

General Rate Case Technical Conference

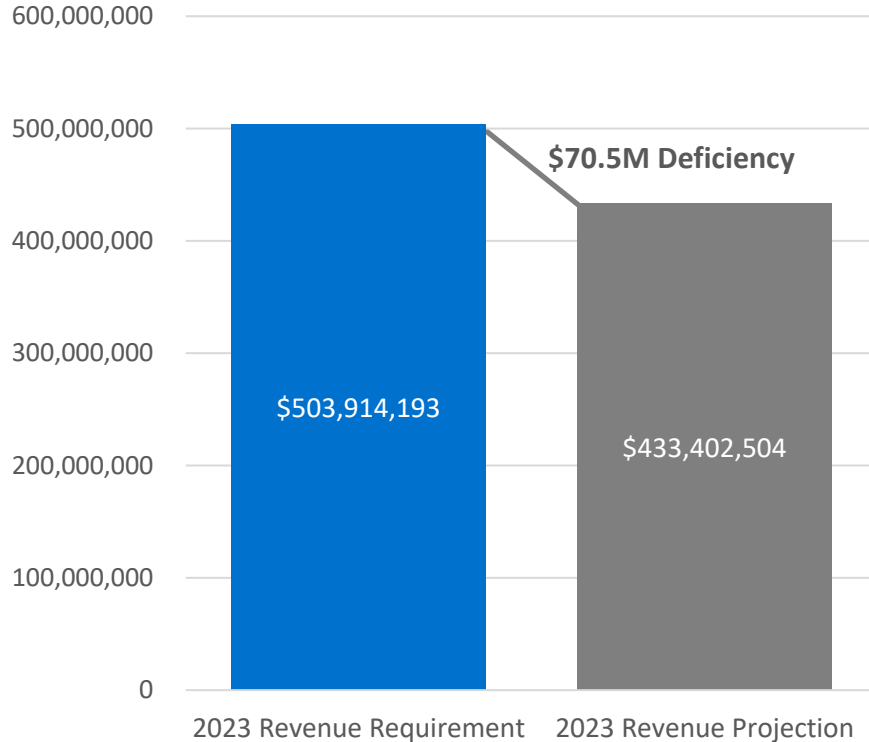
June 22, 2022



**Dominion
Energy[®]**

1. Rate Case Overview – Revenue Requirement

2023 Revenue Deficiency



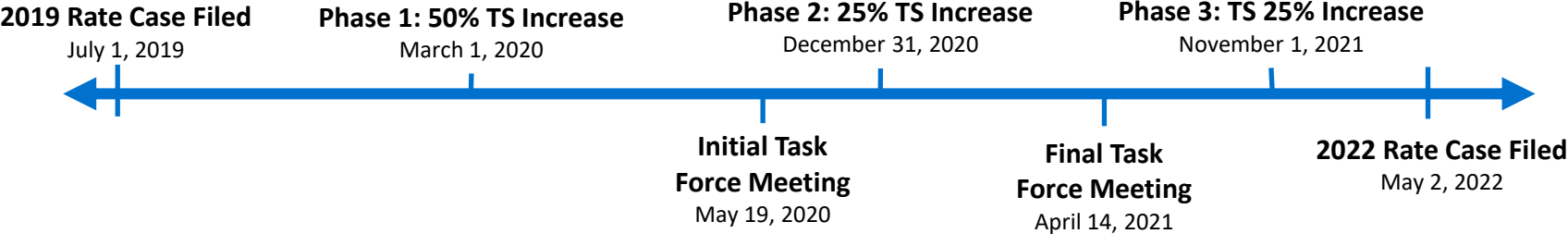
2023 Revenue Requirement Summary

- **Revenue Requirement: \$503.9 million**
 - Proposed return on rate base of 7.35%
- **Revenue Projection: \$433.4 million**
 - Actual return on rate base of 5.28%
- **Deficiency (proposed rate increase): \$70.5 million**

Deficiency Drivers

- **Rate Base Increase: \$923.8M**
 - \$218.6M LNG Facility
 - \$705.2M Other Plant in Service
- **Operating and Maintenance Expense Increase: \$18M**
 - \$5M LNG Facility
 - \$13M in Labor, TIMP/DIMP, General Inflation

COS/RD History



STATE OF UTAH
PUBLIC SERVICE
COMMISSION

“Issues associated with the TS class may be further explored in the cost-of service and rate design docket we establish in this order”

Cost of Service/Rate Design Task Force

■ Parties that met:

- Division of Public Utilities (DPU)
- Office of Consumer Services (OCS)
- Utah Association of Energy Users (UAE)
- American Natural Gas Council (ANGC)
- Nucor Steel
- US Magnesium LLC
- Federal Executive Agencies (FEA)

■ Time Period:

- Met 8 times from May 2020 to April 2021

■ Major Items Discussed:

- TS Class Split
- Design Day vs. Peak Day Allocators
- Transportation Bypass Firm Requirements



Transportation Bypass Firm Current Criteria

Current Criteria:

- Industrial customers acquire their own gas supply
- Load Factor of at least 50%
- Minimum Annual Usage of 350,000 Dth
- Additional 225,000 Dth for every mile away from the nearest interstate pipeline
- Subject to minimum yearly charge, administrative charge, and a monthly basic service fee

Proposed Update:

- TBF subsidy changing from 50% to 40%

2. Calculation of the Distribution Plant Factor

Objective: Determine cost of distribution plant required to serve individual customers, then aggregate similar customers into groups, then classes

