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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Brenda Salter, Assistant Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

Date: December 18, 2023

Re: **Docket No. 23-057-18**, Dominion Energy Utah's Replacement Infrastructure 2023 Annual Plan and Budget.

Recommendation (Acknowledge)

The Division of Public Utilities (Division) has reviewed Dominion Energy Utah's (Dominion or Company) Infrastructure Tracker Program (ITP) filing and has determined that it contains the required information as ordered and recommends that the Public Service Commission of Utah (Commission) acknowledge this filing as compliant.

Issue

Dominion is required to file an infrastructure replacement budget by November 15 of each year. The budget covers the replacement of feeder lines (FL), belt lines (BL) (also known as High Pressure (HP) or Intermediate High Pressure (IHP) lines), and undisclosed future projects for the upcoming year. In this filing, Dominion provided its "annual plan and budget describing the estimated costs and schedule for the Replacement Infrastructure for 2024," which complies with the Commission's Order in Docket No. 22-057-03.

Division of Public Utilities

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Background

On December 23, 2022, the Commission issued its Report and Order in Dominion's General Rate Case, Docket No. 22-057-03, which approved the continuation of the ITP. It also provided for the continuation of the GDP deflator to be used as an index to adjust the cap on an ongoing basis.

On November 15, 2023, Dominion filed its Replacement Infrastructure 2024 Annual Plan and Budget. Section 2.07 of Dominion's tariff requires the Company to "file its next year's annual plan and budget describing the estimated costs and schedule for the Replacement Infrastructure with the Commission no later than November 15 of each year." Dominion submitted the required forward-looking budget along with exhibits outlining the planned infrastructure replacement projects for the upcoming 2024 calendar year.

On November 15, 2023, the Commission issued an Action Request requesting the Division "Review for Compliance and Make Recommendations" with a due date of December 15, 2023. On November 16, 2023, the Commission issued a Notice of Filing and Comment Period stating that interested persons may submit comments on or before December 18, 2023. This is the Division's response to the Action Request as well as its comments.

Discussion

In 2024, Dominion expects to replace 96,628 linear feet (LF) of FL and 11,500 LF of BL pipe. The proposed schedule represents a 50% reduction in the LF of FL to be replaced and a slight increase in the LF of BL pipe to be replaced. The Division has reached out to the Company but has not yet received a response and is not aware of the reason for the large reduction in the FL replacement this year. The proposed budget of \$86.735 million is calculated by taking the 2020 allowed budget amount of \$72.2 million and adjusting for inflation as shown in Company Exhibit 5 of the application.

As indicated in Dominion's Exhibit 1, \$71.3 million is allocated to replacing segments of nine FL's identified as: 22, 33/21-10, 13, 43, 26, 34, 23-2, 21-50, and 21-19. (Several of these segments will be renamed when the projects are completed.) An additional \$11 million is allocated to replace 11,500 LF of BL's in Salt Lake County. The remaining balance,

approximately \$1.5 million, is allocated to pre-engineering studies or future work. This amount is approximately \$1 million more than in previous years.

Company Exhibit 2, page 1 identifies the sections of pipe Dominion plans to replace in the FL system, correlated with the size and date of installation. Below is a summary of that information.

Feeder Line			
FL Number	Diameter in inches	LF being replaced	Date of original installation
21	6	5,497	1956
	20	7,600	1957
22	2	31	after 1972
	12	9,400	1957
23	4	11,250	1961
26	20	6,970	1962
33	4	1,185	1940
	16	41	1962
	20	7,857	1962
	20	531	after 1972
34	20	22,000	1962
43	3.5	24,267	1966
Total		96,629	

It should be noted that line 4 of Company Exhibit 1 shows that FL 13 has a replacement budget of \$0.225 million. However, Dominion Exhibit 2 does not show any linear feet of FL 13 being replaced. The Division has asked but has not yet received a response from Dominion to explain the difference.

Company Exhibit 2, page 2 identifies the sections of pipe Dominion plans to replace in the IHP or BL system, correlated with the size. Below is a summary of that information.

Belt Line	
Salt Lake County	
Diameter in inches	LF being replaced
24	500
20	500
16	9,000
8	1,500
Total	11,500

No IHP replacement work is scheduled for counties other than Salt Lake in 2024.

Company Exhibit 3 offers photographs of the geographic sections where the pipe is planned for replacement.

Dominion's Exhibit 4 provides a Gantt chart projecting the timeline of the replacement work. According to the chart, the work on all replacements will be completed in calendar year 2024 except for the work on FL34 and the BL work in Salt Lake County, which is expected to continue throughout the year.

Company Exhibit 5 provides information for the DGP Deflator Rate Dominion used to annually inflate the allowed budget to the new budget amount.

Company Exhibit 6 is a description and timeline of anticipated filings over the coming year.

The Division notes that Dominion has committed to continue to submit quarterly reports to the Division showing the progress and costs associated with this ITP and that it plans to continue this ITP program at this rate, as adjusted for inflation.

Conclusion

Dominion's November 15, 2023, filing, outlining the Replacement Infrastructure Annual Plan and Budget for 2024, complies with the Commission's December 23, 2022, Report and Order in Docket No.22-057-03. The Division recommends that the Commission acknowledge that the filing is compliant. The Division notes that this recommendation pertains to only the annual budget filing requirement identified and should not be construed

in any way as an endorsement or preapproval that these costs are prudently incurred or should be recovered in the Infrastructure Tracker Program.

This filing does not request any change in the Company's current rates, nor will it have any material impact on the ITP.

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