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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF DOMINION ENERGY UTAH'S INTEGRATED RESOURCE PLAN (IRP) FOR PLAN YEAR: JUNE 1, 2021 TO MAY 31, 2022	Docket No. 21-057-01 DOMINION ENERGY UTAH'S REPLY COMMENTS
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Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits these Reply Comments for the Utah Public Service Commission's (Commission) consideration.

BACKGROUND

On January 7, 2021, Dominion Energy filed its Notice of Intent to file IRP in this docket. From February through June, the Commission held a series of Technical Conferences to address various aspects of the Company's Integrated Resource Plan: Plan Year June 1, 2021 to May 31, 2022 (2021-2022 IRP). On July 8, 2021 the Commission issued a Scheduling Order setting due dates for comments and reply comments. On September 14, 2021, upon the Company's motion, the Commission revised those due dates and required that comments on the 2021-2022 IRP must be submitted by Friday, October 1, 2021, and that Reply Comments must be submitted by October 27, 2021.

Order Granting Motion, Amended Scheduling Order, and Notice of Virtual Technical Conference issued September 14, 2021, Docket No. 21-057-01.

On October 1, 2021, the Utah Division of Public Utilities (Division) issued an Action Request Response (Division's Comments) and the Utah Office of Consumer Services (Office) submitted a Memorandum (Office's Comments) addressing the 2021-2022 IRP. The Company respectfully submits these Reply Comments in reply to the Division's Comments and the Office's Comments.

DISCUSSION

The Company agrees with the Office's and Division's conclusions that the 2021-2022 IRP generally complies with the Commissions orders and the applicable IRP guidelines. Division's Comments at p. 19; Office's Comments at p. 2. The Company also agrees with the Division's and Office's recommendations that the Commission acknowledge the 2021-2022 IRP. However, both the Division and the Office raised some issues in their respective Comments. Dominion Energy addresses each of those below.

I. Overrides of the SENDOUT Model

Both the Office and the Division recommended that the Company include additional detail in each integrated resource plan (IRP) about occasions when the Company opts to override guidance provided by the SENDOUT model. The Division recommended that the Company include additional details regarding such overrides in future IRPs and IRP variance reports. Division Comments at pp. 5, 13. The Office similarly recommended that quarterly variance reports include information about such overrides. Office Comments at pp. 3, 7.

The SENDOUT model is an important tool that the Company uses for planning purposes. However, there are times when the Company's system operational needs require Dominion Energy to make decisions that differ from the guidance provided by the model. For example, due to pricing forecasts, the SENDOUT model may recommend that storage inventories be fully utilized before the end of the heating season. Operationally, the Company may decide that it is prudent to maintain some level of inventory through the heating season in the event of higher demand, price increases, etc. Because system constraints and operational requirements change frequently, Dominion Energy updates modeling on a weekly basis to reflect current conditions more closely such as demand, pricing, and production. As a result, the Company may override SENDOUT recommendations periodically throughout the year.

Dominion Energy recognizes that making this information available may be useful to the interested parties and will describe instances of such overrides in future IRP variance reports. The Company will also provide a summary of those events in the annual IRP.

II. Long-Term Planning

Both the Division and the Office indicated interest in receiving additional information relating to the Company's long-term planning. Specifically, the Division recommends that the Company include "cost/benefit analysis, plans, studies, etc. of each of the projects listed" in the long-term planning section of each IRP. Division's Comments at p. 10. The Office also recommends that the long-term planning section of each IRP include more substantial information. Office's Comments at pp. 3, 7.

It is important to note that the IRP Guidelines issued by the Commission on March 31, 2009 in Docket No. 08-057-02 (the 2009 IRP Guidelines) require that "[t]he DNG Action Plan will span the period of the IRP year and the subsequent two calendar years." Report and Order on Standards and Guidelines for Questar Gas Company, Docket No. 08-057-02, p. 33. No party suggests that the Company failed to comply with this requirement or failed to provide sufficient information related to projects anticipated within that three-year look forward. Instead, both the Office and the Division seek additional information about longer-term plans.

The Company continuously evaluates the needs of its system, growth in areas it serves, and the sufficiency of its infrastructure to continue to provide safe and reliable service to its customers. Projects planned to be constructed within the 3-year time frame have generally undergone thorough review, and the circumstances warranting those projects are existing, or forecast for the near future. Accordingly, there is greater certainty about those projects and much greater detail available for inclusion in an IRP.