Meter/Regulator



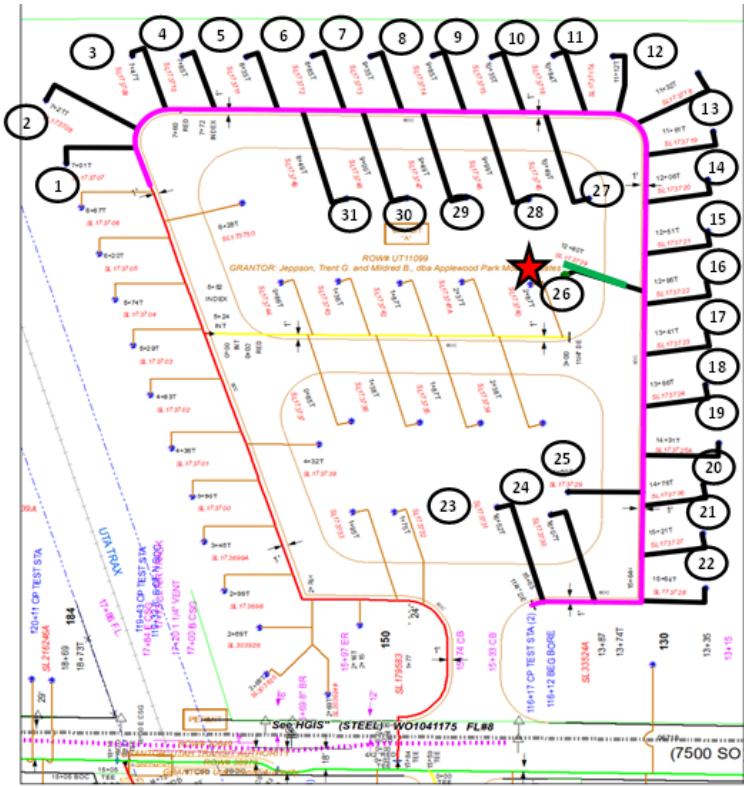
Service Line



Small-Diameter Main



2. Calculation of the Distribution Plant Factor



Individual Sampled Meter


Sampled Meter Address:
 150 W 7500 S 42
 Midvale, UT, 84047-6139

Measurement Statistics:

- ★ **Meter: 306 CFH**
- **Service: 67' of 1/2"**
- **Main: 95' of 2"**
905' of 1"
- # Services: 31**

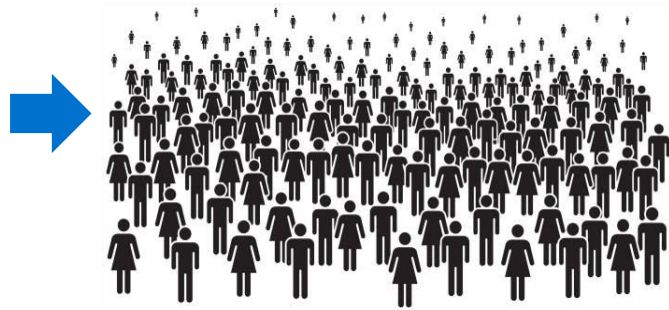
- Random Sample of over 5,000 active meters used to measure the average amount of plant installed for each meter type
- Sample only taken for GS class. All other classes every customer was measured

2. Calculation of the Distribution Plant Factor

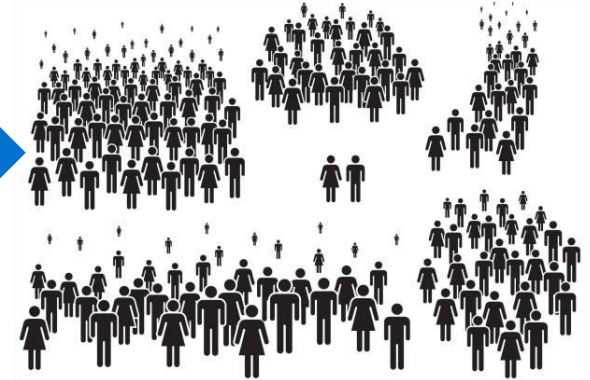
Determine plant costs of individual customers 

	IHP Service	Mains
Size	0.5	2.00
Length	67	95
Size		1.25
Length		905
Total Costs for Pipe	\$ 2,495.08	\$ 22,335.50
# of meters on Main		31
Customer Cost	\$ 2,495.08	\$ 720.50
Meter Cost	\$ 372.26	

Aggregate into similar meter sizes to calculate average cost



Calculate costs in each class (average cost x number of customers)



Rate	Feeder	LD Main	SD Main	Service	Meter & Reg	Total	Rate	SD Main	Service	Meter & Reg	Total
GS			777,595,143	407,757,216	376,075,306	1,561,427,665	GS	99.7%	97.2%	91.0%	96.8%
FS			592,463	741,850	2,251,800	3,586,113	FS	0.1%	0.2%	0.5%	0.2%
IS			35,021	56,508	331,676	423,205	IS	0.0%	0.0%	0.1%	0.0%
TS			1,771,508	8,614,378	31,195,556	41,581,442	TS	0.2%	2.1%	7.5%	2.6%
TSL			55,774	2,523,118	4,661,090	7,239,982	TSL	0.0%	0.6%	1.1%	0.4%
TSM			389,821	3,750,982	14,708,338	18,849,141	TSM	0.0%	0.9%	3.6%	1.2%
TSS			1,325,914	2,340,277	11,826,128	15,492,319	TSS	0.2%	0.6%	2.9%	1.0%
TBF			22,262	2,364,650	3,411,878	5,798,790	TBF	0.0%	0.6%	0.8%	0.4%
NGV			49,439	94,190	0	143,629	NGV	0.0%	0.0%	0.0%	0.0%
Total	1,087,672,718	101,227,942	780,065,837	419,628,792	413,266,216		Total	100.0%	100.0%	100.0%	100.0%

