

2022-2023 IRP Technical Conference
February 17, 2022



**Dominion
Energy[®]**

2022 IRP Schedule

February 17, 2022 – Technical Conference

- Review IRP Standards and Guidelines
- Review 2021 PSC Order regarding IRP
- LNG Project Update
- DEQP Sale Update and Contract Discussion

April 19, 2022 – Technical Conference

CONFIDENTIAL MEETING

- Heating Season Review
- Gas Supply Hedging
- Wexpro Matters (Confidential)
- RFP Review (Confidential)

May 17, 2022 – Technical Conference

- Rural Expansion Update
- IRP Project Detail Discussion
- Long-Term Planning
- Sustainability Update
- System Integrity

June 28, 2022 – Technical Conference

- Presentation and Review of 2022-2023 IRP

IRP Standards and Guidelines (2009)

Guideline	Update
Changes to customer growth models	IRP Report – Customer & Gas Demand Forecast Section
Changes to linear programming optimization (LPO) model (SENDOUT)	IRP Report – Final Model Results Section
Changes to DSM models	IRP Report – Energy Efficiency Section
Supply/demand forecasts, SENDOUT and DSM results	IRP Report – Customer & Gas Demand Section
Gas quality and gas storage issues	IRP Report – Gathering, Transportation, & Storage Section
Changes to Gas Network Analysis (GNA) models	IRP Report – System Capabilities and Constraints
GNA model results	IRP Report – System Capabilities and Constraints
Integrity management issues	IRP Report – Integrity Management Section
Other issues	Scheduled as needed

Review of 2021 PSC Order Regarding IRP

- 2021-2022 IRP “generally complies with the requirements of the Standards and Guidelines”
- Adopted DEU’s commitments to:
 - Include additional details related to any management decision to “override” the SENDOUT model
 - Include a subsection labeled “Long-Term Planning” within the “System Capacity and Constraints” section of the IRP
 - Keep interested parties updated with regards to the Joint Operating Agreement DEU has with QPC
 - Provide a summary of the interruption analysis conducted in future IRPs
 - Provide additional information regarding gate stations in future IRPs
 - Include Total Miles Assessed under the Integrity Management section in future IRPs
 - Explain the impact of changes DEU initiates to its modeling in future IRPs
 - Provide greater detail about material discussed in IRP Technical Conferences in future IRPs
 - Review the results of its hedging program and provide a proposal for the future of the program in a 2022 IRP Technical Conference

Feb 10, 2022 Stakeholder Meeting

- Attended by representatives from DEUWI, the Office and the Division
- Topics discussed included clarification on items ordered by the UTPSC based on the 2021-2022 IRP and any other issues of concern:
 - Concerns regarding use of the SENDOUT model
 - Operational considerations for “overriding” the model guidance
 - Why are changes made to the model programming and what impact they have on the model results
 - Discussion of what should be included in the “Long Term Planning” subsection of the IRP
 - Request for detail on how the Joint Operating Agreement (JOA) with DEQP will be handled going forward
 - Request for discussion on the splitting of DEUWI/QPC gas control operations
 - Discussion on inclusion of detail from IRP Technical Conferences in the IRP
 - Request to include information on Lost and Unaccounted for Gas (LAUF) from “1st and 2nd parties”
 - Request to describe how the LNG facility will be utilized once completed

2022-2023 IRP Outline

- Executive Summary
- Introduction
- Customer and Gas Demand Forecast
- System Capabilities and Constraints
 - Long-Term Planning
- Distribution System Action Plan
- Integrity Management
- Environmental Review
- Purchased Gas
- Cost-of-Service Gas
- Gathering, Transportation, and Storage
- Supply Reliability
- Sustainability
- Energy Efficiency
- Model Results
- Guidelines
- Appendix
- Glossary

LNG Update

Magna LNG

Project is on schedule for expected October in-service



Category	Percentage complete
Engineering	100%
Procurement	99%
Fabrication	100%
Construction	63%
Overall total	74%

Magna LNG

Strong safety and environmental performance



- Since breaking ground **15 months** ago, the project has accrued **~550,000 hours** worked with a labor force that has peaked at **225 individuals**

