

Welcome to the Large Customer Seminar



May 23, 2023

Meeting Agenda

| | | |
|-------------------------|----------------------------|---|
| | Kickoff | Charles Newton , Manager - Customer Service & Strategic Partnerships |
| 9:00 – 9:10 AM | Welcome & Introductions | Keller Kissam , President - DESC |
| 9:10 – 9:20 AM | Safety/Housekeeping | Brendan Levesque , Key Account Manager |
| 9:30 – 10:15 AM | Regulatory/Fuel Update | John Raftery , Director - Regulation |
| 10:15 – 10:30 AM | Break | |
| 10:30 – 11:15 AM | Environmental/Clean Energy | Darrell Shier , Manager- Environmental |
| 11:15 – 12:00 PM | Gas Rate Changes | Rose Jackson , Director – Fuel Commodities |
| 12:00 PM | Closing Remarks | Shaun Randall , Vice President - Transmission & Delivery |
| 12:00 – 1:00 PM | Lunch | |
| 1:30 – 2:30 PM | Breakout Sessions | |

System Control Tour – TOC – Matt Hammond

Distribution Dispatch Tour – OSC – Trevis Hall

Pathway to Sustainability Session – Auditorium – Danny Kassis/Westy Westmoreland

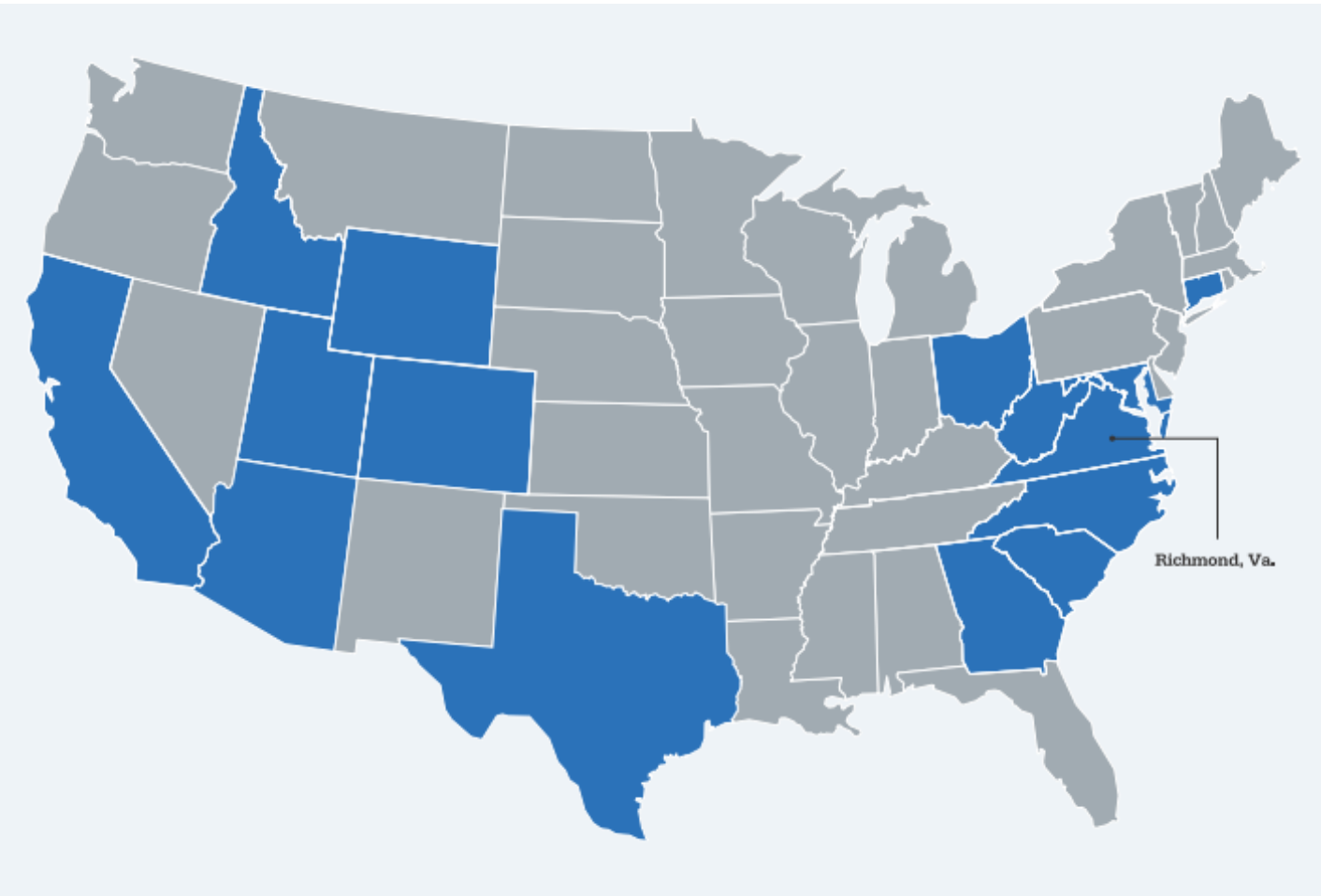
Large Customer Group Seminar May 23, 2022



Agenda

- 1. Company Overview Information**
- 2. System Outage Performance**
- 3. Electric Generation Fuel**
- 4. Gas General Rate Case**

