- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Dominion Energy Utah for Approval of Gas Affiliate Inventory Transfer Agreement	DOCKET NO. 22-057-10 ORDER APPROVING SETTLEMENT STIPULATION

ISSUED: October 5, 2022

SYNOPSIS

The Public Service Commission (PSC) approves a Settlement Stipulation that resolves the Application of Dominion Energy Utah (DEU) for Approval of Gas Affiliate Inventory Transfer Agreement.

1. PROCEDURAL HISTORY AND BACKGROUND

On June 28, 2022, the PSC received the Application of DEU (the "Application") for Approval of Gas Affiliate Inventory Transfer Agreement (the "Inventory Transfer Agreement"). DEU states it "establish[es] the conditions under which [DEU] can transfer to or receive from other [DEU] gas affiliates certain items of inventory, spare parts, equipment, and other materials to address supply shortages resulting from manufacturing and shipping delays, market constraints and conditions, and other events and circumstances that are outside of [DEU's] or its affiliates' control."[1] DEU explains it has experienced shortages for needed materials that were created by the breakdown of the global supply chain over the past few years.[2] DEU asserts that the Agreement would place DEU in a position with its affiliates similar to the position other gas utilities "enjoy through the use of mutual aid agreements."[3] DEU also filed supporting testimony from DEU witness Kelly B. Mendenhall.

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[1] Application, at 1.
[2] *Id.*
[3] Comments from the Division of Public Utilities (DPU) filed August 5, 2022 (the "DPU Comments"), at 2.

On July 13, 2022, the PSC issued its Scheduling Order and Notice of Hearing. DPU filed comments on August 5, 2022 and no other party filed comments or intervened in the docket.

On August 19, 2022, DEU and DPU jointly filed a settlement stipulation ("Settlement") setting forth additional conditions and requirements on DEU before it may transfer to or receive the inventory items discussed in the Inventory Transfer Agreement, and indicating they have the Office of Consumer Services' (OCS) permission to represent that OCS does not oppose the Settlement. On September 7, 2022, the PSC held a hearing during which DEU and DPU provided testimony in support of the Settlement.

a. DPU Comments

DPU states that the Inventory Transfer Agreement in principle is reasonable, but recommends the PSC impose additional conditions before approving it including:

1. Regarding DEU witness Kelly Mendenhall's statement in direct testimony, that "[DEU] proposes that the [PSC] approve the [Inventory Transfer Agreement], and that this preapproval fulfill any conceivable obligation set forth in the Dominion/Questar Merger Stipulation. Then, if any party in the future disagreed with [DEU's] reading of the merger provision, the [PSC's] order in this docket would settle the matter … ," DPU states "[it] does not believe that this statement is intended to shift the burden of providing the PSC substantial evidence from the utility to other parties or that this [Inventory Transfer Agreement] would fulfill any conceivable obligation on [DEU's] part. However, if that is the intent of the statement, then

[DPU] opposes the [Inventory Transfer Agreement] outright. [DPU] requests clarification from [DEU] on this matter and direction from the [PSC]."[4]

2. "If the value of the transfer is equal to or greater than $500,000, evidence [should] be provided to the [PSC] explaining the propriety of the transfer as soon as possible but not later than 30 days after the transfer."[5]
3. The Affiliate Transaction Report should provide evidence showing that "[DEU] is still in compliance with DEU Tariff section 2.06 and provide an accounting showing that the transactions held [DEU's] customers harmless and that the items transferred were the lower of cost or market."[6]
4. "[DEU] should be required to provide an explanation for each inventory transfer that describes the 'events and circumstances' and demonstrate that the difficulties causing the transfers are 'outside of [DEU's] or its affiliates' control' as part of its annual Affiliate Transaction Report."[7]
5. "In accordance with [Utah Admin. Code R746-401-3(B)] which requires each public utility to 'file with the [PSC], at least 30 days before its being consummated, a report of the sale, transfer or other disposition by that utility of utility assets having a book cost allocated to Utah in excess of the lesser of ten million dollars or five percent of gross investment in utility plant devoted to Utah service at the latest balance sheet date as set forth in its most recent annual report on file with the [PSC].' That, even

[4] *Id.*, at 4.
[5] *Id.*, at 5.
[6] *Id.*
[7] *Id.*

> with the approval of this [Inventory Transfer Agreement], … no asset or inventory transfer exceed $10 million without preapproval by the [PSC]."[8]