3. How has the Distribution Plant Factor Changed Over Time

Rate Class	2013	2016	2019	2022
GS	98.29%	98.04%	97.85%	96.8%
FS	0.39%	0.35%	0.24%	0.22%
IS	0.21%	0.07%	0.03%	0.03%
TS	0.93%	1.25%	1.78%	2.58%
TBF	0.16%	0.26%	0.09%	0.36%
NGV	0.14%	0.03%	0.01%	0.01%

- 2016 Rate Case Withdrawn
- 2022: TSS – 0.96% TSM – 1.17% TSL – 0.45%

4 & 5. Difference Between Design & Peak Day (Exhibits 4.05 & 4.06)

	Design Day	Actual Peak Day
Data Used	Based on IRP Forecast	Based on highest send out day
TS/TBF	Actual contracted firm demand	Meter reads on highest send out day
GS/FS	GS,FS portions estimated using Design Day temperature	GS,FS portions estimated using HDD for highest send out day
NGV	Estimated from daily average in highest winter month	Estimated from daily average in highest winter month
IS	Excluded- usage is curtailed under Design Peak Day scenario	Estimated from daily average in highest send out month



4. Please explain the difference between Design Day and Peak Day Factors and compare the impact on customer rates of using the Peak Day Factor.
 5. Please discuss the difference between Exhibit 4.05 and 4.06

4 & 5. Difference Between Design & Peak Day (Exhibits 4.05 & 4.06)

Comparison of Design-Day and Actual Peak-Day Scenarios

Class	Proposed Design-Day	Proposed Design-Day %	Actual Peak-Day (Task Force)	Actual Peak-Day % (Task Force)	Actual Peak-Day (Case)	Actual Peak-Day % (Case)
GS	1,189,838	81.51%	849,274	79.95%	766,846	77.72%
FS	14,870	1.02%	13,850	1.30%	11,317	1.15%
IS	-	0.00%	651	0.06%	1,622	0.16%
TS	189,497	12.98%	159,276	14.99%	178,632	18.11%
TBF	64,500	4.42%	38,605	3.63%	27,609	2.80%
NGV	974	0.07%	656	0.06%	597	0.06%
Total	1,459,679	100.00%	1,062,312	100.00%	986,622	100.00%

Actual Peak Day (Task Force): January 1, 2019

Actual Peak Day (Case): December 28, 2021

6. Design Day vs. Peak Day

- Bonbright principles – cost causation, consistency, stability
- Design Day is more consistent than peak day
 - Use of peak day will fluctuate depending on the circumstances on the coldest day that year
 - Colder Peak Day will be closer to a Design Day
 - Variables on a peak day – weekend vs. weekday, holiday vs. non-holiday, etc.
- Design Day is a better look at what the system was designed for
 - System not designed for interruptible customers
- Design Day is what the Company has historically used
- Design Day doesn't assign costs to interruptible customers
 - They aren't using the system during Design-Day circumstances

7. Adjusting the Model (Design vs Peak Day)

- *COS Alloc Factors* sheet lists all the allocation factors by name.



	A	B	C	D	G	H	J
	Category	#	Factor Name	GS	FS	IS	TSS
10							
26	Volumetric Factors	210	Design Day	81.5%	1.0%	0.0%	4.2%
27							
28			Peak Day	77.7%	1.1%	0.2%	4.2%
29							
30		220	Throughput	64.8%	1.5%	0.2%	4.5%
31							
32		230	60% Design Day 40% Throughput	74.8%	1.2%	0.1%	4.3%
35							
36			60% Peak Day 40% Throughput	72.6%	1.3%	0.2%	4.3%
37							
38		240	Firm Sales	97.5%	2.3%	0.0%	0.0%
39							
40		245	Firm Sales less NGV	97.7%	2.3%	0.0%	0.0%
41							
42		250	Distribution Throughput	81.2%	1.8%	0.2%	5.5%
43							

7. Adjusting the Model (Design vs Peak Day)

- Use the Factor Name to type into the *COS Detail* sheet to adjust the allocation factor.

7								Utah			
8	FERC				Allocation			Jurisdiction			
9	Account			Description	Factor	DNG Related			GS	FS	IS
679	670	875	Measuring & Regulating Station Expenses								
680	671		Utah	60% Design Day 40% Throughput		3,681,625	2,754,857	44,556	2,308		
681	672		Wyoming	60% Design Day 40% Throughput		0	0	0	0		
682	673		Total			3,681,625	2,754,857	44,556	2,308		
683	674										

Navigation tabs: TBF Inputs | Dist Plant | COS Alloc Factors TS Split | COS Alloc Factors TS TTL | **COS Detail TS Split** | COS Detail TS TTL | Taxes by Class

7								Utah			
8	FERC				Allocation			Jurisdiction			
9	Account			Description	Factor	DNG Related			GS	FS	IS
679	670	875	Measuring & Regulating Station Expenses								
680	671		Utah	60% Peak Day 40% Throughput		3,681,625	2,671,152	47,389	5,940		
681	672		Wyoming	60% Peak Day 40% Throughput		0	0	0	0		
682	673		Total			3,681,625	2,671,152	47,389	5,940		
683	674										

Navigation tabs: TBF Inputs | Dist Plant | COS Alloc Factors TS Split | COS Alloc Factors TS TTL | **COS Detail TS Split** | COS Detail TS TTL | Taxes by Class

- For your convenience, a model was created with 60% Peak Day and 40% Throughput added to the *COS Alloc Factors* sheet and all Design Day factors changed to Peak Day in the *COS Detail* sheet for reference to this question.