Dominion Energy Footprint



16

States of
Operation

~17,000

Employees

~7M

Utility
Customers

Dominion Energy South Carolina

~3,700

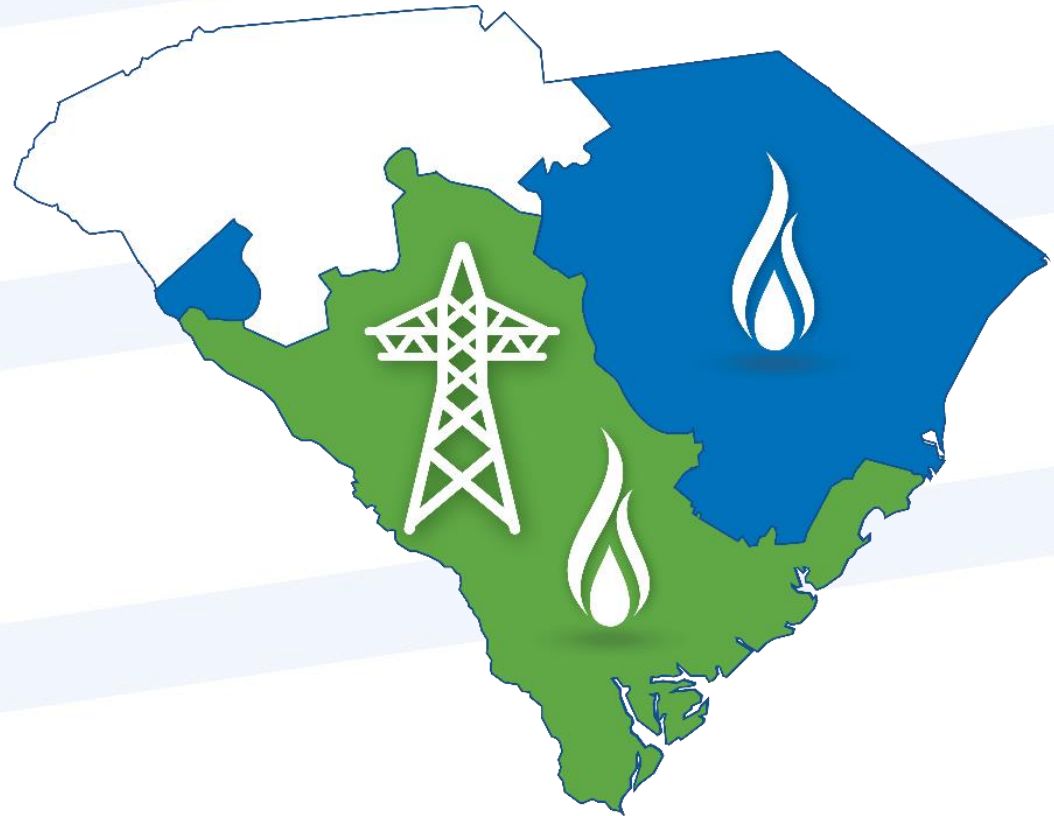
Employees

~435k

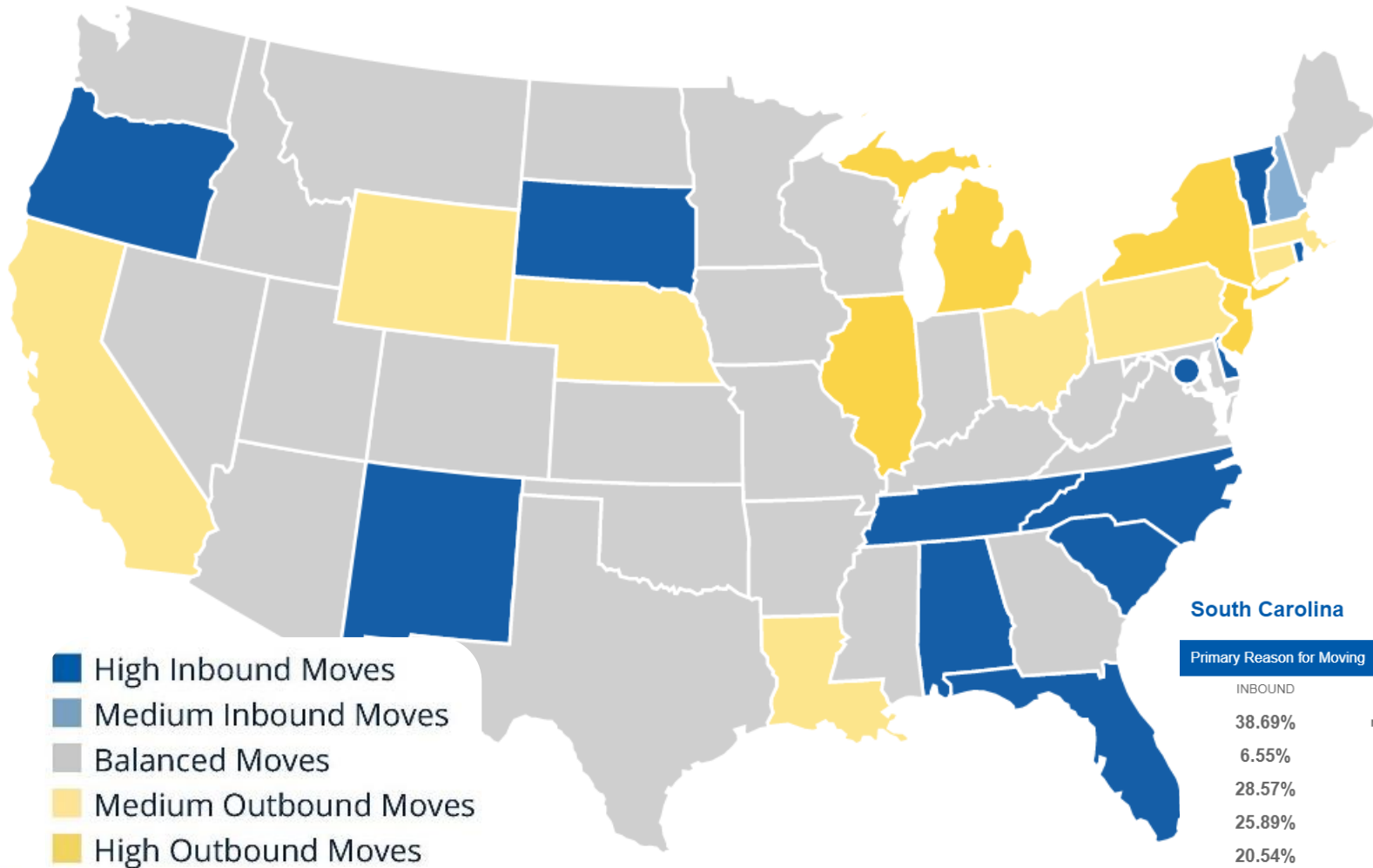
Gas
Customers

~782k

Electric
Customers



2022 United Van Lines' National Movers Study



- High Inbound Moves
- Medium Inbound Moves
- Balanced Moves
- Medium Outbound Moves
- High Outbound Moves

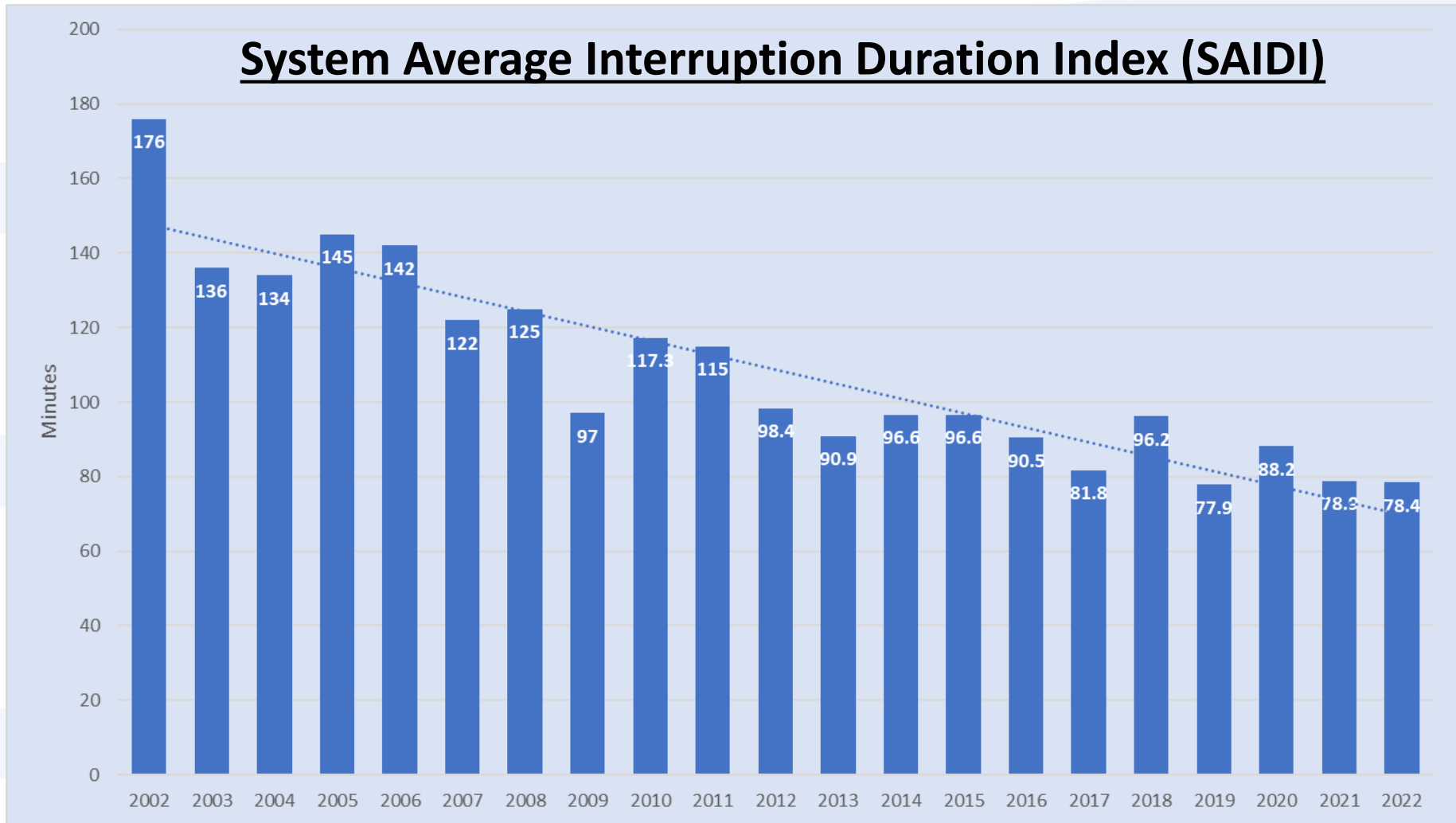
South Carolina

Total Inbound: 61%
Total Outbound: 39%

Primary Reason for Moving

| INBOUND | | OUTBOUND |
|---------|------------|----------|
| 38.69% | retirement | 9.80% |
| 6.55% | health | 9.80% |
| 28.57% | family | 40.52% |
| 25.89% | lifestyle | 13.73% |
| 20.54% | job | 35.29% |
| 14.29% | cost | 1.96% |