DPU also acknowledges DEU's explanation that over the past few years, DEU and its affiliates have experienced supply chain problems resulting from the COVID-19 pandemic. DPU indicates, however, that certain rules, tariff provisions, and merger agreements may place restrictions on intercompany asset and inventory transfers such as those described in the Inventory Transfer Agreement. Specifically, DPU references Utah Admin. Code R746-401-3,[9] DEU Tariff Section 2.06,[10] and Paragraph 27 of the Dominion/Questar merger stipulation.[11]

b. Settlement

DPU and DEU agree to conditions similar to those DPU recommended in its comments. For example, the parties agree to DPU's first and second conditions. The Settlement combines DPU's third and fourth conditions stating that "[DEU] will provide a description of the transfer, an explanation of why the transfer was necessary, and an explanation of why it either benefitted Utah customers, or did not harm Utah customers." The parties also agree to DPU's fifth condition.[12]

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[8] *Id.*, at 6.
[9] DPU Comments, at 3. (This rule requires each public utility to "file with the [PSC], at least 30 days before its being consummated, a report of the sale, transfer or other disposition by that utility of utility assets having a book cost allocated to Utah in excess of the lesser of ten million dollars or five percent of gross investment in utility plant devoted to Utah service at the latest balance sheet date as set forth in its most recent annual report on file with the [PSC] … .")
[10] *Id.* (This Section of DEU's Tariff states: "All other affiliate expenses, unless otherwise approved by the [PSC] or subject to regulation by another governmental agency, shall be either (1) cost of service based or (2) competitive with the market for similar services at the time the contract for the services was entered into.")
[11] *Id.* (This paragraph states that "[DEU] will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without [PSC] approval.")
[12] While the Settlement did not include language requiring that DEU seek approval anytime it transfers inventory of $10 million or more, DEU testified at trial that it would file a request for approval thereof at least 30 days before such transfer takes place. *See* September 7, 2022 Hr'g. Tr. 5:14-25.

c. Testimony at Hearing

At hearing, DEU witness Mr. Mendenhall reiterated the supply chain issues DEU has experienced in recent years that were the driving factor for its filing in this docket and the resulting Settlement.[13] Mr. Mendenhall also clarified that the Settlement does not shift DEU's burden to provide evidence that the transfers are just, reasonable, and prudent.[14] Mr. Mendenhall then proceeded to provide a broad overview of the remaining key terms of the Settlement, including that DEU will seek PSC approval any time it seeks to transfer inventory of $10 million or more by filing a request at least 30 days before the transfer takes place.[15]

DPU witness Mr. Orton provided an overview of its initial conditions and testified that DPU has always supported the concept of utilities' mutual aid agreements.[16] Mr. Orton explained that these types of agreements may provide additional regulatory transparency.[17] He testified that following the filing of DPU's recommendations, the parties held settlement discussions and that DEU agreed to DPU's conditions. He testified that DPU, therefore, agreed to the Settlement as it represents "the best agreement between the … parties."[18] Mr. Orton concluded by recommending the PSC approve the Settlement as being in the public interest and just and reasonable.[19]

No party opposed the Settlement.

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[13] *Id.*, 4:11-17.
[14] *Id.*, 4:22-25.
[15] *Id.*, 5:14-25.
[16] *Id.*, 9:12-13.
[17] *Id.*, 9:16-18.
[18] *Id.*, 9:22-25.
[19] *Id.*, 10:1-5.

2. DISCUSSION, FINDINGS OF FACT, AND CONCLUSIONS OF LAW

The PSC finds that recent, widespread, and known supply chain issues have likely constrained DEU's ability to secure necessary materials to replace aging infrastructure and address gas distribution system needs. The PSC finds these conditions have, in turn, likely delayed responding to DEU's customer requests and impacted its customer service obligations. The PSC also finds the list of conditions in paragraphs 5 through 8 of the Settlement, agreed to by the parties based on DPU's recommendations, will protect customers during the current supply chain issues.[20]

As set forth in Utah Code Ann. § 54-7-1, settlement of matters before the PSC is legislatively encouraged at any stage of a proceeding. The PSC may adopt a settlement after considering the interests of the public and other affected persons, if the PSC finds it is in the public interest. Based on the PSC's findings, the Settlement, testimony provided at hearing, the DPU Comments and recommendations, and the lack of opposition to the Settlement, we find and conclude the Settlement, including the Inventory Transfer Agreement attached as Exhibit A, is just and reasonable in result and in the public interest.

3. ORDER

The Settlement, including the Inventory Transfer Agreement attached as Exhibit A, is approved.

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[20] As supply chain issues evolve, any party may ask the PSC to revisit whether the conditions of the Inventory Transfer Agreement remain appropriate.

DATED at Salt Lake City, Utah, October 5, 2022.