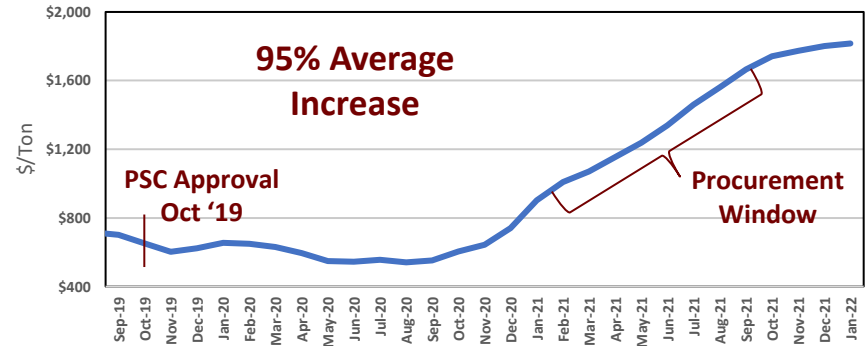
Total OSHA recordable incidents: One
Total reportable environmental events: Zero

Magna LNG

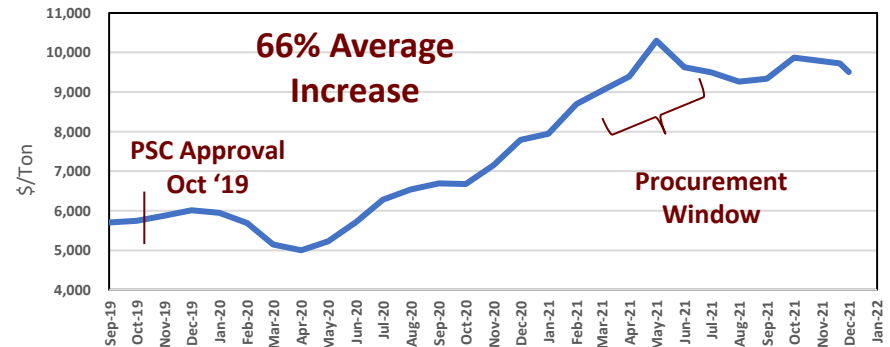
COVID impacts

- Main project commodities increased **66-95%** after PSC approval
 - COVID-driven
 - Budgeted inflation: **2.3% per year**
- Main project commodities include:
 - Steel: Tank walls, piling & structural steel
 - Copper: Wires, cabling & electrical Equipment
- Schedule recovery due to supply chain delays