DESC Electric Outage Statistics

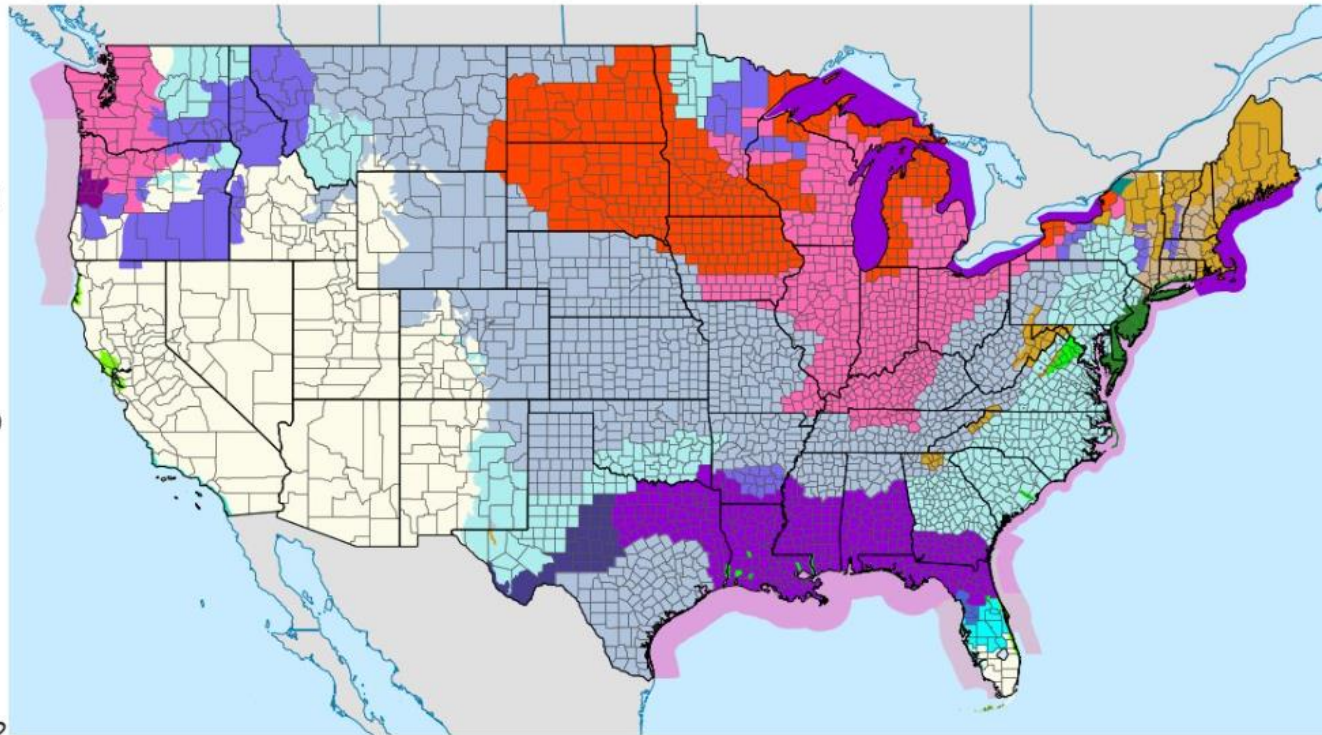


Winter Storm Elliott – December 22nd



Current Watches, Warnings, and Advisories

- Blizzard Warning Pop: 11,394,035
- Ice Storm Warning Pop: 507,733
- Winter Storm Warning Pop: 60,334,004
- High Wind Warning Pop: 9,916,350
- Storm Warning Pop: 214,280
- Coastal Flood Warning Pop: 26,584,099
- Lakeshore Flood Warning Pop: 1,536,561
- Flood Warning Pop: 1,781,357
- Flood Warning Pop: 265,232
- Lake Effect Snow Warning Pop: 81,110
- Gale Warning Pop: 453,428
- Wind Chill Warning Pop: 80,831,589
- Hard Freeze Warning Pop: 40,056,404
- Freeze Warning Pop: 1,769,445
- Winter Weather Advisory Pop: 18,884,409
- Wind Chill Advisory Pop: 98,572,573
- Flood Advisory Pop: 26,777
- Coastal Flood Advisory Pop: 10,492,850
- Lakeshore Flood Advisory Pop: 104,423
- Flood Advisory Pop: 24,482
- High Surf Advisory Pop: 674,511
- Rip Current Statement Pop: 3,540,524
- Small Craft Advisory Pop: 261,606
- Hazardous Seas Warning Pop: 546
- Wind Advisory Pop: 109,196,359
- Beach Hazards Statement Pop: 4,850,752
- Low Water Advisory Pop: 15,486
- Flood Watch Pop: 22,802,857
- High Wind Watch Pop: 616,402
- Freeze Watch Pop: 8,558,070
- Coastal Flood Statement Pop: 3,081,440
- Freezing Spray Warning Pop: 86,944
- Freezing Spray Advisory Pop: 30,451
- Gale Watch Pop: 19,084
- Hard Freeze Watch Pop: 4,271,222

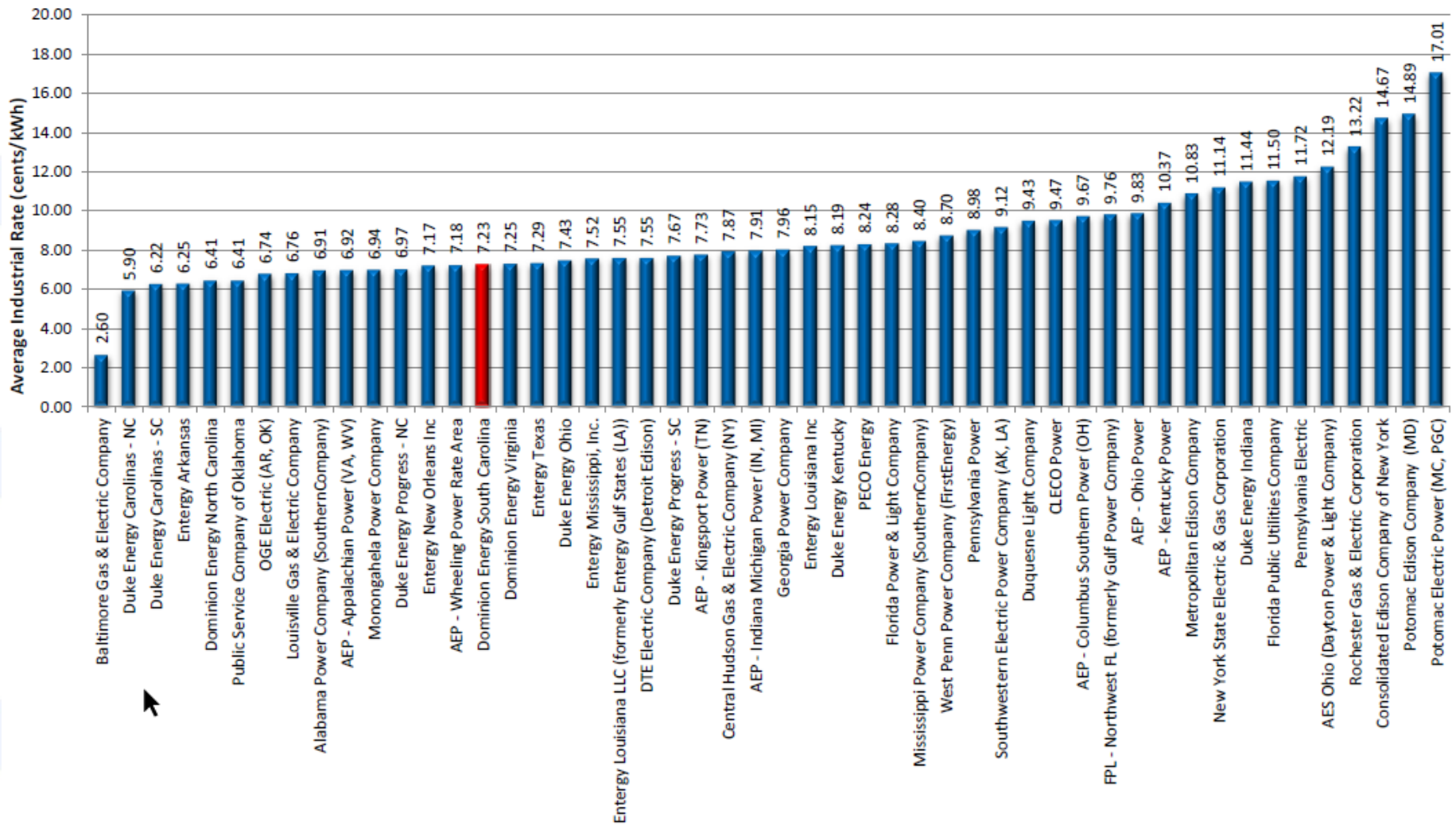


Winter Storm Elliott – December 24th



A color-coded map on the Power Outages map shows the residents across the country without power as of 5:10 a.m. Saturday. (PowerOutage.us)