8. Admin Fee Calculation

Departments Associated with Administration of Transportation Accounts



Key Accounts
(previously Account Management)



Gas Supply



Commercial Support



Nominations &
Scheduling



Measurement &
Allocation



Billing

8. Admin Fee Calculation

Department Costs Determined by Survey

Estimate of time spent on customer classes

Calculate estimated department time with Actual Annual Labor and Labor Overhead



Key Accounts

71%



Gas Supply

18%



Commercial Support

21%



Nominations &
Scheduling

10%

Software expense



41%

8. Admin Fee Calculation

Billing Department - Estimate of Hours

Calculate estimated hours with average hourly rate and labor overhead for 12 months



Billing

233 hrs/month

8. Admin Fee Calculation

Measurement & Allocation - Estimate of Hours & Materials

Estimate of travel and time spent fixing telemetry equipment. (Investigate equipment for no reads received, replacement of stolen items.)



Measurement &
Allocation
3 hrs/year

Calculate estimated hours with average hourly rate, labor overhead times number of customers

Calculate data charges on modem multiplied by number of customers.



\$180/year

Corrector unit replacement cost of \$3,976 every 10 years. Estimate of annual depreciation times number of customers.



\$397.60/year

8. Admin Fee Calculation

Changes in Admin Fee

	2013	2016	2019	Current Case 2022
Total	Not updated	\$1,872,677	\$3,054,944	\$2,562,130
Primary Count	291	488	959	983
Secondary Count	54	92	132	164
Annual Admin Fee Primary*	\$4,500	\$3,500	\$3,000	\$2,400
Annual Admin Fee Secondary*	\$2,250	\$1,750	\$1,500	\$1,200

*Numbers are rounded

9. IS Backup Capabilities

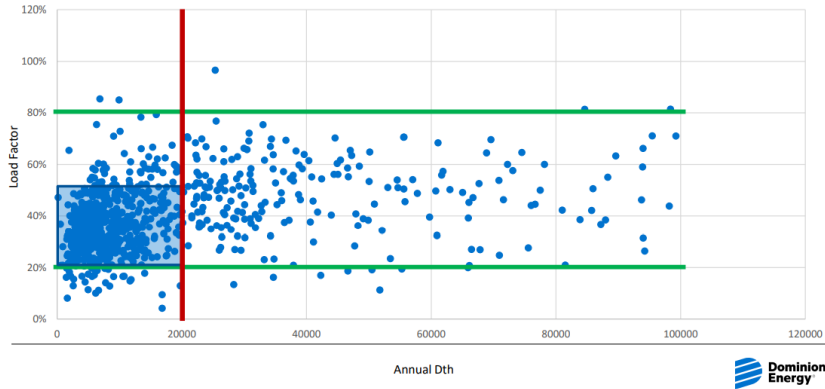
- Interruptions will continue.
 - An interruptible service customer has a contract with signatures for having and maintaining backup system capability and contact information in the case of an interruption. Customers will be expected to provide the Company with updated contact information when a change happens per their contract.

- There are more options now to manage the system with fines and restrictions than previously. For example:
 - Hold Burn to Scheduled Quantity Restriction
 - Prohibits a customer from using more gas than they have scheduled to receive into the system for a time period
 - More frequent restrictions from Gas Supply
 - Penalties cause customers to change behavior
 - Energy managers are more aware of potential issues

