cold does it have to get before we need to interrupt?" The results (or perhaps a summary) of this analysis should be provided in the IRP.

Gate Station Flows vs. Capacity

In this section Dominion claims that it "completes a capacity study each year for each of the gate stations on the system." The Division asked Dominion to provide the results of this study. Dominion explained that it is not so much a study since there is no final product or report generated, rather it is an informal process performed as part of the Joint Operating Agreement (JOA) work. Thus, it may be an overstatement to refer to it as a study. The Division recommends that this be verified as regulators and Dominion collaborate on incorporating the results of this study or process into the IRP, if applicable.

Also, regarding the Gate Station Flows vs. Capacity. Table 4:1 lists the Gate Stations nearing capacity. The Division checked to determine if this list contains (roughly) the same names over the past few years. The recent lists are similar, as expected. Additionally, these replacements, although connected to the HP system, are not part of the Infrastructure Tracker program and, as such, the costs are recovered as part of regular rate base. The Company may want to include an estimate of when specific gate stations may need to be replaced or improved in future IRP filings.

Long-Term Planning

As a result of the information provided in this section, the Division asked Dominion several questions regarding cost/benefit analysis, plans, studies, etc. of each of the projects listed. According to Dominion, none of these items mentioned have any analysis performed as they are past the three-year threshold Dominion uses as a starting point for any such analysis.

SECTION 5 - DISTRIBUTION SYSTEM ACTION PLAN

The Division inquired regarding Dominion's several projects for 2020. As suspected, this is a typographical error and should have referenced the projects scheduled for 2021 and beyond, not 2020.

High Pressure Projects

Included in this section are the total number of high-pressure projects, which increased from twelve to fourteen. Similarly, this includes three Feeder Line Projects, all of which are new this year. Some of these projects were re-prioritized on the completion schedule, but all are accounted for before year 2029. Also, it is not surprising that Dominion's Southern system (around St. George), which has been one of the fastest growing areas in its service territory, continues to expand. Dominion now plans to construct FL135 to help handle the growing demand in this area.

In this section, Station Projects #4 explains that Dominion is going to replace the North Temple Regulator station. The Division questioned the need for replacing the station, rather than the more cost-effective option of increasing the capacity of the station. Dominion stated that it chose to replace rather than up-size the station's capacity due to the re-routed HP line which closer to 600 North.

Rural Expansion

This section addresses three expansion projects that are currently in progress: the Eureka expansion project, which is now in the construction phase; the Goshen/Elberta expansion project, which was recently approved; and the Green River expansion project, which is currently before the Commission. All three expansion projects are designed to extend the Company's service area into rural areas and grow its service territory. The expansion is encouraged as part of HB422 the Utah State Legislature passed in 2018 to encourage and incentivize the extension of gas service to rural areas. The Division noticed that the section concerning the Green River expansion had different PEMC/Dominion pipe distances when compared to the application, 21-057-12. The length of the PEMC pipeline mileage and the amount of pipeline Dominion planned to construct were reversed. The Company said that the application has the correct mileages.

SECTION 6 - INTEGRITY MANAGEMENT

Safety of Gas Transmission and Gathering Line (Mega Rule)

Dominion states that it has adopted industry best practices for transmission pipelines that align with the direction and intent of PHMSA's current and proposed Mega Rule requirements. Dominion's first-time assessment under the Mega Rule was completed in 2020 with what it called "favorable results." Dominion estimates that it will be able to keep average year-over-year costs level as it adheres to the Mega Rule.

Key Performance Metrics

Table 6.2 shows the amount of High Consequence Area (HCA) miles assessed each year for the past several years. The Division asked Dominion why that number changed so much year-to-year. In response, the Company explained that it inspects and assesses a similar number of miles each year (as the Division expected), but that the HCA miles are the only ones shown in the IRP. The Division further inquired why Dominion chose to only provide the HCA miles. The explanation was that it did not choose to, rather regulators recommended to include this information. As a result of this discussion, the Division does not see how this information, in isolation, is beneficial to interested parties. Rather the Division recommends that the Total Miles Assessed be included with a subset, if desirable, of HCA miles. This will give the Division (and perhaps others) some comfort that Dominion is keeping up a robust inspection and assessment program on its system.