Edison Electric Institute – Summer 2022



Electric Generation Fuel

Fuel Hearing Mechanics

- Annual proceeding in April to review Purchase and Transportation costs of fuel to produce electricity.
- Both a Lookback for Over/Under Recovery as well as a Forecast of Future Expenses.
- Costs are Direct Pass-Throughs (no mark-up or profit)
- Diverse Generation Fleet helps Mitigate fuel commodity swings and Ensures reliability year-round.
- New rates effective each May.

Annual Average Natural Gas Prices



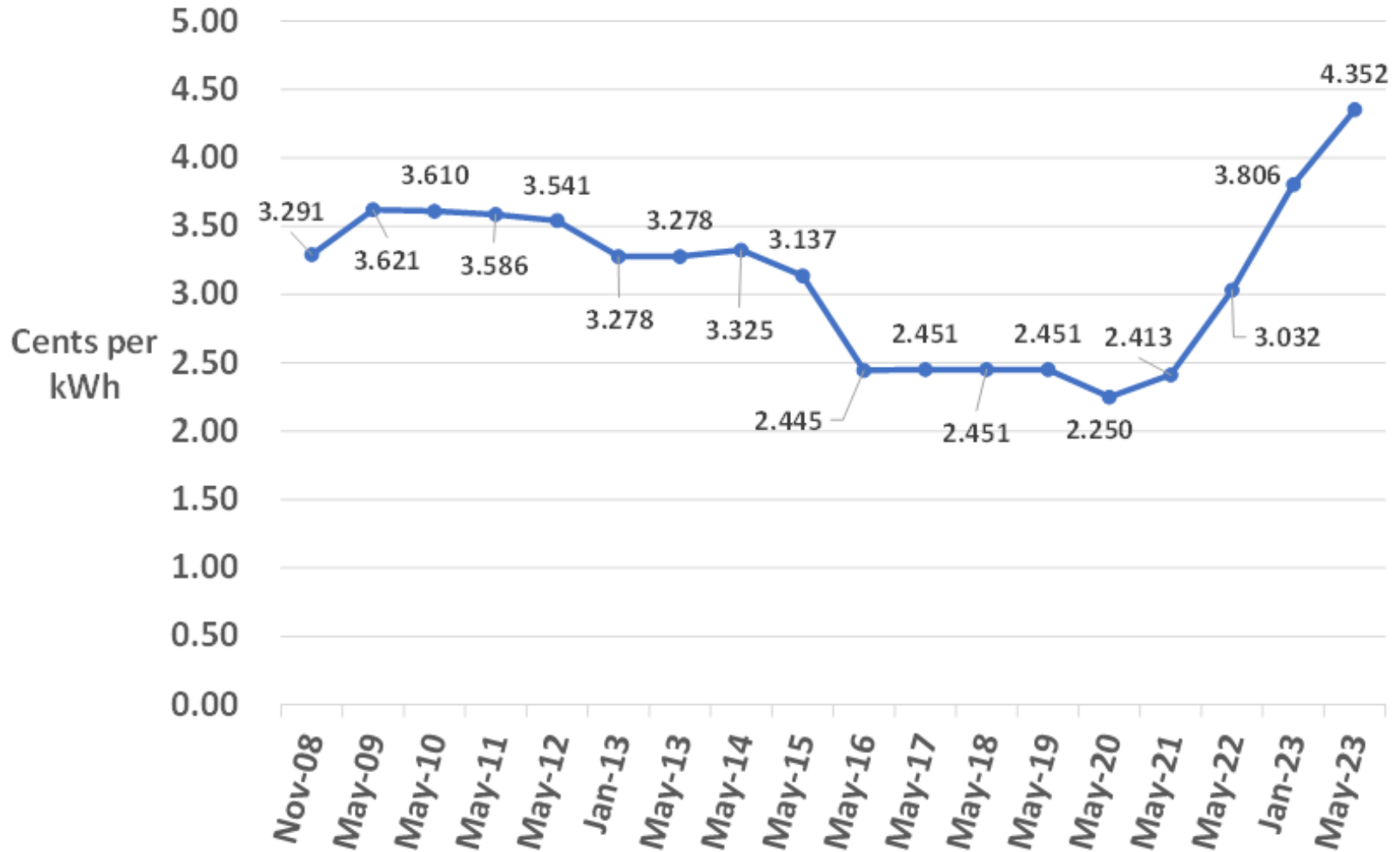
DESC Annual Fuel Expense

Total Base Fuel Cost for CY2020 = ~\$480 M

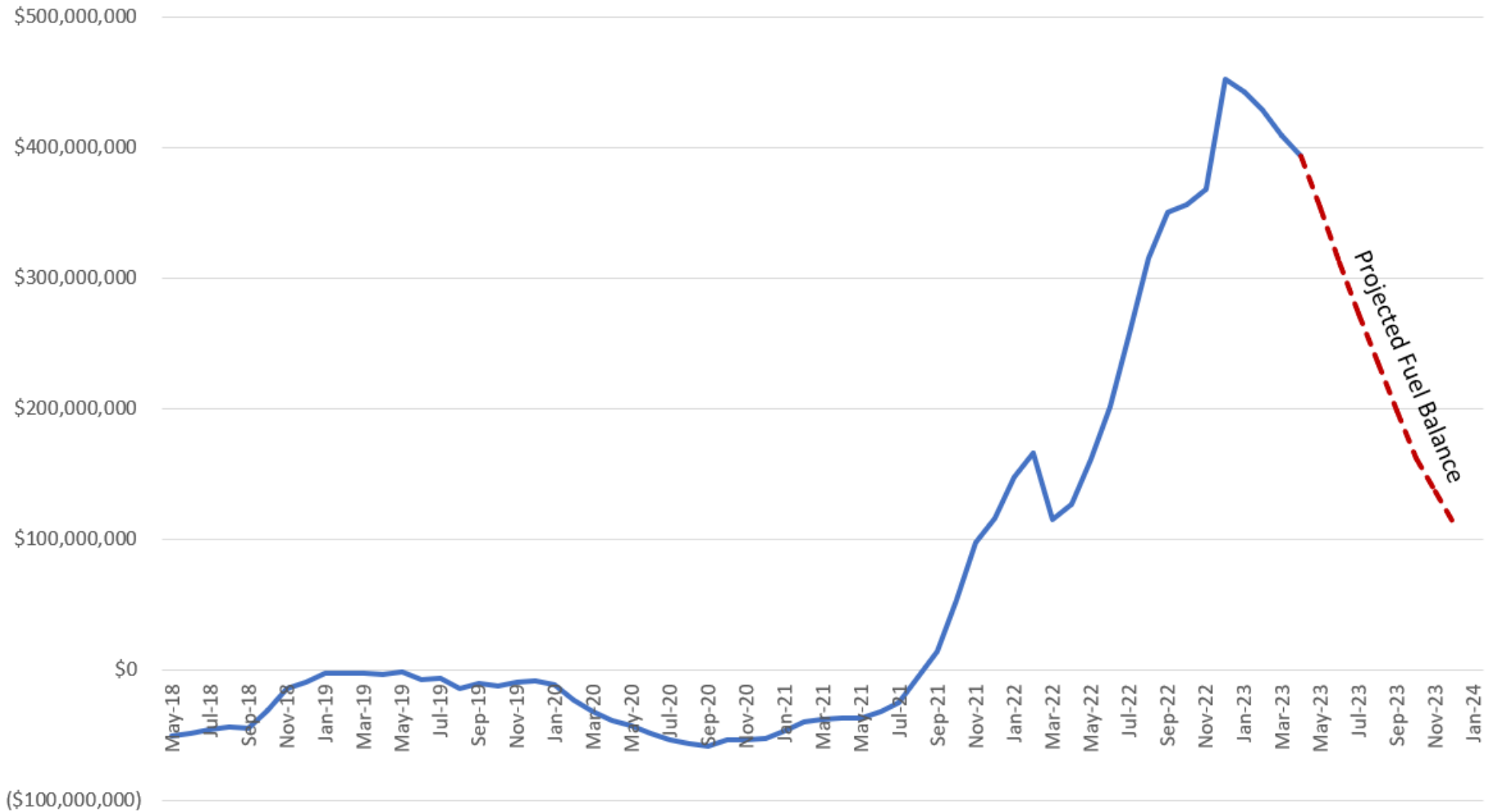
Total Base Fuel Cost for CY2021 = ~\$720 M