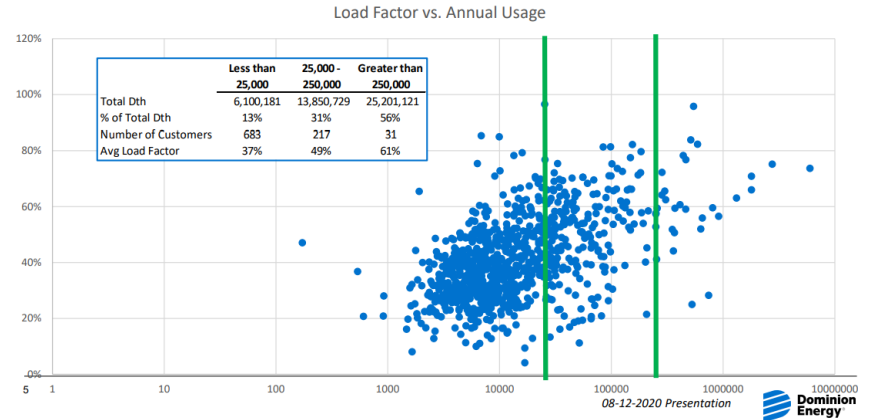
11. Proposed Breakpoints for TS Split

Task Force TS Split Proposals

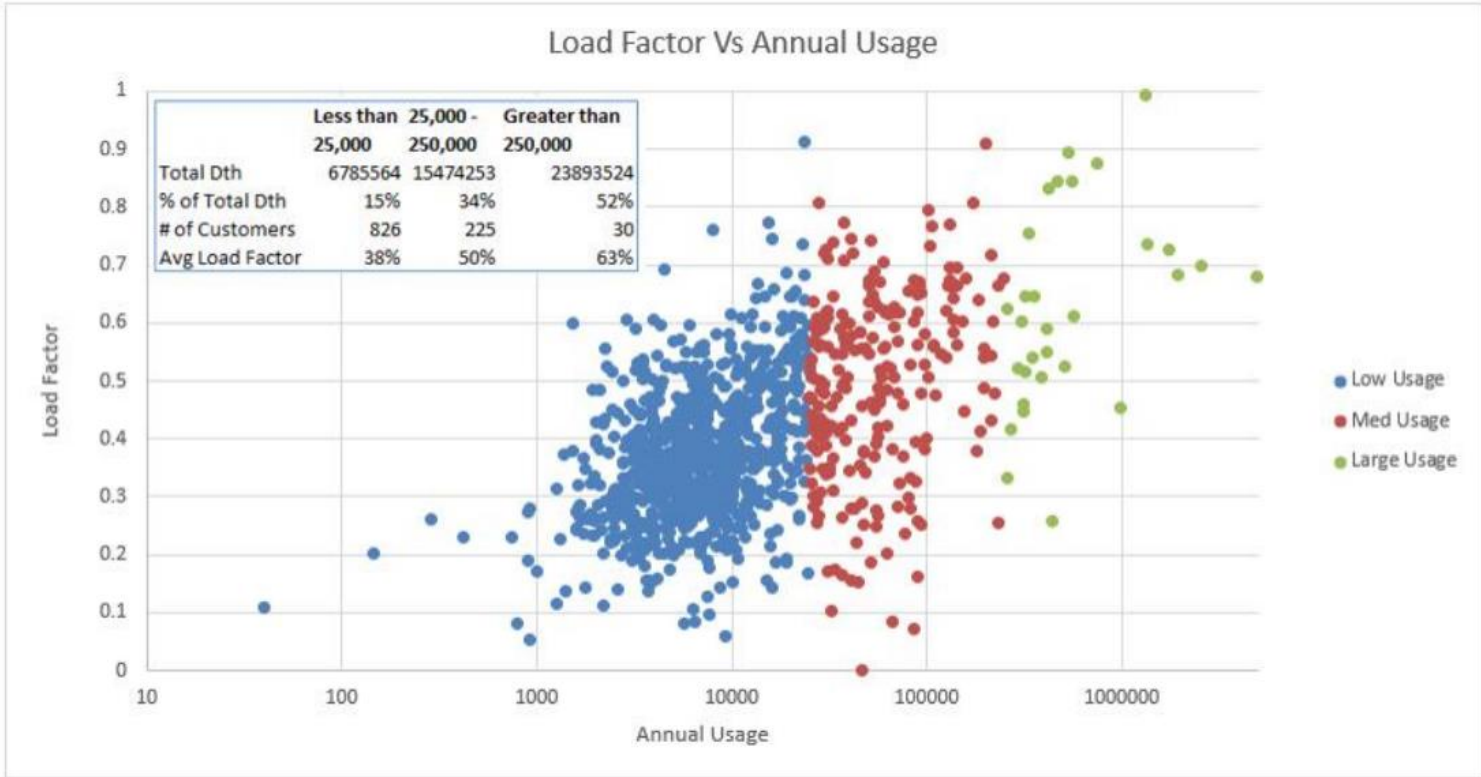
Investigate division at 20,000 Dth per year



TS with DPU Proposed Splits



10. TS Class Split & Impact on TS Customers



10. TS Class Split & Impact on TS Customers

Effect on Typical TSS Customers (DNG Rate Only)

25th Percentile Customer					50th Percentile Customer					75th Percentile Customer				
53 Dth Firm Demand					70 Dth Firm Demand					106 Dth Firm Demand				
Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change	Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change	Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change
Jan	662	\$ 1,151.45	\$ 1,041.70	\$ (109.75)	Jan	1428	\$ 1,837.90	\$ 1,678.21	\$ (159.70)	Jan	1953	\$ 2,409.79	\$ 2,193.14	\$ (216.65)
Feb	509	\$ 1,028.48	\$ 925.54	\$ (102.94)	Feb	1194	\$ 1,649.83	\$ 1,500.55	\$ (149.28)	Feb	1602	\$ 2,127.68	\$ 1,926.65	\$ (201.03)
Mar	483	\$ 1,007.59	\$ 905.80	\$ (101.78)	Mar	1090	\$ 1,566.24	\$ 1,421.59	\$ (144.66)	Mar	1411	\$ 1,974.17	\$ 1,781.64	\$ (192.53)
Apr	357	\$ 906.32	\$ 810.14	\$ (96.18)	Apr	571	\$ 1,149.11	\$ 1,027.55	\$ (121.56)	Apr	1072	\$ 1,701.71	\$ 1,524.26	\$ (177.45)
May	284	\$ 847.65	\$ 754.71	\$ (92.93)	May	237	\$ 880.67	\$ 773.97	\$ (106.70)	May	278	\$ 1,063.56	\$ 921.43	\$ (142.12)
Jun	117	\$ 678.08	\$ 584.63	\$ (93.45)	Jun	36	\$ 649.30	\$ 535.82	\$ (113.48)	Jun	184	\$ 981.20	\$ 841.72	\$ (139.47)
Jul	105	\$ 663.33	\$ 569.26	\$ (94.07)	Jul	25	\$ 635.77	\$ 521.73	\$ (114.04)	Jul	66	\$ 836.12	\$ 690.58	\$ (145.53)
Aug	126	\$ 689.15	\$ 596.16	\$ (92.99)	Aug	36	\$ 649.30	\$ 535.82	\$ (113.48)	Aug	188	\$ 986.11	\$ 846.84	\$ (139.27)
Sep	178	\$ 753.08	\$ 662.76	\$ (90.32)	Sep	59	\$ 677.58	\$ 565.28	\$ (112.30)	Sep	3	\$ 758.66	\$ 609.89	\$ (148.77)
Oct	305	\$ 864.52	\$ 770.66	\$ (93.86)	Oct	348	\$ 969.88	\$ 858.24	\$ (111.64)	Oct	738	\$ 1,433.27	\$ 1,270.68	\$ (162.59)
Nov	376	\$ 921.59	\$ 824.56	\$ (97.02)	Nov	621	\$ 1,189.30	\$ 1,065.51	\$ (123.79)	Nov	1231	\$ 1,829.50	\$ 1,644.98	\$ (184.53)
Dec	547	\$ 1,059.02	\$ 954.39	\$ (104.63)	Dec	865	\$ 1,385.41	\$ 1,250.76	\$ (134.65)	Dec	1924	\$ 2,386.48	\$ 2,171.12	\$ (215.36)
Total	4049	\$10,570.26	\$ 9,400.32	\$ (1,169.94)	Total	6510	\$13,240.30	\$11,735.03	\$ (1,505.27)	Total	10650	\$18,488.24	\$16,422.94	\$ (2,065.31)