/s/ Yvonne R. Hogle
Presiding Officer

Approved and Confirmed October 5, 2022 as the Order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#325755

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 October 5, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

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EXHIBIT A

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR APPROVAL OF GAS AFFILIATE INVENTORY TRANSFER AGREEMENT	Docket No. 22-057-10 **SETTLEMENT STIPULATION**

Pursuant to Utah Code Ann. § 54-7-1, Utah Admin. Code R746-100-10.F.5, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company), and the Utah Division of Public Utilities (Division) (together, the Parties, or singly, a Party) submit this Settlement Stipulation. Dominion Energy also spoke to representatives of the Utah Office of Consumer Services (Office) and is authorized to represent that the Office does not oppose this Settlement Stipulation. This Settlement Stipulation shall be effective only upon the entry of a final order of approval by the Public Service Commission of Utah (Commission) in resolution of the issues raised in this docket.

BACKGROUND

1. On June 28, 2022, Dominion Energy filed an Application in this docket, seeking the Commission's approval of a Gas Affiliate Inventory Transfer Agreement (The Agreement). Dominion Energy explained that the Agreement would establish conditions under which the Company could transfer to or receive from other Dominion Energy gas affiliates certain items of inventory, spare parts, equipment, and other materials to address supply shortages resulting from manufacturing and shipping delays, market constraints and conditions, and other events and circumstances that are outside the Company's or its affiliates' control.

2. On August 5, 2022, the Division submitted Comments recommending that the Commission approve the Application, subject to five (5) conditions: (1) a clarification that approval of the Agreement does not constitute a shifting of the burden of providing the Commission with evidence related to each transaction; (2) a requirement that, when the value of the transfer is equal to or greater than $500,000, the Company provide the Commission evidence explaining the propriety of the transfer within 30 days after the transfer; (3) a requirement that the Company's annual Affiliate Transaction Report provide evidence showing that the Company is still in compliance with affiliate transaction standard set forth in Section 2.06 of its Utah Natural Gas Tariff No. 500 (Tariff); (4) a requirement that, in its annual Affiliate Transaction Report, the Company provide an explanation for each inventory transfer that describes the events and circumstances outside of its control that warrant the transfer; and (5) a requirement that the Company comply with the requirements of Utah Admin. Code § R746-401-3, and that no asset or inventory transfer exceed $10 million without preapproval by the Commission.

3. The Parties have engaged in settlement discussions and, based on those discussions, they now agree as follows:

TERMS AND CONDITIONS

4. The Parties submit this Settlement Stipulation for the Commission's approval and adoption.

5. The Parties agree for purposes of settlement that the Commission's approval of the Agreement does not shift any burden of proof from the Company to any other party.

6. The Parties agree for purposes of settlement that, if the value of any inventory transfer is greater than $500,000, the Company will notify the Commission of the transfer within 30 days of the transfer. Such notification will explain the circumstances giving rise to the transfer and the rationale for and details of the transfer.

7. The Parties agree for purposes of settlement that the Company will report all inventory transfers between the Company and any of its affiliates in its annual Affiliate Transaction Report. The Company will provide a description of the transfer, an explanation of why the transfer was necessary, and an explanation of why it either benefitted Utah customers, or did not harm Utah customers.

8. The Parties agree for purposes of settlement that the Company will comply with Utah Admin. Code R 746-401-3.

9. The Parties have attached, as Settlement Exhibit A, a copy of the Agreement with the governing provisions set forth in paragraphs 6 and 7, above, as conditions to the Agreement.

GENERAL

10. The Parties agree that settlement of the issues identified above will resolves all issues in this docket, is in the public interest, and that the results taken as a whole are just and reasonable.

11. The Parties agree that no part of this Settlement Stipulation, or the formulae or methods used in developing the same, or a Commission order approving the same, shall in any manner be argued or considered as precedential in any future case. This Settlement Stipulation does not resolve, does not provide any inferences regarding, and the Parties are free to take any position with respect to, any issues not specifically identified and settled herein. All negotiations related to this Settlement Stipulation are confidential and subject to the applicable rules of evidence, including Utah R. Evid. 408, and no Party shall be bound by any position asserted in negotiations not specifically identified and settled herein. Neither the execution of this Settlement Stipulation nor an order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Settlement Stipulation.

12. Dominion Energy will, and the Division may, make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. The Parties shall support the Commission's approval of the Settlement Stipulation. As applied to the Division, the explanation and support shall be consistent with its statutory authority and responsibility. So that the record in this docket is complete, the Parties agree to recommend that all pleadings, comments, and action request responses that have been filed in this docket be admitted as evidence.