SECTION 7– ENVIRONMENTAL REVIEW

Paragraph 4 of section 7-2 states, "As such the Company has formalized its ongoing commitment to environmental justice by adopting a corporate policy establishing the framework whereby specific environmental justice considerations and increased public outreach is incorporated early in project planning." To gain clarification as to the practical meaning of this sentence, the Division spoke with Dominion. The Division understands that, in essence, Dominion has a practice where it reaches out to the economically weaker industry sections including minority groups of the society to help “create a meaningful involvement and fair treatment for all people” as it “embraces the tenents of environmental justice”, although these “tenents” are unexplained at this point.

SECTION 9 - COST OF SERVICE GAS

Cost-of-Service Modeling Factors

In this section Dominion stated,

> "The Utah Commission, in its Report and Order issued October 22, 2013, concerning the Company's 2013 IRP, required the Company to provide a scenario analysis in future IRPs. The IRPs should contain an analysis consisting of the results from multiple SENDOUT modeling scenarios. These scenarios should include varying percentages of cost-of-service gas with varying levels of Company demand (e.g., low, normal, and high). For each scenario, the Company should provide expected management actions, such as projected well shut-ins. Scenario results should include the impacts of those management actions on overall costs. The requested scenario analysis is included at the end of the Final Modeling Results section of this IRP."

The Division spoke with Dominion personnel to obtain more clarity on the meaning of that statement. The Company replied that, as a matter of practicality, the effects of "expected management actions" basically means that each week management looks at different variables such as shutting-in wells, well operational issues, etc., and will, on occasion, over-ride the SENDOUT model's recommendation to minimize the long term (20 year) costs to customers. Instances such as these should be disclosed and discussed in the quarterly IRP Variance Reports as well as in future IRP filings.

<u>Production Shut-ins</u>

The Division has continued to promote that "in IRPs where actual shut-ins differ significantly from previous forecasts, that Dominion provide detail of the benefits and costs of doing so." On page 9-6 through 9-7 it states: "The SENDOUT model will choose to shut in the production when it determines this is the most optimal solution considering gas costs, storage availability, and demand. Dominion shut in less than forecasted due to actual prices compared to the IRP modeled price forecast. This coupled with the uncertainty of pricing due to [do] COVID related factors, caused hesitancy by the Company to initiate shut-ins." This statement partially explains the reasons Dominion chose to override the SENDOUT model, but it does not provide information as to how much this "uncertainty" and "hesitancy" cost ratepayers, by keeping higher priced gas coming to the system. This sort of information would be appropriate to include in future IRPs and IRP Variance Reports

SECTION 11 – SUPPLY RELIABILTY

Section 11-2 discusses the LNG facility that is currently under construction and states: "The facility is designed to liquefy natural gas at a rate of 100,000 gallons per day and revaporize it at a rate of 150,000 Dth per day. The LNG storage tank is designed with a net storage capacity of 15,000,000 gallons. All buildings should be erected and complete by March 2022." After further discussion with the Company the completion of this project will more likely be more towards the end of 2022.

SECTION 12 - SUSTAINABILITY

Dominion Energy's Company-Wide Sustainability Commitments

In this section Dominion states that, "Dominion Energy is also working to make all of the natural gas distribution systems "Future Ready." Seeking a definition of this ambiguous term, the Division asked Dominion to define "Future Ready." According to Dominion it means to make its system available to adapt quickly to adopt any advancements in the future technology that are cost effective. How it may do that, what those technologies are, and what it will cost, is still unclear.