Primary Steel Index¹



Primary Copper Index²

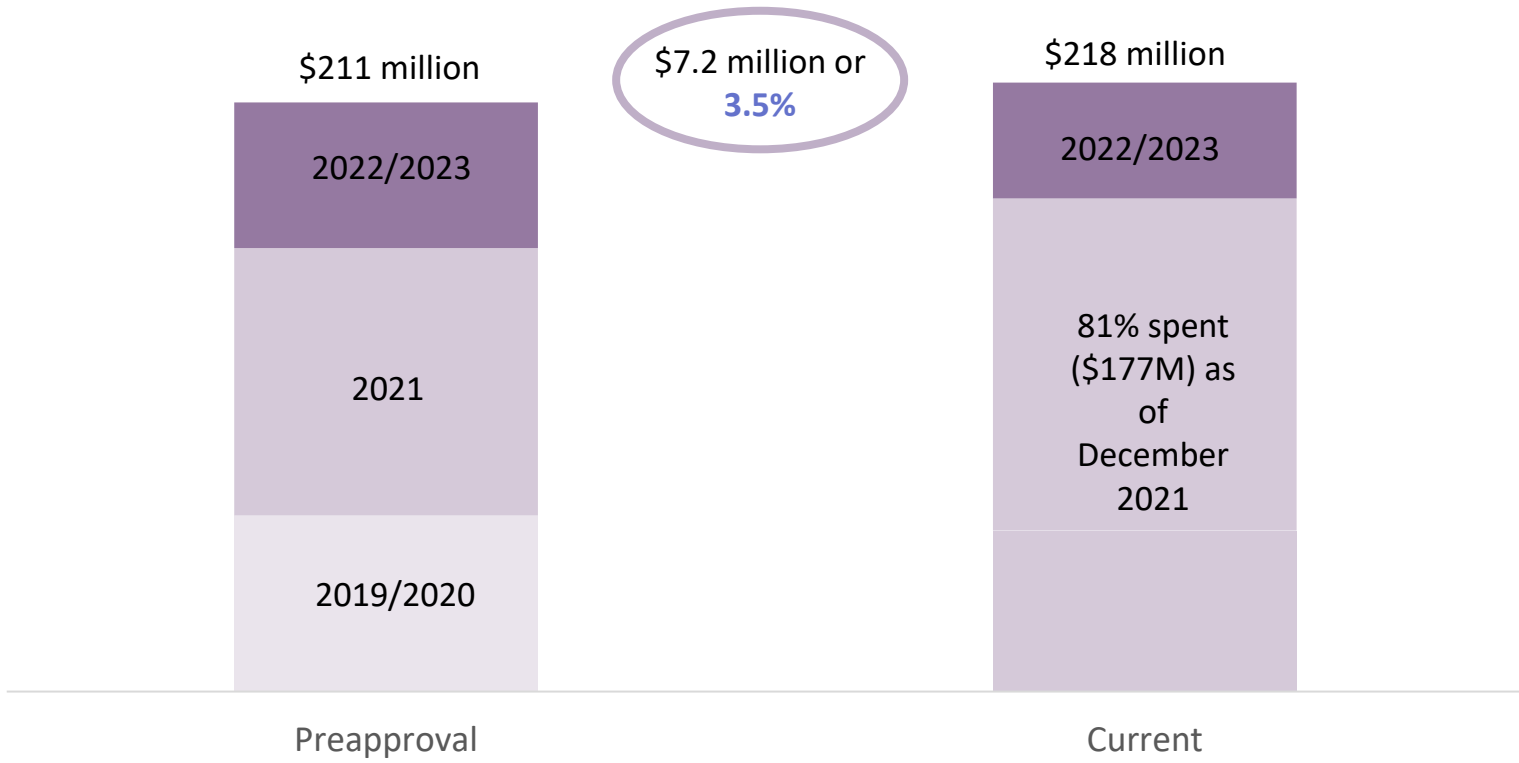


¹ CRU group steel prices

² London metal exchange copper prices

Magna LNG

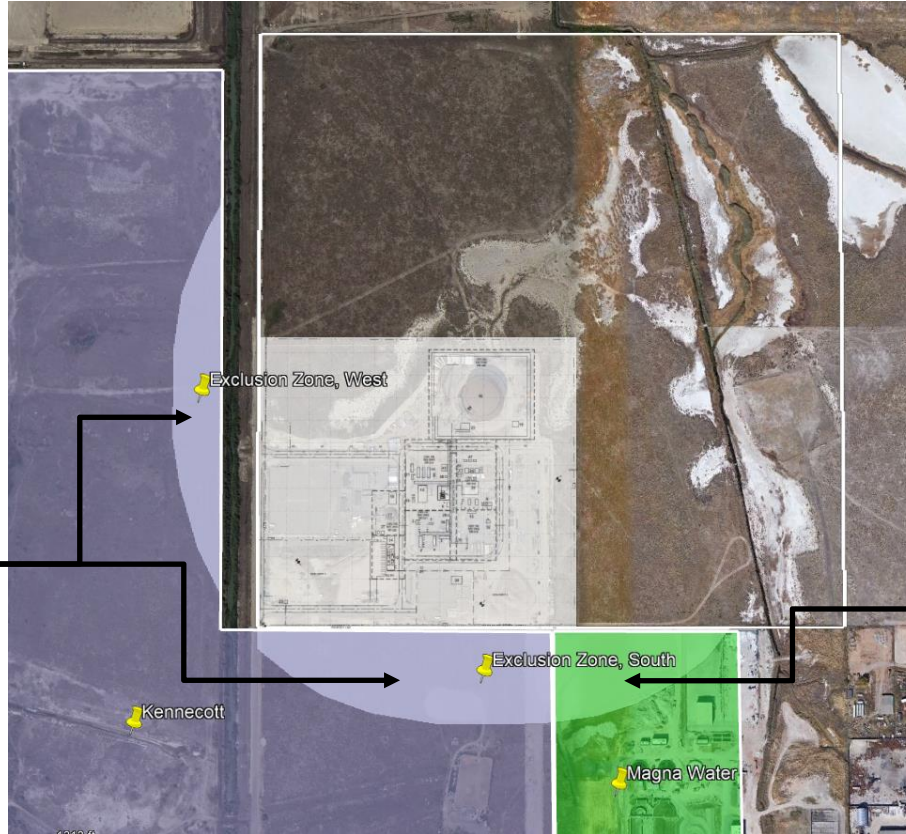
COVID impacts: Capital investment



Magna LNG

Thermal Exclusion Zone







Exclusion zone:
Kennecott property



Exclusion zone:
Magna Water
property

Magna LNG

RFP ranking – revenue requirement

	Then	Now
DEU Magna LNG	 Lowest cost	 Lowest cost
Option #2	 +\$1.6 million	 +\$0.5 million
Option #3	 +\$1.9 million	 +\$0.8 million

Includes COVID impact

Assumes no escalation due to COVID

Questar Pipeline Sale Update and Contract Discussion

Dominion Energy Sale of Questar Pipeline

- Dominion Energy announced the closing of the sale of Questar Pipelines on December 31, 2021
 - Assets valued at \$1.975 billion sold to Southwest Gas Holdings
 - This included all transportation and storage assets in Utah, Wyoming and Colorado
 - This includes Questar Pipeline, Overthrust Pipeline, Clay Basin storage facilities and Aquifer facilities

- Impact on gas supply service to DEUWI
 - Joint Gas Control will be split
 - DEUWI confirmations and scheduling functions will transition to DEUWI
 - DEUWI contracts with Questar Pipeline will not be negatively impacted
 - Joint Operating Agreement will continue going forward

DEUWI contracts with Questar Pipeline

- Transportation
 - Contract 241
 - Current Expiration 6/30/2027
 - Contract 6136
 - Current Expiration 6/30/2027
 - Contract 2945
 - Renewed effective 4/1/2022 with a new expiration of 3/31/27
 - Provides seasonal capacity that utilizes Overthrust Pipeline (high demand) with key receipt points