13. The Parties agree that, if any person challenges the approval of this Settlement Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Settlement Stipulation, each Party will use its best efforts to support the terms and conditions of the Settlement Stipulation. As applied to the Division, the phrase "use its best

efforts" means that it shall do so in a manner consistent with its statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Settlement Stipulation, no Party shall take a position in that judicial review opposed to the Settlement Stipulation.

14. Except with regard to the obligations of the Parties under Paragraphs 12, 13, and 14 of this Settlement Stipulation, this Settlement Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission. This Settlement Stipulation is an integrated whole, and either Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Settlement Stipulation or imposes any material change or condition on approval of this Settlement Stipulation, or if the Commission's approval of this Settlement Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Settlement Stipulation consistent with the order. No Party shall withdraw from the Settlement Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Settlement Stipulation, the remaining Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses and no Party shall be bound or prejudiced by the terms and conditions of the Settlement Stipulation.

15. This Settlement Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

RELIEF REQUESTED

Based on the foregoing, the Parties request that the issue an order approving this Settlement Stipulation and adopting its terms and conditions.

RESPECTFULLY SUBMITTED: August 18, 2022.

Chris Parker Director *Utah Division of Public Utilities*	Kelly B Mendenhall Director- Regulatory & Pricing *Dominion Energy Utah, Idaho and Wyoming*

<u>SETTLEMENT EXHIBIT A</u>

GAS AFFILIATE INVENTORY TRANSFER AGREEMENT

This Gas Affiliate Inventory Transfer Agreement (this "*Agreement*") is entered into by and between the Dominion Energy Gas Affiliates (each a "*Gas Affiliate*") executing a signature page for this Agreement ("*Signature Page*"). Each Gas Affiliate is referred to individually herein as a "*Party*" and collectively as the "*Parties*." Any Party desiring to execute a signature page and thereby participate in this Agreement must first consult with the Dominion Energy Law Department.

RECITALS

WHEREAS, each of the Parties is a direct or indirect wholly-owned subsidiary of Dominion Energy, Inc. ("*Dominion*"). Dominion is a Virginia corporation and a "holding company" as defined in the Public Utility Holding Company Act of 2005 that is subject to regulation as such under the Act by the Federal Energy Regulatory Commission.

WHEREAS, from time to time, the Parties purchase and maintain a stock of certain inventory, spare parts, equipment, and other materials (except for natural gas) that are necessary to support their respective business operations (the "*Inventory*");

WHEREAS, at certain times and due to various circumstances, certain Inventory may not be needed for immediate use by a Party, but may have immediate value to another Party or Parties due to manufacturing or shipping delays or other market conditions outside of the Parties' control;

WHEREAS, the Parties believe that, due to such delays and market conditions that are expected to continue, it is in each Parties' interest to enter into an agreement to allow the exchange or purchase of Inventory between the Parties, as may be deemed necessary by the Parties, for use in their respective business operations;

WHEREAS, to facilitate the transfer by one Party of Inventory (the "*Transferring Party*") to another Party or Parties for purchase and/or exchange (each a "*Receiving Party*"), the Parties have entered into this agreement; and

WHEREAS, one or more of the Parties may be subject to jurisdictions requiring prior regulatory approvals and/or additional restrictions or conditions ("*Regulated Party*").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound thereby, the Parties agree as follows:

I. <u>TRANSFER OF INVENTORY</u>. Upon request from a Receiving Party and approval of the Transferring Party, the Transferring Party shall transfer to the Receiving Party the Inventory requested by Receiving Party, provided that Transferring Party believes, in its reasonable judgment, that such transfer will not jeopardize Transferring Party's ability to render utility service to its customers consistent with applicable laws, statutes, rules, regulations, and orders, and provided that the Inventory is exchanged for the Compensation set forth below.

The Receiving Party will issue a request to the Transferring Party which shall identify the Inventory to be transferred, the compensation to be paid or in-kind replacement Inventory to be provided, and delivery requirements, pursuant to the terms and conditions of this Agreement. Each Party's participation in this Agreement is voluntary and no Party is obligated to transfer or receive Inventory pursuant to this Agreement.

II. REGULATORY APPROVAL. As an Agreement between Gas Affiliates, this Agreement may be subject to the review and/or approval of applicable federal or state regulatory agencies. If a signatory to this Agreement is a Regulated Party required to obtain regulatory approval, such entity shall not be deemed a Party to this Agreement, nor bound by the terms and conditions of this Agreement, until such time as all applicable agencies have granted the necessary approval and the Regulated Party satisfies the conditions and/or restrictions set forth in its Signature Page.