Total Base Fuel Cost for CY2022 = ~\$1.1 B

DESC Base Fuel Component History



Month-end Base Fuel Balances



Gas General Rate Case

Gas General Rate Case

- Application Filed
March 31, 2023.
- Hearing in August
2023.
- New rates in effect
October 2023.
- Replaces annual RSA
filing since last general
rate case in 2005.

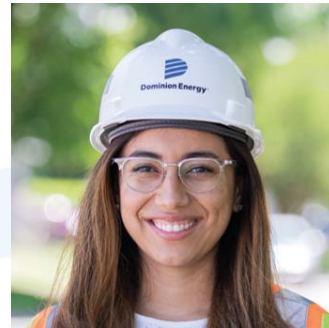
| RSA Year | Revenue Inc / (Dec) |
|-----------------------|------------------------|
| 2006 | \$ 17,437,394 |
| 2007 | \$ 4,555,622 |
| 2008 | \$ 3,721,724 |
| 2009 | \$ 13,007,004 |
| 2010 | \$ (10,385,258) |
| 2011 | \$ 8,460,270 |
| 2012 | \$ 7,527,000 |
| 2013 | \$ - |
| 2014 | \$ (2,647,323) |
| 2015 | \$ - |
| 2016 | \$ 4,086,147 |
| 2017 | \$ 8,633,538 |
| 2018 | \$ (19,716,936) |
| 2019 | \$ 6,273,054 |
| 2020 | \$ 6,326,995 |
| 2021 | \$ 6,992,923 |
| 2022 | \$ 12,132,585 |
| | |
| 2023 Rate Case | \$ 19,457,716 |

Gas General Rate Case

- \$105M in Investments for System Growth, Reliability and Integrity Management Compliance
- Cost of Service Modeling
- Return on Equity and Capital Structure
- Industrial Rate Designs

| Customer Class | Average Monthly Dollar Increase | Average Monthly Percentage Increase |
|---------------------------------------|---------------------------------|-------------------------------------|
| Residential – (Rate 32S and Rate 32V) | \$ 3.95 | 6.22% |
| Commercial – (Rate 31) | \$ 7.87 | 6.23% |
| Commercial – (Rate 33) | \$ 0.00 | 0.00% |
| Industrial ¹ | \$ 0.00 | 0.00% |

Thank you.







DESC Environmental Drivers

Darrell Shier
Manager, Environmental Services

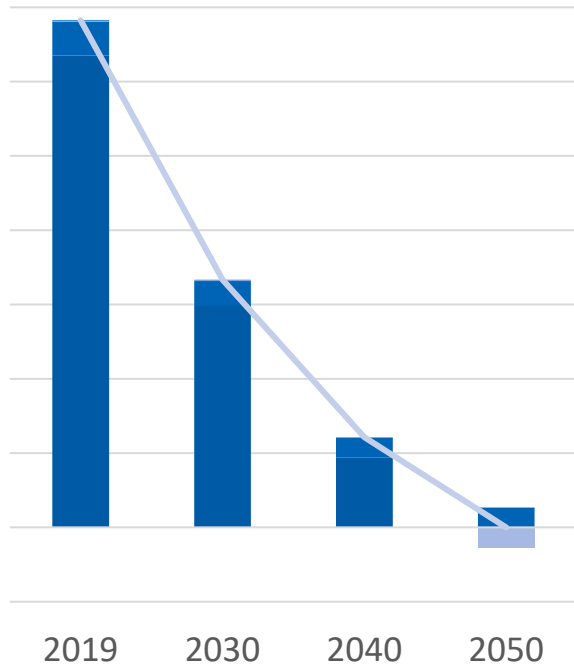
Environmental Driving Forces

- Dominion Commitments
- National Environmental Rules
- South Carolina Effects
- For More Information

Dominion Commitments



Company-wide Pathway to Net Zero Direct Scope 1 & 2 Emissions from Operations, and certain Scope 3 emissions



Included in our Net Zero commitment



Upstream (indirect)

Purchased power
Facility electric power
Natural gas purchase



Direct Control

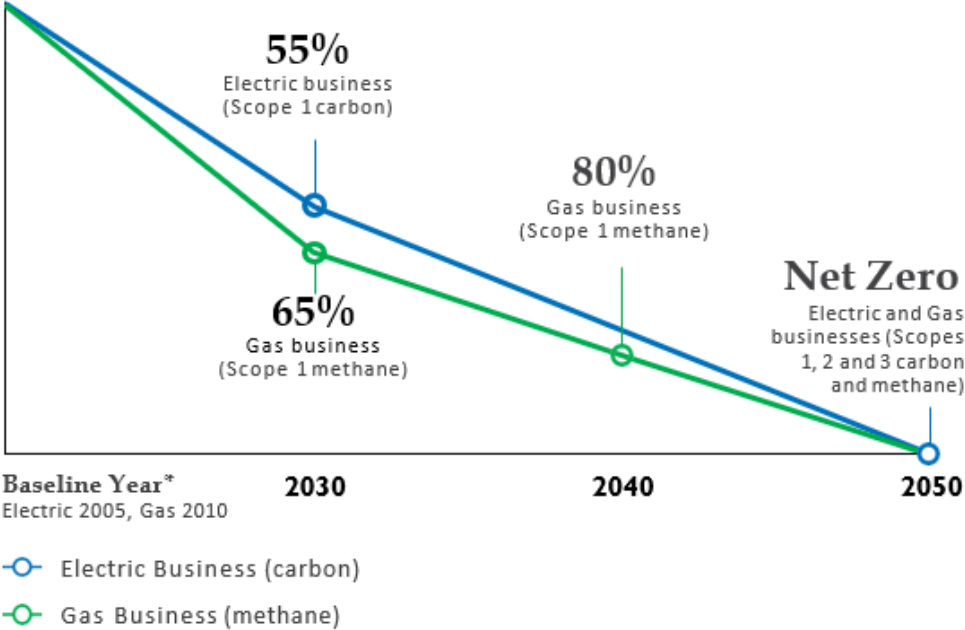
Owned power generation
Fugitive gas
Vehicle Fleet



