

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Dominion Energy Utah's Integrated Resource Plan for Plan Year: June 1, 2023 to May 31, 2024	<u>DOCKET NO. 23-057-02</u>  <u>ORDER</u>
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ISSUED: December 14, 2023

On June 13, 2023, Dominion Energy Utah (DEU) filed its Integrated Resource Plan for the plan year of June 1, 2023 through May 31, 2024 ("2023 IRP") with the Public Service Commission (PSC).<sup>1</sup> Western Resource Advocates petitioned for, and was granted, intervention in this docket. The Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) filed comments on August 24, 2023. DEU filed reply comments on September 26, 2023. No other comments were submitted. Technical conferences were held on January 24, 2023; April 4, 2023; April 25, 2023; and May 2, 2023.

**SUMMARY OF THE 2023 IRP**

The 2023 IRP presents DEU's plan to meet, provide infrastructure for, and manage its ongoing natural gas demand. For the 2023 IRP year, DEU submits the following key forecasts:<sup>2</sup>

- (1) Design Day firm sales demand of approximately 1.27 million dekatherms (MMDth) at the city gates for the 2023-2024 heating season;<sup>3</sup>

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<sup>1</sup> The 2023 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.

<sup>2</sup> See 2023 IRP at 1-1.

<sup>3</sup> 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 2023 IRP at 3-4.

- (2) A cost-of-service gas production level of approximately 56.5 MMDth, assuming the completion of new development drilling projects (46 percent of forecast demand); and
- (3) A balanced portfolio of gas purchases of approximately 65.6 MMDth.

DEU also highlights the following key findings resulting from the 2023 IRP process, including:<sup>4</sup>

- (4) Maintaining 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;
- (5) Continuing 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 fixed-price baseload supply;
- (6) Continuing to monitor and manage producer imbalances;
- (7) Continuing to promote cost-effective energy-efficiency measures;
- (8) Entering contracts to serve peak-hour requirements and secure needed storage and transportation capacity;
- (9) The construction and testing of the Magna Liquified Natural Gas (LNG) facility is complete and will be ready for withdrawals during the 2023-2024 heating season; and
- (10) Committing that DEU 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 2023 IRP provides price, sales, peak demand, throughput, and usage per customer information. DEU discusses industry and market trends and specifically mentions that the US Energy Information Association now expects the percentage of electricity derived from natural gas will remain at 39 percent for 2023. DEU also notes

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<sup>4</sup> See 2023 IRP at 1-1 & 1-2.

that storage inventories nationally have recovered compared to 2022 and are now above the five-year average. 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 states that it has reviewed DEU's 2023 IRP and determined that it includes all the necessary requirements outlined in the Standards and Guidelines and other pertinent requirements requested by regulators. DPU concludes that DEU's 2023 IRP is "the most complete and beneficial [IRP submitted] to regulators to-date"<sup>5</sup> and thanks DEU for its effort and honesty with regards to getting the Magna LNG plant to full operation. DPU recommends the PSC acknowledge the 2023 IRP as compliant with the Standards and Guidelines.

#### ***OCS Comments and Recommendations***

OCS recommends the PSC acknowledge the 2023 IRP. Additionally, OCS recommends the PSC require DEU to: (1) add additional long-term planning analysis to its price stabilization, supply reliability, and storage sections of the IRP; (2) include all data and analyses discussed and presented in IRP technical conferences in the IRP document; (3) continue to keep parties updated on the status and operations of the Magna LNG facility in quarterly variance reports; and (4) provide status updates on

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<sup>5</sup> See Comments from the Division of Public Utilities, filed August 24, 2023, at 4, Docket No. 23-057-02, *Dominion Energy Utah's Integrated Resource Plan for Plan Year: June 1, 2023 to May 31, 2024*.

the ownership of the Mountain West pipeline<sup>6</sup> and the possible implications to the Joint Operating Agreement in quarterly variance reports.<sup>7</sup>

***DEU Reply Comments***

In reply comments, DEU agreed with DPU's and OCS's recommendation that the PSC acknowledge DEU's 2023 IRP. DEU thanked both DPU and OCS for their extensive review of the 2023 IRP and agreed to incorporate OCS's recommendations in future IRPs and quarterly variance reports.

**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 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.

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<sup>6</sup> OCS identifies that there have been "recent [and] frequent ownership changes of MountainWest Pipeline[.]" Comments from the Office of Consumer Services, filed August 24, 2023, at 4, Docket No. 23-057-02, *Dominion Energy Utah's Integrated Resource Plan for Plan Year: June 1, 2023 to May 31, 2024* ("OCS Comments").

<sup>7</sup> See OCS Comments at 5.

Based on our review of the 2023 IRP, the comments and recommendations submitted by DPU and OCS, and given the lack of opposition along with DEU's commitment to incorporate the suggestions from OCS, we conclude the 2023 IRP generally complies with the Standards and Guidelines.

**ORDER**

We acknowledge that the 2023 IRP as filed generally complies with the Standards and Guidelines.

DATED at Salt Lake City, Utah, December 14, 2023.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#331252

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. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on December 14, 2023, a true and correct copy of the foregoing was served upon the following as indicated below:

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