III. INVOICES AND PAYMENTS. In purchase transactions, the Transferring Party will submit invoices no later than thirty (30) days following the Receiving Party's receipt of the Inventory except as otherwise agreed upon.

IV. COMPENSATION. In purchase transactions, the Receiving Party shall compensate Transferring Party for any Inventory transferred hereunder at Cost. "Cost" means (i) for items of Inventory accounted for in the FERC Uniform System of Accounts account 154 ("Inventory Items"), the average unit price of such Inventory Items as recorded on the books of the Transferring Party, plus stores, freight, handling, and other applicable costs, and (ii) for assets other than Inventory Items, net book value.

Alternatively, to the extent that Inventory may be transferred under this Agreement, the Transferring Party and Receiving Party may agree that the Inventory transferred to the Receiving Party be replaced by the same type and quantity of Inventory in lieu of monetary compensation. In this event, Transferring Party and Receiving Party shall agree to the timing of such replacement, and other necessary terms and conditions, and such replacement (i.e. of the same Inventory) shall be deemed transferred Inventory for all purposes hereunder.

Receiving Party shall be responsible for all shipping/freight costs applicable to the transfer of Inventory from Transferring Party. If applicable, Receiving Party shall also be responsible for the cost of shipping/freight to transfer in-kind replacement Inventory back to the Transferring Party.

V. EFFECTIVE DATE. Subject to Section II, this Agreement is effective as to each signatory Party as of the date the Agreement is entered into by such signatory Party (the "Effective Date").

VI. TERM. This Agreement shall commence on the Effective Date and shall remain in effect thereafter, unless terminated earlier pursuant to Section VII (B).

VII. MODIFICATION AND TERMINATION.

A. Modification of Terms and Conditions. Other than the conditions and/or restrictions set forth on the Signature Page, no amendment, change, or modification of this Agreement shall be valid, unless made in writing and signed by all Parties hereto.

B. Termination of this Agreement. Any Party may terminate its participation in this Agreement by providing sixty (60) days advance written notice of such termination.

VIII. NOTICE. Where written notice is required by this Agreement, said notice shall be deemed given when sent via electronic mail or mailed by United States registered or certified mail, postage prepaid, and return receipt requested.

IX. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of Virginia without regard to its conflict of laws provisions.

X. ENTIRE AGREEMENT. This Agreement, together with its Signature Pages, constitutes the entire understanding and agreement of the Parties with respect to its subject matter, and effective upon the execution of this Agreement and receipt of any necessary regulatory approvals by the respective Parties hereof and thereto, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and cancelled in their entirety and are of no further force and effect.

XI. WAIVER. No waiver by any Party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

XII. ASSIGNMENT. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. No assignment of this Agreement or any Party's rights, interests or obligations hereunder may be made without the other Party's consent, which shall not be unreasonably withheld, delayed or conditioned; provided, however, that, subject to the requirements of applicable state and federal regulatory law, either Party may assign its rights, interests or obligations under this Agreement to an "affiliated interest," without the consent of the other Party.

XIII. SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the dates set forth below.

[ALL SIGNATURE PAGES FOLLOW]

GAS AFFILIATE INVENTORY TRANSFER AGREEMENT

Signature Page

The Gas Affiliate named below, by its authorized agent's signature, agrees to be a Party to and bound by the terms and conditions of the Gas Affiliate Inventory Transfer Agreement, including any regulatory conditions and/or restrictions set forth below, effective as of the later of the date set forth below and the date such entity obtains all necessary regulatory agency approval(s).

QUESTAR GAS COMPANY dba DOMINION ENERGY UTAH, DOMINION ENERGY WYOMING, AND DOMINION ENERGY IDAHO (DEUWI)

By: ____

Name: ______________________________

Title: ______________________________

Date: ________ ___, 20__

Regulatory Conditions and/or Restrictions to which DEUWI is subject:

If the value of any inventory transfer is greater than $500,000, the Company will notify the Commission of the transfer within 30 days of the transfer. Such notification will explain the circumstances giving rise to the transfer and the rationale for and details of the transfer.

DEUWI will provide a description of each transfer under the Gas Affiliate Inventory Transfer Agreement to the Utah Public Service Commission and the Public Service Commission of Wyoming on July 1st of each year in its Affiliate Transaction Report. The description will include the date upon which the transfer occurred, the type of inventory transferred, the terms of the transfer, and either the items exchanged for the inventory or the amount paid for the inventory, as applicable. The description will also include an explanation of why the transfer was necessary, and an explanation of why it either benefitted DEUWI's customers, or did not harm DEUWI's customers.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Settlement Stipulation was served upon the following persons by e-mail on August 18, 2022:

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/s/ Ginger Johnson