Downstream

Customer use of natural gas

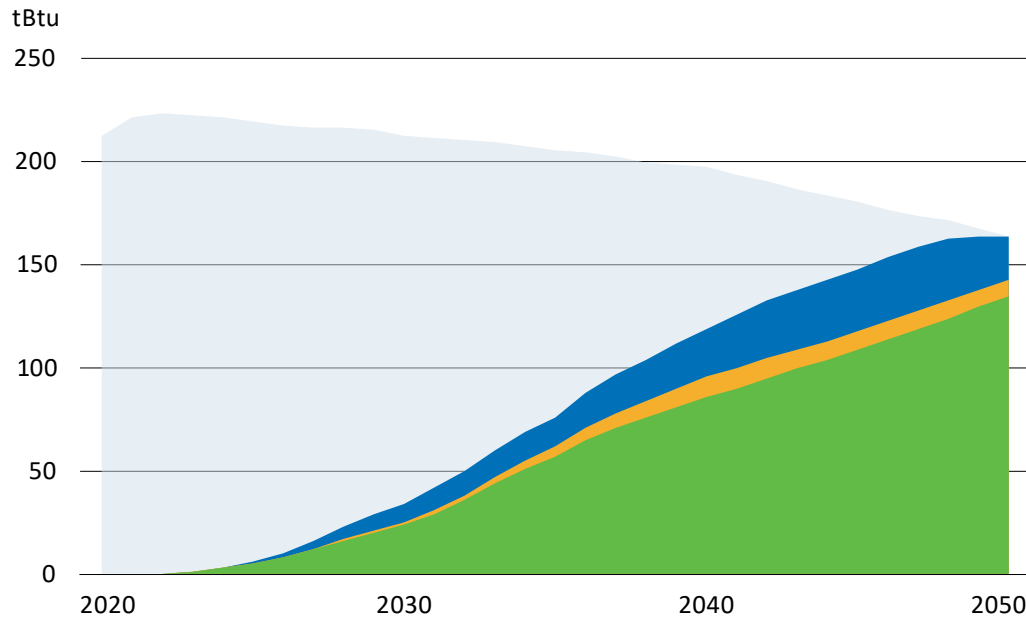
Net Zero Targets



Pathways to meet our Net Zero commitment

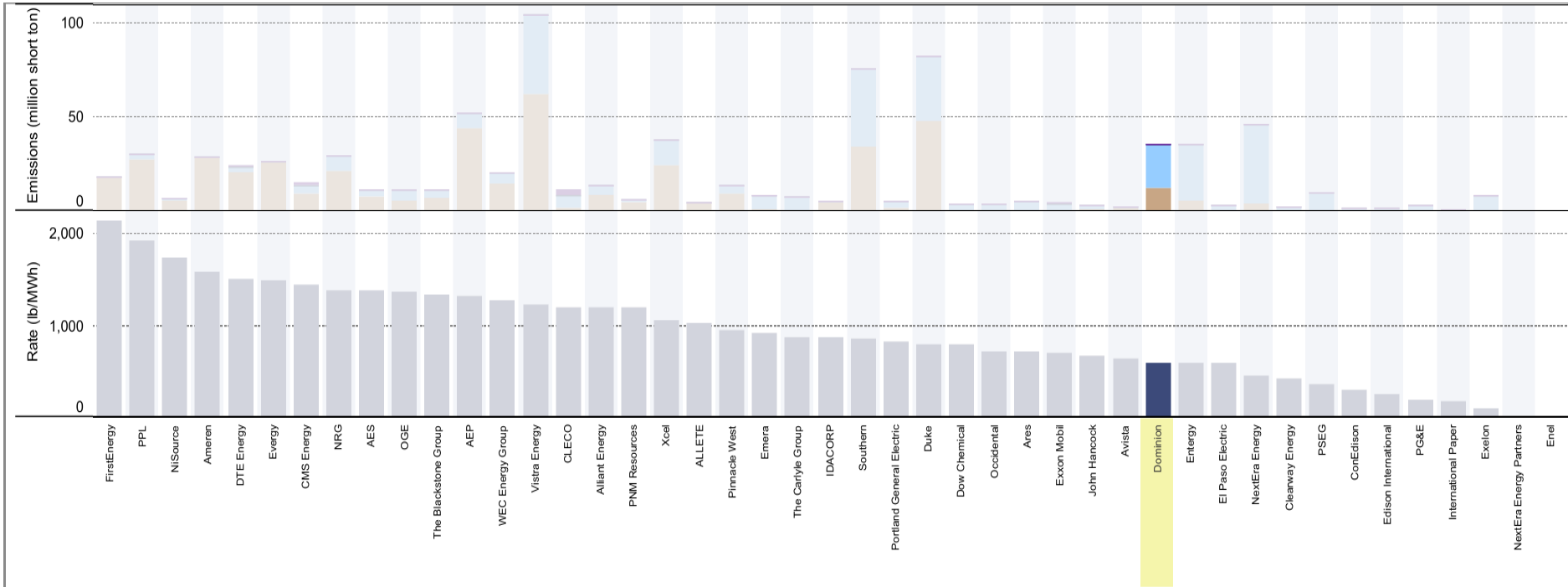
- Expanding our portfolio of renewable energy and storage
- Extending the licenses of our zero-carbon nuclear stations
- Investing in system resiliency and modernization
- Advancing zero-carbon or carbon-beneficial technologies, including RNG, hydrogen, SMRs, energy storage and more.

Natural Gas Throughput to Customers

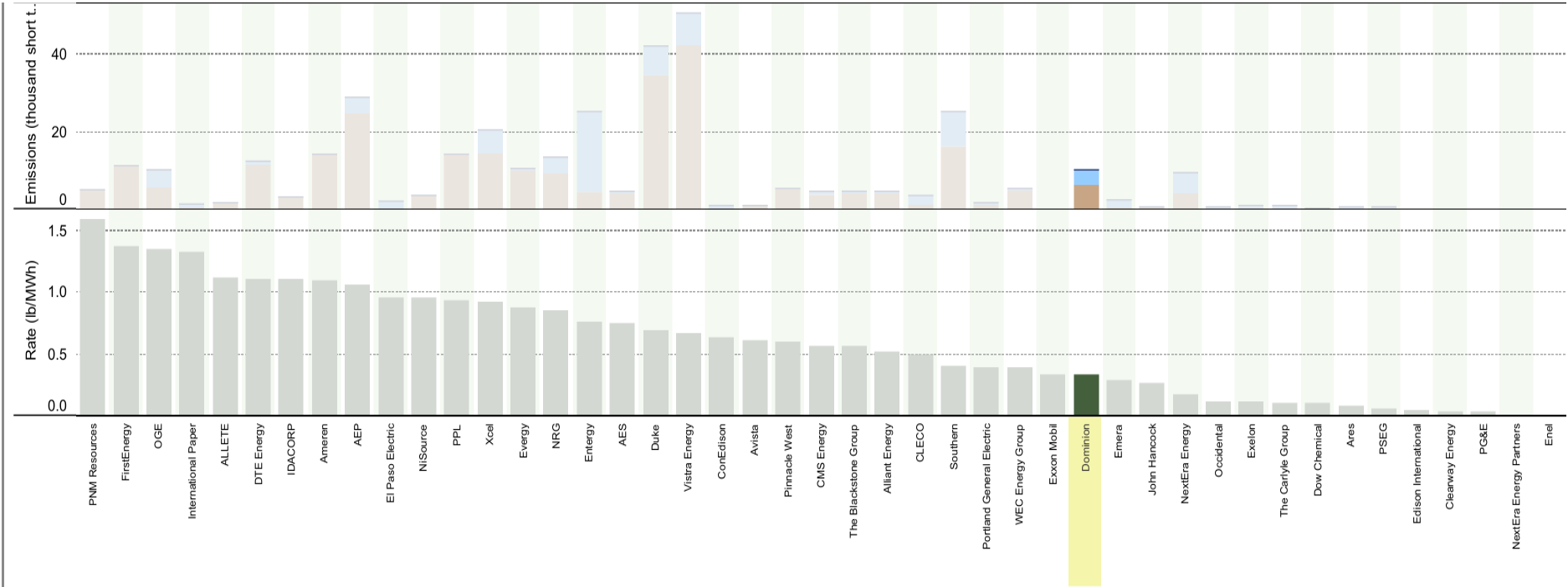


- RNG
- Hydrogen Blending
- Geologic Natural Gas + Offsets
- Remaining Unabated Geologic Natural Gas