10. TS Class Split & Impact on TS Customers

Effect on Typical TSM Customers (DNG Rate Only)

25th Percentile Customer					50th Percentile Customer					75th Percentile Customer				
250 Dth Firm Demand					500 Dth Firm Demand					732 Dth Firm Demand				
Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change	Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change	Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change
Jan	3599	\$ 3,572.84	\$ 4,539.60	\$ 966.76	Jan	6806	\$ 5,431.44	\$ 6,985.27	\$ 1,553.83	Jan	11265	\$ 8,099.86	\$ 11,145.54	\$ 3,045.69
Feb	2716	\$ 3,282.62	\$ 3,958.12	\$ 675.49	Feb	5278	\$ 5,165.88	\$ 6,453.18	\$ 1,287.30	Feb	11758	\$ 8,261.89	\$ 11,470.20	\$ 3,208.31
Mar	2861	\$ 3,330.28	\$ 4,053.60	\$ 723.32	Mar	5074	\$ 5,098.83	\$ 6,318.84	\$ 1,220.01	Mar	10349	\$ 7,798.80	\$ 10,542.33	\$ 2,743.53
Apr	2320	\$ 3,152.47	\$ 3,697.34	\$ 544.87	Apr	4521	\$ 4,917.07	\$ 5,954.67	\$ 1,037.59	Apr	5451	\$ 6,188.97	\$ 7,316.83	\$ 1,127.86
May	2323	\$ 3,153.46	\$ 3,699.31	\$ 545.86	May	3637	\$ 4,626.53	\$ 5,372.52	\$ 746.00	May	4494	\$ 5,874.43	\$ 6,686.62	\$ 812.18
Jun	2600	\$ 3,244.50	\$ 3,881.73	\$ 637.23	Jun	2792	\$ 4,348.80	\$ 4,816.06	\$ 467.26	Jun	4001	\$ 5,712.40	\$ 6,361.96	\$ 649.56
Jul	2379	\$ 3,171.86	\$ 3,736.19	\$ 564.33	Jul	2525	\$ 4,261.05	\$ 4,640.23	\$ 379.19	Jul	3970	\$ 5,702.21	\$ 6,341.55	\$ 639.34
Aug	2806	\$ 3,312.20	\$ 4,017.38	\$ 705.18	Aug	2893	\$ 4,382.00	\$ 4,882.57	\$ 500.58	Aug	4200	\$ 5,777.80	\$ 6,493.01	\$ 715.20
Sep	2559	\$ 3,231.02	\$ 3,854.73	\$ 623.70	Sep	2976	\$ 4,409.28	\$ 4,937.23	\$ 527.96	Sep	4269	\$ 5,800.48	\$ 6,538.45	\$ 737.97
Oct	2694	\$ 3,275.39	\$ 3,943.63	\$ 668.24	Oct	4341	\$ 4,857.91	\$ 5,836.13	\$ 978.22	Oct	8032	\$ 7,037.27	\$ 9,016.51	\$ 1,979.24
Nov	2472	\$ 3,202.43	\$ 3,797.43	\$ 595.01	Nov	4794	\$ 5,006.80	\$ 6,134.45	\$ 1,127.65	Nov	6662	\$ 6,586.99	\$ 8,114.32	\$ 1,527.33
Dec	3265	\$ 3,463.06	\$ 4,319.65	\$ 856.59	Dec	6035	\$ 5,414.68	\$ 6,951.69	\$ 1,537.01	Dec	13787	\$ 8,928.76	\$ 12,806.36	\$ 3,877.60
Total	32594	\$39,392.13	\$ 47,498.70	\$ 8,106.57	Total	50952	\$57,920.26	\$69,282.84	\$ 11,362.58	Total	88238	\$81,769.86	\$102,833.67	\$ 21,063.81

10. TS Class Split & Impact on TS Customers

Effect on Typical TSL Customers (DNG Rate Only)

