

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE)
APPLICATION OF DOMINION) Docket No. 30010-203-GA-22
ENERGY WYOMING TO MODIFY) (Record No. 16993)
THE WEXPRO PRODUCTION CAP)

ORDER
(Issued August 8, 2022)

This matter is before the Wyoming Public Service Commission's (Commission) upon the Application of Questar Gas Company d/b/a Dominion Energy Wyoming (Dominion or the Company) for approval of a *Settlement Stipulation* modifying the production limitation at the Wexpro I and Wexpro II facilities. The Commission, having reviewed the Application, the *Settlement Stipulation*, its files regarding Dominion, applicable Wyoming utility law, and otherwise being fully advised in the premises, FINDS and CONCLUDES:

1. Dominion is a division of Dominion Energy, Inc., a Virginia corporation, engaged in the business of supplying energy services in 16 states, including natural gas services in Utah, Wyoming, and Idaho. Dominion Energy is a public utility as defined by Wyo. Stat. § 37-1-101(a)(vi)(D), subject to the Commission's jurisdiction pursuant to Wyo. Stat. § 37-2-112.

2. On February 4, 2022, Dominion submitted its Application requesting approval of a *Settlement Stipulation (Stipulation)* reached by Questar Gas Company d/b/a Dominion Energy Utah and Dominion Energy Wyoming, Wexpro Company, the Utah Division of Public Utilities, the Utah Office of Consumer Services and the Wyoming Office of Consumer Advocate (collectively, the Parties). The Company also filed for approval of the *Stipulation* in Utah (Docket No. 22-057-04).

3. Dominion stated it has been exploring hedging opportunities, including increasing production under the Wexpro I and Wexpro II Agreements. The Company stated that allowing more Wexpro production could benefit its customers because it expects the market price of natural gas to be higher than the cost of producing natural gas under the Wexpro I and Wexpro II Agreements. The Company stated the *Stipulation* will provide flexibility to fully utilize company-owned supplies to mitigate price volatility in the market and potentially, to further reduce the impact of severe weather events.

4. The Parties' *Stipulation* allows Dominion to modify the existing 55% production limitation if: (1) the planned production is forecast to be provided at a cost lower than the five-year forecast curve together with shut-in costs; (2) the planned production does not exceed (i) 65% of Dominion Energy's annual forecasted demand identified in its Integrated Resource Plan (IRP), or (ii) 65% of the Minimum Threshold as defined in the Trail Stipulation (approved in Utah Docket No. 13-057-13); (3) Dominion Energy and Wexpro Company identified a date by which Wexpro I and Wexpro II production levels will again be reduced to a level at or below

55% of Dominion Energy's annual IRP forecast or the Minimum Threshold; and (4) the Utah and Wyoming Commissions find that the proposal is just and reasonable and in the public interest.

5. On February 8, 2022, the Commission issued its *Notice of Application (Notice)*, which described the Application and provided an intervention deadline of March 8, 2022. The *Notice* appeared in newspapers in Dominion's service area once a week for two consecutive weeks. The notice period expired without comment, protest, petition to intervene or request for hearing.

6. This matter came before the Commission pursuant to due notice at its Open Meeting on April 28, 2022. Jenniffer Nelson Clark, Assistant General Counsel, Brady Rasmussen, VP and General Manager – Wexpro, Dee Heugly, Director Business Development - Wexpro, and Kelly Mendenhall, Director Regulatory and Pricing, appeared for the Company. Kelly Mendenhall provided a summary of the Company's Application. He stated that after the February 2021 Weather Event, Dominion explored options to ensure supply reliability and pricing stability. The *Stipulation* to increase the production cap on the WEXPRO agreement includes measures for customer protection regarding production cost, specifies a new limit, and a designated time to return to the current limit. Commission Staff recommended approving the Application.

7. The Commission finds that the Company's *Stipulation* will allow Dominion flexibility to modify production limitations at the Wexpro I and Wexpro II facilities and fully utilize company-owned supplies to mitigate price volatility in the market. The Commission concludes that the *Stipulation* is just and reasonable and consistent with the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. Pursuant to Open Meeting action taken on April 28, 2022, the Application Questar Gas Company d/b/a Dominion Energy Wyoming for approval of a *Settlement Stipulation* modifying the production limitation at the Wexpro I and Wexpro II facilities, is approved.

2. This *Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on August 8, 2022.

PUBLIC SERVICE COMMISSION OF WYOMING

Ch. B. Petrie

CHRISTOPHER B. PETRIE, Chairman

Michael M. Robinson

MICHAEL M. ROBINSON, Deputy Chairman

Mary A. Throne

MARY A. THRONE, Commissioner



Ivan H. Williams

IVAN H. WILLIAMS, Assistant Secretary