For potential projects under consideration for the longer term, there simply is not greater detail to provide. Growth in a particular area may accelerate or slow over time. Other system changes in the nearer term may alter the Company's approach to system improvements or result in improvements that delay another project. Costs for materials and construction change over time as well. It would not be an efficient use of resources for the Company to analyze, engineer, design, or estimate long-term possibilities that may never be built, may be redesigned because of changes in system operation or structure, or may be subject to materially different costs in the future. These possible projects are, by their very nature, conceptual. Even if the Company conducted such analysis for a

conceptual project that progresses, the information requested by the Division may be entirely stale by the time the project becomes imminent.

The Company has endeavored to include available information in the 2021-2022 IRP. It provided available information about planned gate station upgrades in Table 4.1 of the 2021-2022 IRP, and it also included substantial information about its planned Southern System Expansion. *See* 2021-2022 IRP at pp. 4-4, 5-6 through 5-8. While the Company does voluntarily include some discussion of longer-term projects, it cannot and should not include in the IRP detail which may not be well developed or is subject to substantial variance.

The Company appreciates the concerns raised by the Office and the Division and will continue to provide available detail on longer-term projects, but respectfully suggests that requiring detailed engineering and analysis on longer-term projects is neither necessary nor useful. In the future, the Company will include an additional subsection labeled "Long-Term Planning" within the "System Capacity and Constraints" section of the IRP. In this section, the Company will provide a general outline of demand growth trends along with any known future projects beyond the scope of the DNG Action Plan. The Company cannot provide specific information such as scheduling of projects because these long-term plans are generally demand-growth based and may be canceled or delayed due to other factors that affect system pressures and capacities. The Company will also continue to provide the required level of detail for projects falling within the 3-year timeframe set forth in the 2009 IRP Guidelines.

III. Lost and Unaccounted For Gas

The Division also indicated that the Gas Lost and Unaccounted For section of the 2021-2022 IRP did not include sufficient information about first-party and second-party

damages. The Company acknowledges that damages from first and second parties do contribute to the overall gas lost and unaccounted for, but those losses are relatively insignificant contributors. In the Company's most recent quarterly line damage report filed in Docket No. 11-057-05, damages by third parties accounted for almost 98% of line damages. Damages by second parties made up just over 2% and damages caused by Dominion Energy itself made up only 0.1% of the damages. Moreover, the Division receives information related to first-party and second-party damages outside of the IRP process. The Company proposes to continue to report on the primary source of such damage (third-party damage) and suggests that detailed reporting on the causes for less than 3% of losses continue to be provided to regulators through the quarterly line damage reports.

IV. Design-Peak Day Demand Forecast by Heating Season

The Division indicates that it is still concerned about the Company's design-peak-day calculation. Division's Comments at p.8. The Division correctly notes that this issue has been thoroughly examined by the Commission in both Docket No. 19-057-13, and Docket No. 17-057-09. The peak-day calculation was also thoroughly vetted in Docket No. 17-057-20. In that docket, the Commission found that "DEU has acted reasonably by planning for peak day events," that Dominion Energy's use of multivariate regression for peak day forecasting was reasonable, and that most elements of the peak day modeling were reasonable. Report and Order Issued July 13, 2018, Docket No. 17-057-20. The Commission even gave guidance as to how the Company should improve its modelling by reconsidering its wind-speed calculation. *Id.* at p. 12.

Given this thorough review, and the Commission's express guidance on the subject, the Company does not believe that the Division's comments warrant any change to its

integrated resource planning at this time. The Company values the Divisions input and welcomes the opportunity to discuss any specific concerns either within or outside the integrated resource process.

V. Joint Operating Agreement with Dominion Energy Questar Pipeline

The Division expressed interest in including the analyses associated with the Joint Operating Agreement between Dominion Energy Questar Pipeline (DEQP) and the Company in future IRPs.

As a preliminary matter, the Company notes that Southwest Gas plans to purchase DEQP and that the sale is expected to close at the end of 2021. The Company anticipates that coordinating pressure and flow requirements as outlined in the Joint Operating Agreement (JOA) process will continue to occur in the future. It will keep the Commission and interested parties informed if the process changes after the close of the sale.

The Company looks forward to collaborating with the Division and other interested parties in determining what detail about the JOA process and its results should be included in future IRPs.

VI. Interruption Analysis

The Division notes that Dominion Energy conducts interruption analyses each year to determine when interruption is more probable in a given geographic area on the Company's system. The Division suggests that the Company included this analysis in the Company's annual IRP. Division's Comments at p. 9.

It is important to note that while the Company performs this analysis, it makes every effort to ensure that interruptions are minimized. The product of this analysis provides

insight for the Company about when interruption *may* be needed under certain conditions. Actual decisions to interrupt will be made by Gas Control based on system conditions.