25th Percentile Customer					50th Percentile Customer					75th Percentile Customer				
750 Dth Firm Demand					960 Dth Firm Demand					1200 Dth Firm Demand				
Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change	Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change	Month	Usage in Dth	Old Rate	Proposed TSS Rate	Change
Jan	23447	\$ 12,178.68	\$ 19,058.66	\$ 6,879.98	Jan	38217	\$ 17,907.75	\$ 29,601.72	\$ 11,693.97	Jan	67880	\$ 28,656.64	\$ 50,188.29	\$ 21,531.65
Feb	18163	\$ 10,441.99	\$ 15,529.64	\$ 5,087.66	Feb	33833	\$ 16,466.86	\$ 26,673.78	\$ 10,206.92	Feb	60736	\$ 26,308.62	\$ 45,417.03	\$ 19,108.41
Mar	35586	\$ 16,168.41	\$ 27,165.92	\$ 10,997.51	Mar	37368	\$ 17,628.70	\$ 29,034.70	\$ 11,405.99	Mar	64611	\$ 27,582.21	\$ 48,005.02	\$ 20,422.81
Apr	30655	\$ 14,547.73	\$ 23,872.66	\$ 9,324.92	Apr	33360	\$ 16,311.40	\$ 26,357.88	\$ 10,046.48	Apr	53288	\$ 23,860.86	\$ 40,442.75	\$ 16,582.06
May	12576	\$ 8,605.71	\$ 11,798.26	\$ 3,192.55	May	35069	\$ 16,873.09	\$ 27,499.27	\$ 10,626.17	May	63615	\$ 27,254.86	\$ 47,339.83	\$ 20,084.97
Jun	21821	\$ 11,644.26	\$ 17,972.71	\$ 6,328.44	Jun	31483	\$ 15,694.48	\$ 25,104.29	\$ 9,409.81	Jun	60343	\$ 26,179.45	\$ 45,154.56	\$ 18,975.11
Jul	19543	\$ 10,895.55	\$ 16,451.30	\$ 5,555.75	Jul	34954	\$ 16,835.30	\$ 27,422.46	\$ 10,587.17	Jul	62555	\$ 26,906.47	\$ 46,631.89	\$ 19,725.42
Aug	3948	\$ 5,769.55	\$ 5,820.93	\$ 50.98	Aug	32141	\$ 15,910.75	\$ 25,543.75	\$ 9,633.00	Aug	63041	\$ 27,066.20	\$ 46,956.47	\$ 19,890.27
Sep	32365	\$ 15,109.76	\$ 25,014.71	\$ 9,904.95	Sep	33261	\$ 16,278.86	\$ 26,291.76	\$ 10,012.90	Sep	59429	\$ 25,879.05	\$ 44,544.13	\$ 18,665.08
Oct	44262	\$ 19,019.95	\$ 32,960.35	\$ 13,940.40	Oct	36126	\$ 17,220.50	\$ 28,205.20	\$ 10,984.71	Oct	63647	\$ 27,265.38	\$ 47,361.20	\$ 20,095.82
Nov	37549	\$ 16,813.59	\$ 28,476.94	\$ 11,996.36	Nov	39072	\$ 18,188.76	\$ 30,172.74	\$ 11,983.99	Nov	62649	\$ 26,937.36	\$ 46,694.66	\$ 19,757.30
Dec	36364	\$ 16,424.11	\$ 27,685.52	\$ 11,261.41	Dec	38749	\$ 18,082.60	\$ 29,957.02	\$ 11,874.42	Dec	69211	\$ 29,094.10	\$ 51,077.22	\$ 21,983.12
Total	316279	\$157,619.69	\$ 251,807.61	\$ 94,187.92	Total	423633	\$203,399.03	\$331,864.57	\$128,465.54	Total	751005	\$322,991.02	\$559,813.04	\$ 236,822.02

12. LNG Use and Cost Allocation

- Testimony of Kelly Mendenhall in LNG preapproval Docket 19-057-13 “This facility is being built and used for the sole benefit of sales customers. As a result, none of these costs will be allocated to transportation customers. As transportation customers are responsible for their own supply reliability they will not have access to this facility during a supply disruption.”

10	Category	#	Factor Name	GS	FS	IS	TSS	TSM	TSL	TBF	NGV	Total
26	Volumetric Factors	210	Design Day	81.5%	1.0%	0.0%	4.2%	4.5%	4.2%	4.4%	0.1%	100%
27												
28			Peak Day	77.7%	1.1%	0.2%	4.2%	5.8%	8.1%	2.8%	0.1%	100%
29												
30		220	Throughput	64.8%	1.5%	0.2%	4.5%	8.9%	14.4%	5.6%	0.2%	100%
31												
32		230	60% Design Day 40% Throughput	74.8%	1.2%	0.1%	4.3%	6.3%	8.3%	4.9%	0.1%	100%
35												
36		240	Firm Sales	97.5%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	100%
37												
38		245	Firm Sales less NGV	97.7%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
39												
40		250	Distribution Throughput	81.2%	1.8%	0.2%	5.5%	7.6%	2.5%	1.1%	0.2%	100%



- Testimony of Kelly Mendenhall in LNG preapproval Docket 19-057-13 “In the event of a supply issue, the Company could utilize a Hold Burn to Scheduled Quantity restriction during which if a transportation customer uses more gas than it delivered to the system it would be assessed a penalty. This penalty would then be given back to the sales customers through the Infrastructure Rate Adjustment Mechanism (also known as the tracker).”

13 & 14. Terminating Transportation Service

- Tariff change was proposed for customers who want to terminate service (going out of business)
- Company needs time to work out nominations with marketers
- Customers still need to transition to sales during specified times.
- Proposed Section 5.01 REQUEST FOR TERMINATING EXISTING SERVICE (TBF, MT, TSS, TSM AND TSL)

All transportation service contracts will have an initial term of 1 year. Thereafter, existing customers may provide written notice to terminate transportation service on or before the 15th day of any month, and the Company will terminate service effective the 1st day of the following month. Transportation service customers may only transition to sales service in accordance with § 2.01 Firm Sales Service.