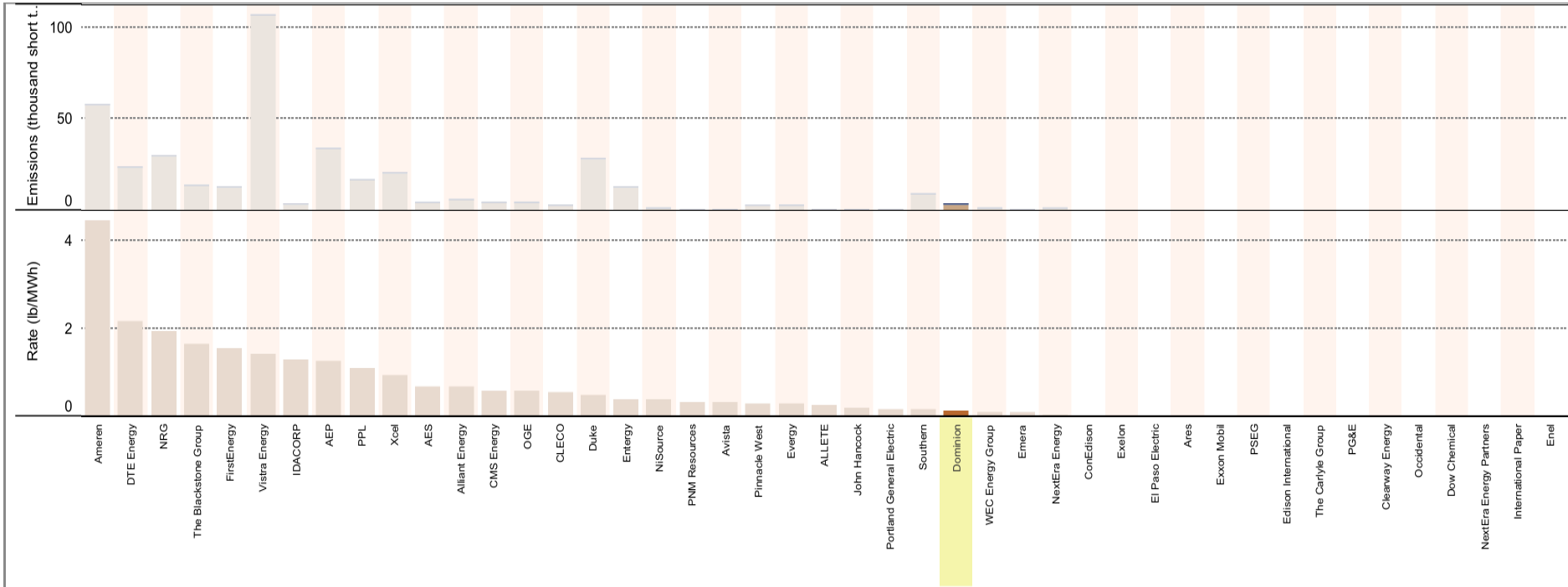
CO2 Emission Rank for U.S. Utilities – CY 2020



NOx Emission Rank for U.S. Utilities – CY 2020



SO2 Emission Rank for U.S. Utilities – CY 2020



National Environmental Rules

New and Pending Environmental Rules

- Effluent Limitation Guidelines
- Particulate Matter (PM) Ambient Air Quality Proposed Rule
- Mercury and Air Toxics Standards (MATS) rule
- Clean Air Act Section 111 rule (GHG rule)

Effluent Limitation Guidelines (ELG)

- Previous water rules set standards for mixed discharges of all plant waters.
- 2015 and 2020 EPA rules set standards at the point of creation – prior to mixing:
 - Flue gas desulfurization (FGD) wastewater
 - Bottom ash transport water
 - Combustion residual leachate
- 2020 rule set clock for compliance – end of 2025 or 2028
- FGD Treatment is costly – removal of mercury, arsenic, selenium, and nitrate/nitrite
- Strong incentive to end discharge by 2028

PM 2.5 Proposed Rule

- Particulate Matter (PM) less than 2.5 micrometers (microns) in diameter
- Annual standard is currently 12 micrograms/cubic meter
- Proposed rule January 2023
 - Proposed range between 8 and 11
- South Carolina ranges from 6.5 to 9
- Would not affect current generation
- Could make new unit permitting more challenging

Proposed Clean Air Act Section 111 Rule

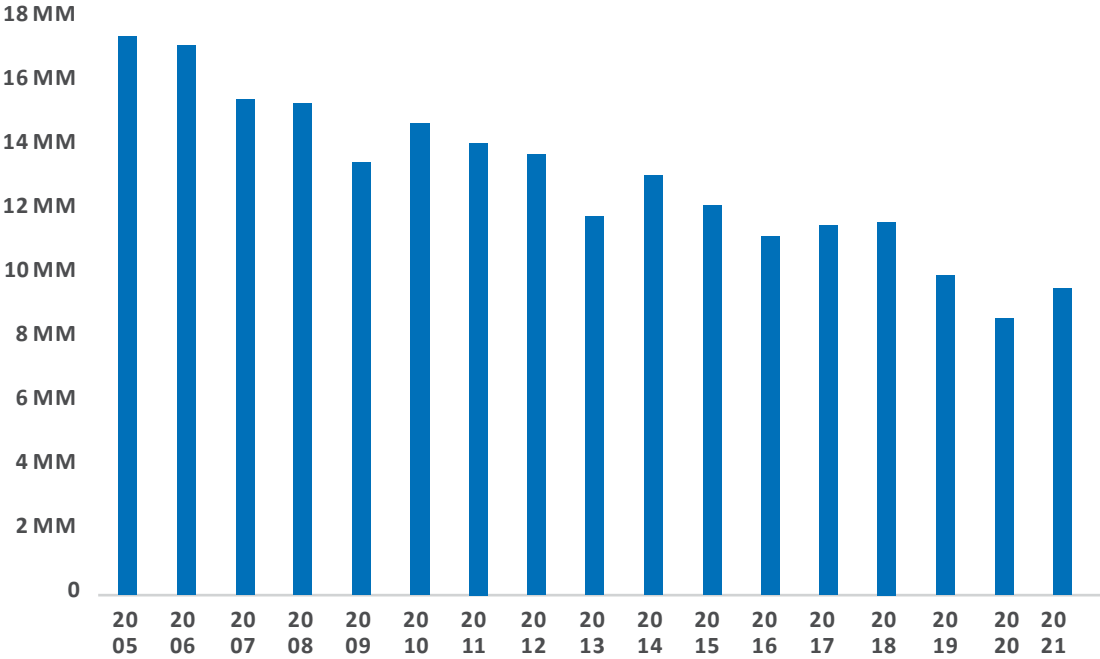
- Proposed May 11, 2023
 - New Source Performance Standards (NSPS) for gas-fired turbines
 - Emission guidelines for large, frequently used existing gas-fired turbines
 - Emission guidelines for existing fossil fuel-fired steam generating EGUs

Proposed Clean Air Act Section 111 Rule

- May require emission reductions commensurate with
 - Highly efficient generation
 - Carbon capture and sequestration
 - Co-firing with low-GHG hydrogen
- Standards phased in from 2030 through 2038

South Carolina Effects

DESC Annual CO2 Emissions 2005-2021 (MT)



Responding to these driving forces – 2023 IRP

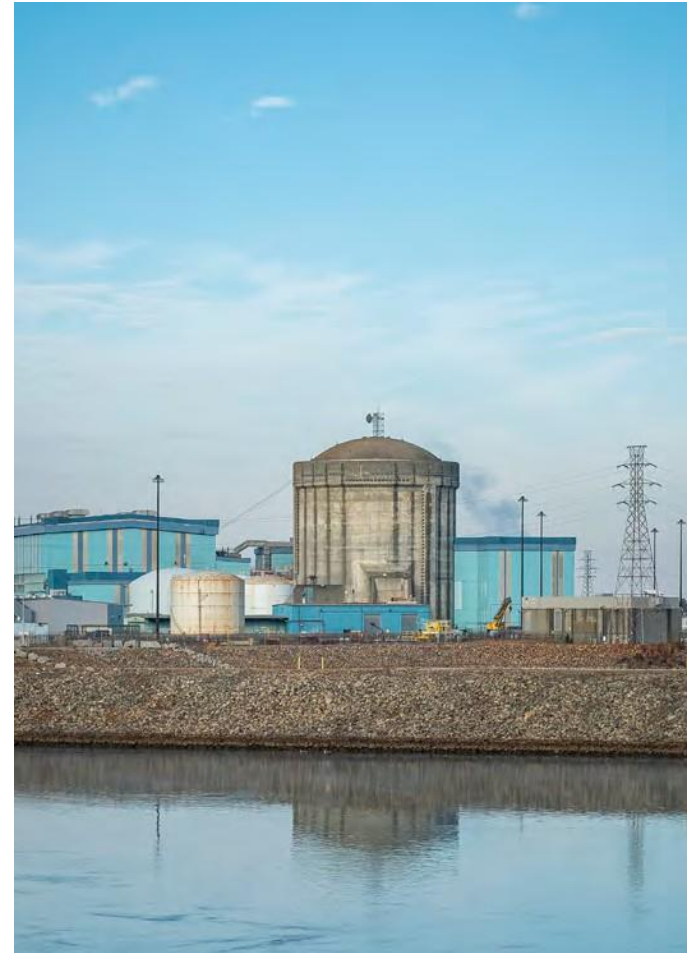
- First Battery Storage project online May 2023
- Additional projects in development
- First IRP taking electric vehicle demand into account – surging in future years



