

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Dominion Energy Utah's Integrated Resource Plan for Plan Year: June 1, 2022 to May 31, 2023	<u>DOCKET NO. 22-057-02</u>
	<u>ORDER</u>

ISSUED: January 6, 2023

On June 15, 2022, Dominion Energy Utah (DEU) filed its Integrated Resource Plan for the plan year of June 1, 2022 through May 31, 2023 ("2022 IRP") with the Public Service Commission (PSC).¹ The Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) filed comments on September 1, 2022. No reply comments were filed. Technical conferences were held on February 17, 2022, April 19, 2022, May 17, 2022, and June 28, 2022.

SUMMARY OF THE 2022 IRP

The 2022 IRP presents DEU's plan to meet, provide infrastructure for, and manage its ongoing natural gas demand. For the 2022 IRP year, DEU submits the following key forecasts:

- (1) Design Day firm sales demand of approximately 1.25 million dekatherms (MMDth) at the city gates for the 2022-2023 heating season;²
- (2) A cost-of-service gas production level of approximately 54.35 MMDth, assuming the completion of new development drilling projects (45 percent of forecast demand); and
- (3) A balanced portfolio of gas purchases of approximately 66.6 MMDth.

DEU also submits the following ongoing commitments and projects. Specifically, it will:

- (4) Maintain flexibility in purchase decisions pursuant to the planning guidelines listed in the IRP because actual weather and load conditions will vary from assumed conditions in the modeling simulation;

¹ The 2022 IRP is filed pursuant to Docket No. 08-057-02, *In the Matter of the Revision of Questar Gas Company's Integrated Resource Planning Standards and Guidelines*, Report and Order on Standards and Guidelines ("Standards and Guidelines") for Questar Gas Company, issued March 31, 2009.

² DEU's firm sales design day scenario is based on 70 heating degree days in the Salt Lake region; mean daily wind speed of 9.5 mph as measured at the Salt Lake City Airport weather station; and the day is not a Friday, Saturday, Sunday, or a winter holiday. *See* 2022 IRP at 3-4.

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- (5) Continue to annually review hedging practices due to the increased volatility in the natural gas markets. To protect against extreme price increases, DEU may purchase additional contracts for baseload supply;
- (6) Continue to monitor and manage producer imbalances;
- (7) Continue to promote cost-effective energy-efficiency measures;
- (8) Enter into contracts to serve peak-hour requirements and secure needed storage and transportation capacity;
- (9) Commit that the LNG facility will be operational on time and that it will have 9 – 11 million gallons of LNG available for vaporization for the middle of the 2022 – 2023 heating season. In subsequent heating seasons, DEU commits that the full 15 million gallons will be available for vaporization; and
- (10) Commit that it will continue to focus on methane reduction and renewable natural gas projects as part of its commitment toward net zero carbon and methane emissions across its nationwide electric generation and natural gas infrastructure operations by 2050.

The 2022 IRP provides price, sales, peak demand, throughput, and usage per customer information. DEU discusses industry and market trends and specifically references market pressures that indicate a decrease in demand for natural gas used for power generation. DEU also describes the recovery in natural gas usage for the commercial class of customers from the impact of Covid-19, observing that the recovery is not reflected in industrial customers' consumption. Finally, DEU offers updates on price stabilization, energy efficiency programs, various sustainability initiatives, and the final modeling results.

PARTIES' COMMENTS

DPU Comments and Recommendations

DPU indicates DEU has included in the 2022 IRP all of DPU's recommendations and suggestions provided in the 2021 IRP docket³ and in subsequent meetings with DEU. DPU concludes that DEU's inclusion in the 2022 IRP information responsive to its recommendations and suggestions from the 2021 IRP docket make the 2022 IRP "the most complete and beneficial [IRP submitted] to regulators to-date."⁴ DPU recommends the PSC acknowledge the 2022 IRP as compliant with the Standards and Guidelines.

OCS Comments and Recommendations

OCS recommends the PSC acknowledge the 2022 IRP. OCS states it reviewed the 2022 IRP for adherence to the Standards and Guidelines, and verified the inclusion of new and clarifying information that DEU committed to and as documented in the PSC Order.⁵ OCS therefore recommends the PSC acknowledge the 2022 IRP as generally meeting the Standards and Guidelines.

DISCUSSION, FINDINGS OF FACT, AND CONCLUSIONS OF LAW

DEU's IRP process is an open, public process through which relevant supply and demand-side resources are systematically investigated. The results of this investigation inform DEU's selection of an optimal set of resources to meet its current and future natural gas service

³ Docket No. 21-057-01, *Dominion Energy Utah's Integrated Resource Plan for Plan Year: June 1, 2021 to May 31, 2022*.

⁴ Docket No. 22-057-02, *Dominion Energy Utah's Integrated Resource Plan for Plan Year: June 1, 2022 to May 31, 2023*, Comments from the Division of Public Utilities, filed September 1, 2022 at 4.

⁵ Docket No. 21-057-01, *Dominion Energy Utah's Integrated Resource Plan for Plan Year: June 1, 2021 to May 31, 2022*, Order, issued January 7, 2022.

needs at the lowest total cost (to the utility and its customers), in a manner consistent with the public interest and safety, given the expected combination of costs, risks, and uncertainty.

The PSC reviews DEU's annual IRP for compliance with the Standards and Guidelines, the adequacy of DEU's process, and the information presented in the final report. Specifically, the 2022 IRP includes information that DEU committed to including during the 2021 IRP process, information and analysis of both the 191 and distribution non-gas accounts, and general information addressing the ongoing effects of Covid-19, market demands, and industry trends.

Based on our review of the 2022 IRP, the comments and recommendations submitted by DPU and OCS, and given the lack of opposition, we conclude the 2022 IRP generally complies with the Standards and Guidelines.

ORDER

We acknowledge that the 2022 IRP as filed generally complies with the Standards and Guidelines.

DATED at Salt Lake City, Utah, January 6, 2023.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#326579

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on January 6, 2023, a true and correct copy of the foregoing was served upon the following as indicated below:

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