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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

Date: September 1, 2022

Re: **Docket No. 22-057-02**, Dominion Energy Utah's Integrated Resource Plan (IRP) for Plan Year: June 1, 2022 to May 31, 2023.

Recommendation (Acknowledge)

The Division of Public Utilities (Division) has reviewed Dominion Energy Utah's (Dominion or Company) Integrated Resource Plan (IRP) and has determined that it contains the necessary information and complies with the 2009 Standards and Guidelines as ordered.

The Division recommends that the Public Service Commission of Utah (Commission) acknowledge this most recent IRP. No further action is required at this time.

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

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

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 provides 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's predecessor, Questar Gas Company, (Order) requiring it to file its 2009 IRP in accordance with the December 14, 2007, Report and Order.² Questar 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 Order³ where it made several findings clarifying its expectations of some of the 2009 IRP Standards. On September 14, 2016, the Commission approved the settlement stipulation for the merger of Questar Gas with Dominion Resources (now, Dominion Energy, Inc.).

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 "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 commitments and 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

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.

Consumer Services (Office) met and discussed these issues. In its 2020 IRP Order dated January 5, 2021, the Commission adopted Dominion's additional commitments.

On January 13, 2022, 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 on February 17, 2022, April 19, 2022, May 17, 2022, and on June 28, 2022. The Company filed the current IRP on June 15, 2022, and on June 22, 2022, the Commission issued its Notice of Virtual Scheduling Conference. On July 1, 2022, the Commission issued its Scheduling Order stating that comments are due by September 1, 2022, with reply comments due October 6, 2022. This memorandum represents the Division's comments.

Discussion

The Division's comments last year stated that the IRP "generally complied with the applicable IRP guidelines and PSC orders". It did, however, make five recommendations to the Commission that would improve Dominion's next IRP. The Commission found "that DEU made reasonable and satisfactory clarifications and commitments in its reply comments pertaining to DPU's and OCS's recommended improvements." and declined "to adopt any DPU and OCS recommendations related thereto."⁴

On February 10, 2022, Dominion held a stakeholder meeting to discuss the party's recommended changes to the June 1, 2021, through May 31, 2022, IRP filed on June 14, 2021. The topics discussed in this meeting were summarized in the February 17, 2022, IRP Technical Conference and included the Division's recommendations to the Commission from the previous year. During that stakeholder meeting and in subsequent discussions, the Division and Company were able to collaborate on the content of the IRP. The Parties were able to reach to a mutual understanding of the Division's concerns and the recommendations were generally adopted.

⁴ 22-057-01 Dominion Energy Utah's Integrated Resource Plan for Plan Year June 1, 2021, to May 31, 2022. Order January 7, 2022, page 13

Following a careful examination of the current IRP, the Division has determined that the Company has included all the Division's pertinent recommendations and suggestions.

Some of the issues addressed were:

- Concerns regarding use of the SENDOUT model;
- Operational considerations and guidance for "overriding" the SENDOUT model;
- The reasons behind changes made to the model programming and what impact they have on the model results and Company's actions;
- Discussion of what should be included in the "Long Term Planning" subsection;
- Detail on how the Joint Operating Agreement (JOA) with DEQP will be handled going forward given Dominion Corporate's desire to sell the asset;⁵
- Discussion on the splitting of DEUWI/DEQP gas control operations;⁶
- Inclusion of detail from IRP Technical Conferences in the IRP;
- Inclusion of information on Lost and Unaccounted for Gas (LAUF) from "1st and 2nd parties;"
- Description of how the LNG facility will be utilized once completed;
- Description of the interruption analysis the Company conducts;
- Description of the gate station analysis the Company conducts; and
- A Discussion on hedging pros and cons and some possible alternatives.

Given the inclusion of the above information in this current IRP it is evident that great progress has been made over the years and this current IRP is the most complete and beneficial to regulators to-date. The Division expresses gratitude for Dominion's efforts to work through issues and incorporate the Division's recommendations in its IRP.

Conclusion

The Division acknowledges Dominion's collaborative efforts to incorporate regulators' recommendations into this current IRP and recommends the Commission acknowledge

⁵ This topic will continue to be significant until the final decisions are made, and costs and functions are clearly separated.

⁶ Same as footnote 5

Dominion's IRP as compliant. This filing does not request any change in the Company's current rates.

cc: Kelly B. Mendenhall, Dominion Energy Utah
Michele Beck, Office of Consumer Services