 - Contract 2361
 - Currently in year-to-year evergreen (11/10/22)
 - Max rate contract
 - Considering longer term renewal (5 year) prior to evergreen expiration in November 2022
 - Analysis discussion to be included as part of the IRP
 - Contract 6546 (Overthrust Pipeline)
 - Current Expiration 6/30/2027

DEUWI contracts with Questar Pipeline

- Firm Peaking Service
 - Addendums to Contract 241
 - Contracts were month-to-month through 2020-2021 heating season
 - Contracts extended prior to 2021-2022 heating season
 - November 15 - February 14 each year through 2024
 - Will continue to seek additional options for meeting this need as we go forward
- No Notice Transportation
 - Contract 987
 - Currently in year-to-year evergreen (6/30/22)
 - Max rate contract
 - Reserves capacity on the pipeline to allow for adjustments
 - Significantly less expensive than firm transportation capacity
 - Monthly reservation of \$.86 per Dth vs. \$5.28804 per Dth
 - Planning longer term renewal (5 year) prior to evergreen expiration in June 2022
 - Analysis discussion to be included as part of the IRP

DEUWI contracts with Questar Pipeline

- Storage
 - Clay Basin
 - Contract 997 - Current Expiration 3/31/2025
 - Contract 935 - Current Expiration 4/30/2024
 - Contract 988
 - Current Expiration 4/30/2022
 - Storage is in high demand
 - Required for operations
 - Planning to renew (5-year term) prior to expiration in April 2022
 - Analysis discussion to be included as part of the IRP
 - Aquifers
 - Contract 984 - Current Expiration 8/31/2023
 - Contract 985 - Current Expiration 8/31/2023
 - Contract 986 - Current Expiration 8/31/2023

Questions?