Dominion also stated, "it is committed to promoting renewable natural gas" including as much as "4% of throughput by 2040." It claimed that "all of DEUWI's systems will be prepared to receive up to 5 percent hydrogen by 2030." The Division asked Dominion to provide any cost estimates it may have. It said that there are no cost estimates at this time.

Dominion's Methane Reduction Programs

Dominion's first initiative is "Replacing Aging Infrastructure – continuing the ongoing program of replacing parts of DEUWI's aging distribution system." The Division asked Dominion how it calculates that this initiative will reduce methane as compared to its regular pipeline integrity work. Dominion responded that there it has no precise evidence that it will, rather it is a blanket statement that by reducing leaks, Methane reductions will be reduced.

The fourth initiative is to Reduce Third Party Damages. To see the Division's position on this, see its comments in Section 3 above where the Division recommends that all damages be reduced (including 1st and 2nd party), not just Third Party.

The Division has no comments regarding the second, third and fifth initiatives which are continuing the use of hot taps, regularly conducting leak surveys and continued research and development activities respectively.

<u>Wexpro Sustainability Initiatives</u>

Within this section, the subsection called Well Certification Program has the following information: "In 2020 Wexpro self-certified gas from more than 250 wells, utilizing an extensive scoring system, as responsibly produced. A third-party, independent company then audited this process by reviewing 25 of these wells at random. The audit evaluated conformance with regulatory criteria in environmental, safety, downhole, and operations, as well as criteria beyond regulatory requirements." The Division asked for a copy of the report, reviewed it, and found that it does state that Wexpro is a responsible producer.

In the subsection entitled Air Quality Initiatives, the sixth bullet says that Dominion replaces the "compressor rod packing either every 26,000 hours or every 3 years." When asked why that figure was used, Dominion replied that replacing the packing around a compressor rod every 24,000-26,000 hours of use is the industry standard. The Division has no reason to challenge that statement.

SECTION 13 - ENERGY-EFFICIENCY PROGRAMS

Energy Efficiency Effects on Design Day and Demand Response

The first paragraph in this section states:

> "Beginning in Docket No. 13-057-04 the Commission first ordered the Company to discuss the "…effect of energy efficiency programs on peak demand and the need for new infrastructure and how energy efficiency programs could reduce or offset the need for future capital projects" in both a DSM Advisory Group and IRP public input meeting. (Report and Order dated October 22, 2013, Docket No. 13-057-04.) The Company has since addressed this topic in various DSM Advisory Group meetings in 2014, 2015, 2016, 2017, and 2018. Additionally, the Company has addressed this issue in Dockets 14-057-15, 15-057-07, 16-057-08, 16-057-15".

While this statement is accurate on its face, the Division interprets the Commission's directive as asking for an explanation of how Dominion's energy efficiency efforts affect peak demand and postpones the need for capital investments. The Division pursued the possibility of Dominion providing a numeric representation of these effects (peak day shaving and capital deferment) resulting from the cause (Energy Efficiency). Dominion states that it is unable to provide this information.

SECTION 14 – FINAL MODELING RESULTS

The Division notes that these modeling results are loosely interpreted as a guide and what Dominion does over the course of the next year can, and usually does, vary, perhaps dramatically.

On the top of page 14-2 it states: "The Company periodically reevaluates the constraints in its SENDOUT model to determine if they accurately reflect the realities of the problem being solved. The only adjustments to the constraints for the 2021-2022 IRP modeling were to adjust the constraints related to the available spot purchase amounts by location." The Division is concerned that altering the constraints of any model can dramatically alter the results, leading to inaccurate information and such ability increases the temptation to alter the constraints to achieve a desired outcome. Therefore, the Division asked Dominion to provide the adjustments it has made to the SENDOUT model in the recent past. Dominion stated that: In 2021 it changed some receipt locations to supply locations and limited the number of RFP responses, in 2020 it adjusted the Carrying Charge and Heating Degree Days, in 2019 it changed the Carrying Charge, in 2018 it changed the Carrying Charge and limited the looking-forward projections from 31 years to 15 years, in 2017 it rounded down the withdrawls from Clay Basin, added the possibility of using Rickman storage and adjusted some transportation contracts as well as relocated some demand centers. At first glance it appears that the results from changes such as these may be minimal. However, the Division recommends that all the changes Dominion initiates in the model be explained fully, specifically including how the change altered the result SENDOUT provides.