Because this analysis is an evolving tool to aid the Company in managing its system, and not hard-and-fast rules governing interruptions, the Company does not believe publishing it in its entirety would be beneficial. Instead, the Company proposes to include a summary of the then-effective analyses in each IRP in the future.

VII. Gate Station Analysis.

The Division proposes that the Company provide the results of its annual gate station capacity study in its annual IRP. Division's Memo at p. 9. Company representatives have met with Division Personnel and, based upon those discussions, propose to include some information in future IRPs. Specifically, each year, the Company will include information in its IRP relating to those gate stations expected to flow 5,000 Dth/day or greater on a peak day. These gate stations provide the majority of the supply to the system and are the most critical in terms of load management.

The Division also indicates that "the Company may want to include an estimate of when specific gate stations may need to be replaced or improved in future IRP filings." Division's Memo at p. 10. The Company appreciates this feedback and notes that such improvements are already generally included in the Distribution Action Plan section of each IRP.

VIII. Integrity Management

The Division recommends that the Company include Total Miles Assessed with a subset of HCA miles in future IRPs. The Company appreciates this feedback and will provide that information in future IRPs.

IX. Environmental Review

The Division notes that Dominion Energy has an ongoing commitment to environmental justice, and that the Company is committed to embracing the tenants of environmental justice. The Division expressed confusion about the meaning of the terms the Company used in making these statements. Division's Memo at p. 12. The Company seeks to clarify its statements here.

In 2018, the Company adopted an environmental justice policy that makes a commitment to ensuring all affected people and communities are given a voice in decisions about siting and operating energy infrastructure. In order to achieve that goal, the policy requires environmental justice reviews for projects, regardless of whether such reviews are required by permitting agencies or for other regulatory approvals.

Environmental justice reviews help identify potentially vulnerable communities early in the permitting process, informing our project planning and leading to enhanced outreach efforts that promote meaningful involvement from communities that might otherwise be unaware of or unable to participate in the planning process. An example of this would be the preparation of rural expansion materials in Spanish when the community of Green River was canvassed.

The Company has dedicated environmental justice staff responsible for implementing the Company's environmental justice policy and advising the business on environmental justice and tribal consultation and engagement. These efforts are being carried out not just in Utah, but across Dominion Energy, Inc.'s business units, and its national footprint.

X. Final Modeling Results

The Division recommends that Dominion Energy explain any changes it initiates to its modeling, including an explanation of how the changes altered the results of the

SENDOUT model's results. Division's Comments at pp.16-17. Dominion Energy appreciates this recommendation and will continue to provide an explanation of all material changes made to the model in its annual IRPs. The Company will also provide an explanation of the impact of these changes on the modeling results.

XI. Variance Report Information

The Division further recommends that Dominion Energy provide a summary of the past years' quarterly variance reports in each IRP. Division's Comments at p. 19. The Company disagrees with this recommendation.

The IRP is a forward-looking document, filed in June of each year. As the plan year progresses, the Company reports quarterly on variances from the then-effective IRP in its quarterly variance reports (Variance Reports). It files these reports in the IRP docket to which the report pertains and serves them upon the Division and any other interested parties. The reports are also readily available on the Commission's websites. Including past years' Variance Reports in subsequent years' IRPs is both duplicative and, given the forward-looking nature of each IRP, could be confusing. Therefore, the Company recommends against including summaries of past Variance Reports in IRPs.

XII. Information Provided in IRP Technical Conferences

The Office expressed concern that the Company provides information and analyses at IRP technical conferences but not in the IRP document itself. Office's Comments at pp.3-4. Dominion Energy appreciates this feedback and commits to providing greater detail in its IRPs, comparable to that provided in technical conferences.

XIII. Hedging Discussions

Both the Office and the Division noted the Company's supplemental technical conference about recent hedging activities. DEU, the Office and the Division met

multiple times in 2021 to discuss the DEU plan for hedging against daily price fluctuations. As a result of the discussions and analysis of the DEU hedging program in 2021, the Division would like to review and evaluate the results after the 2021-2022 heating season.

Dominion Energy intends to review the results of the hedging program and provide a proposal for going forward in a 2022 IRP Technical Conference. All of the details from this discussion will also be included in the 2022-2023 IRP.

CONCLUSION

Dominion Energy appreciates the thorough and thoughtful review of both the Division and the Office and the feedback they provide. The Company respectfully submits these Reply Comments as additional information for the Commission's consideration.

RESPECTFULLY SUBMITTED this 27th day of October, 2021.

DOMINION ENERGY UTAH

A handwritten signature in blue ink that reads "Jenniffer Nelson Clark". The signature is written in a cursive style and is positioned above a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Dominion Energy's Reply

Comments was served upon the following persons by e-mail on October 27, 2021:

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