- Section 2.01
A request for firm sales service from an existing transportation service or interruptible sales service customer must be received by the Company by March 31st in any given year. If approved, such a request will be effective on the first day of the customer's billing cycle which occurs on or after July 1st. Approval will be conditioned upon execution of a minimum two-year service agreement. The customer will be responsible to pay for any required changes in equipment to facilitate class-appropriate meter reading.
- Proposed tariff change shouldn't affect the number of customers or gas supply planning

13 & 14. Terminating Transportation Service

Enrollment process for transportation customers

- Enrollment begins March 7
- Contract signed March 21
- Meet with DEU Telemetry by April 15
- Any necessary facilities installed by May 15
- Service becomes effective July 1

- Gas Supply Planning (IRP)
- Easier to manage the process once each year
- Wexpro production planning

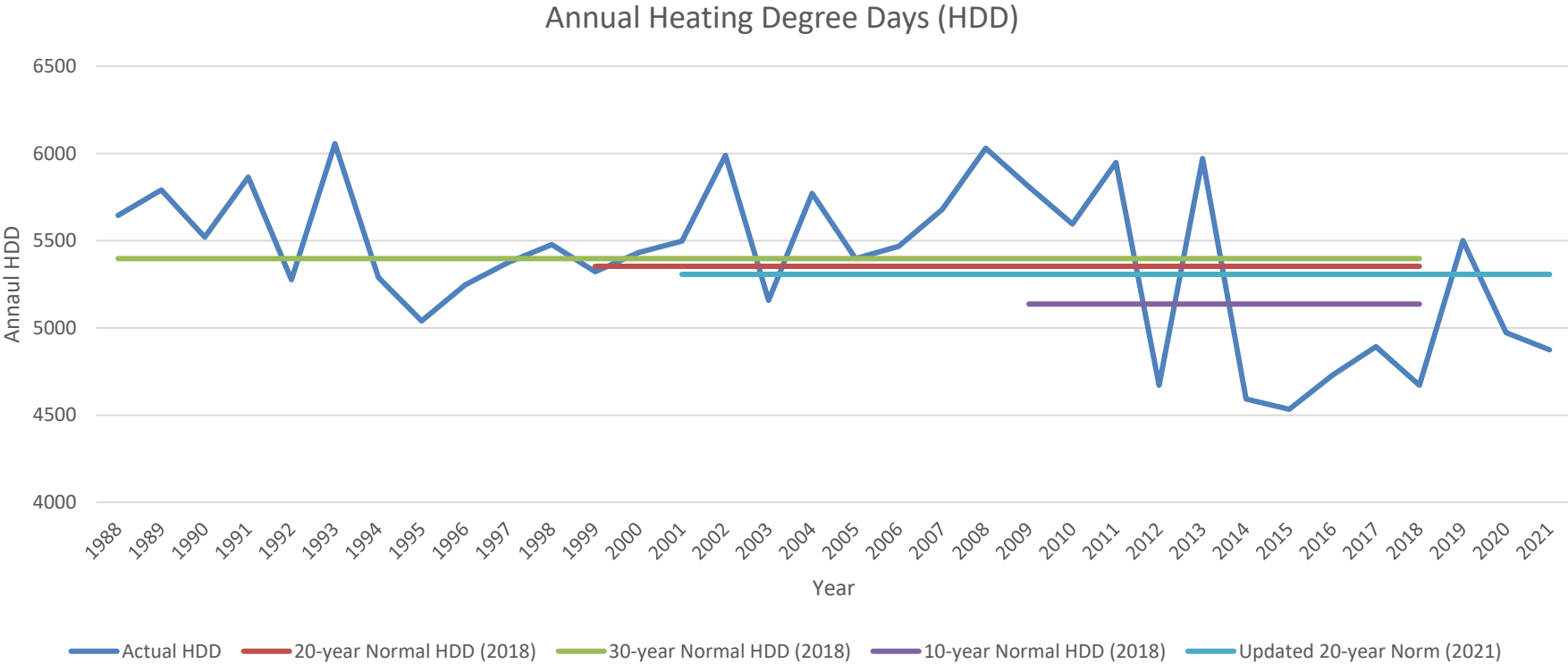
15. Gas Quality Update

- Since the last case, the Company reviewed gas quality specifications and updated standards to be consistent with interstate pipelines
 - Oxygen Limit 0.2%
 - Water Vapor Limit <7 pounds

16 & 17. Need for both WNA and CET

- Company needs to collect \$450 million from GS class to run the utility and earn a fair return (**allowed revenue**)
 - Rates to collect \$450 million are based on:
 - Normal weather
 - # of customers
 - Usage per customer
- Fluctuations in weather, number of customers, or usage per customer could cause either a windfall profit or a loss for the Company
- Weather Normalization adjusts individual customer bills up during warm weather and down during cold weather to eliminate extra profits and losses
- CET is layered on top of WNA to adjust total revenue collection to “allowed revenue”

17. Need for Weather Normalization



16. Need for CET

- Removes disincentive to encourage energy efficiency
- The impact of increases and decreases in usage per customer are mitigated
- Forecasting is easier and more accurate because it's based on customers instead of volumes used



CET vs. WNA comparison

Conservation Enabling Tariff

- Collected through a surcharge
- Calculated on GS class as a whole
- Calculated Annually
- Backward Looking
- Adjusts for all changes in usage (up or down)
- Calculated by comparing allowed revenue with volumetric revenue

Weather Normalization

- Calculated in the billing system
- Calculated for individual customers
- Calculated monthly
- Calculated Realtime
- Adjusts for changes in usage caused by weather
- Calculated by comparing daily average temperatures with historical 20-year average

18. GS Median Usage per Customer