SECTION 15 - GENERAL IRP GUIDELINES/GOALS FOR GAS SUPPLY AND ENERGY EFFICIENCY RESOURCES

Bullet point #4 in this section states that the Company will "Override the SENDOUT model utilization profiles when producer-imbalance considerations dictate." To quantify the "when producer-imbalance considerations dictate" decision point, the Division discussed the timing of these decisions with Dominion personnel. Apparently, these are times when Dominion management over-ride the SENDOUT model because the Wexpro production becomes out of balance enough with the other partners in wells that it is financially advisable for Wexpro to true-up the imbalances. Dominion stated that this decision point is not an absolute number, rather it is when the trends (one way or the other) continue for long enough that a decision is mandated. Additionally, Dominion stated that its personnel evaluate these quarterly with Wexpro personnel.

SUPPLEMENTAL INFORMATION

On September 21, 2021, the Commission hosted a Technical Conference as requested by Dominion to provide parties with what it termed as "Supplemental Information." This supplemental information was provided after the IRP had been filed but relates to the price stabilization discussed in the IRP. During that Technical Conference Dominion discussed its options to attempt to stabilize gas prices to some degree for the upcoming winter heating season. Dominion provided a history of some informal discussions among regulators, the price stabilization options available to it, as well as its justification for the decisions it made. Of the options available to it, Dominion chose to pursue fixed price options for 80,000 dth/day during December, January, and February of the upcoming winter heating season. This decision was based on the analysis it did where it determined that this option, at this amount, was optimal. The Division, Dominion, and the Office are planning to review and evaluate the actual results to determine if the amount and/or the mechanism used should be adjusted in the future.

Summary

The Division's comments focused on three main areas. Namely, 1) comments on whether Dominion fulfilled its commitments as required in the Commission's 2020 IRP order, 2) comments on certain topics discussed in the current IRP, and 3) the supplemental information filed in September 2021.

The Division's first area of focus was on whether Dominion fulfilled its commitments as required in the Commission's 2020 IRP order. The Division recommends that in future IRP's Dominion include a more detailed explanation, including the numeric results, of when management overrides of the SENDOUT model. Additionally, the Division recommends that Dominion also provide additional details in the Long-Term Planning and Sustainability Section.

The Division's second area of focus was addressing certain sections and sub-sections of the current 2021 IRP. The Division recommends that Dominion include first- and second-party culpability; collaborate with regulators on the integration of the various models and their results used by Dominion within the IRP; include total miles assessed, not just HCA miles; provide detailed information whenever the SENDOUT model is overridden, or parameters are altered; include a summary of last year's IRP Variance Reports along with the results these variances make.

The Division's final area of focus referenced the supplemental information provided by Dominion regarding the price stabilization measures it took to enter fixed price contracts for 80,000 per month for December, January and February of the winter heating season. The Division was an active participant in discussions with Dominion and does not object to this action. Also, the Division will review and evaluate the actual results and determine if the amount and/or the mechanism used should be adjusted in the future.

Conclusion

Although there are parts of the IRP that cause concern to the Division and the Division accordingly has made recommendations to improve future IRPs, Dominion has generally adhered to the Commissions orders and IRP Guidelines. The Division recommends the Commission acknowledge the Dominion Energy Utah/Wyoming 2021-2022 IRP as the stated IRP guidelines have been sufficiently met.

CC: Michele Beck, OCS
Kelly Mendenhall, DEU