Responding to these driving forces – 2023 IRP

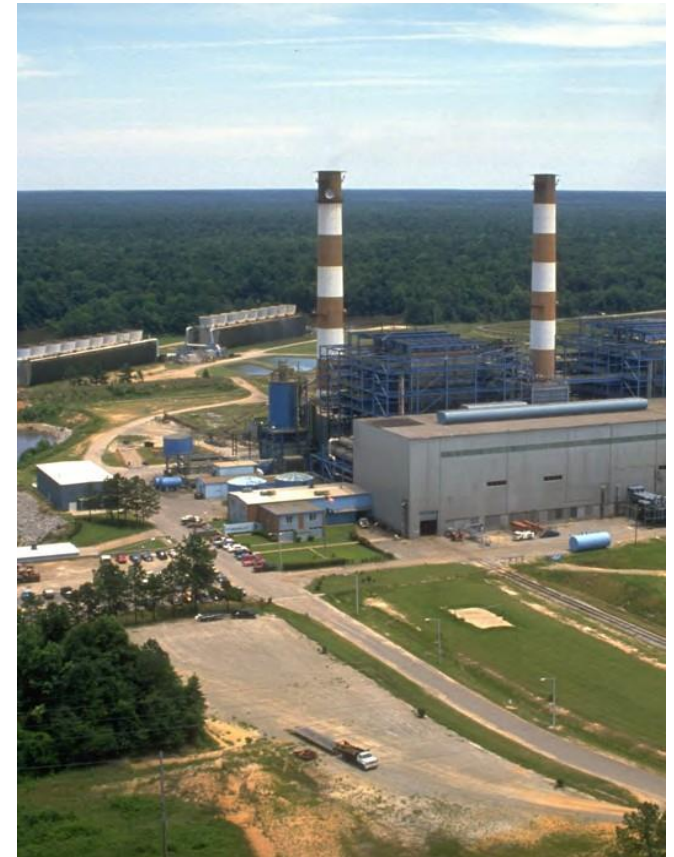
Reference Build Plan (Preferred Plan)

- Extend VC Summer license
- Adds 5,025 MW of Solar and 1,600 MW of Battery over the planning horizon
- Adds Solar in every year from 2026 through 2049.



Responding to these driving forces – 2023 IRP

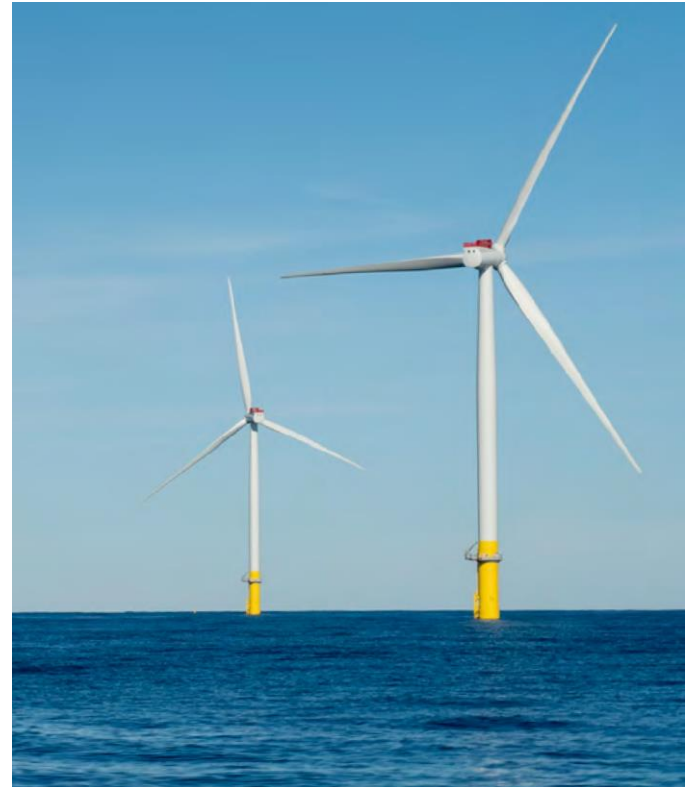
- Retires Wateree at the end of 2028
- Adds Solar and Battery in support
- Retires Williams by end of 2030
- Adds combined cycle natural gas in support of retirement



Responding to these driving forces – 2023 IRP

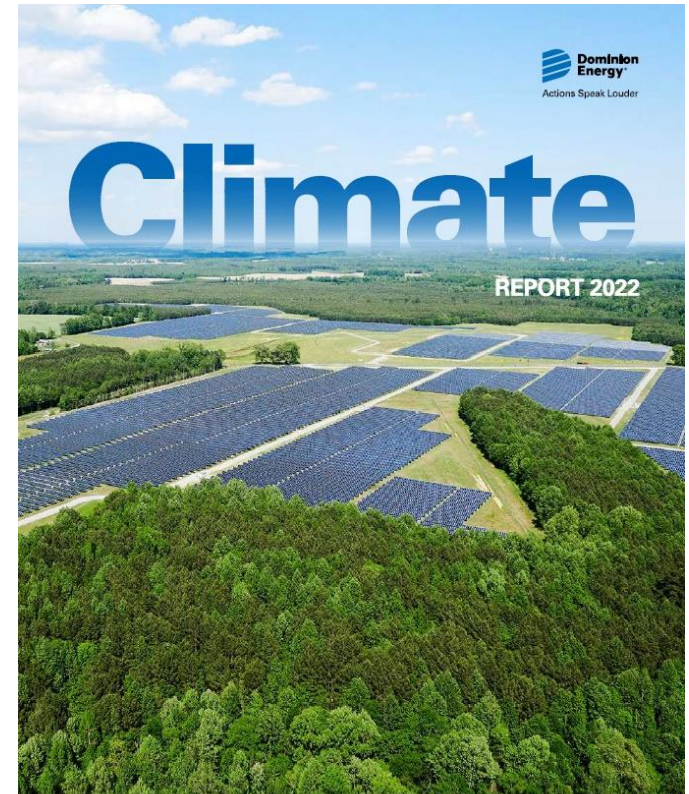
2040 and beyond

- Small Modular Reactors (SMR)
- Offshore Wind Generation



More Information

- 2023 DESC Integrated Resource Plan (IRP)
- December 2022 Climate Report



A report based on the recommendations of the
Task Force on Climate-related Financial Disclosures

More Information

- Annual Sustainability Reports





More Information

Dominion Energy

Country/Area: United States of America

| <u>Year</u> | <u>Program</u> | <u>Status</u> | Score |
|-------------|---------------------|---------------|------------|
| 2023 | Climate Change 2023 | No Response | Not Scored |
| 2023 | Water Security 2023 | No Response | Not Scored |
| 2022 | Climate Change 2022 | Submitted | A |
| 2022 | Water Security 2022 | Submitted | A |
| 2021 | Climate Change 2021 | Submitted | A- |

Note: Not all companies requested to respond to CDP do so. Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information to CDP to be evaluated will receive an F. An F does not indicate a failure in environmental stewardship.

More Information

- 2021 Diversity, Equity and Inclusion Report





**Dominion
Energy®**

Dominion Energy South Carolina 2023 Gas Rate Case Changes Impacting Transportation May 23, 2023

Rose Jackson, Director - Fuel Commodities

Why Change the Tariff?

- ▶ ORS requested and the Company agreed in a settlement agreement in Docket No. 2020-701 to file a natural gas general rate case on or before April 1, 2023
- ▶ Natural Gas Industry has changed dramatically over the last 20 years
 - Currently in Interstate Pipeline constrained environment
 - Current provisions of special contracts & tariffs make capacity planning extremely difficult
- ▶ Updates DESC Gas Tariff to reflect current service offerings by other LDCs
 - allocates capacity costs equitably
 - allocates capacity costs based on priority of service
- ▶ Winter Storm Elliott reiterated the need for additional balancing tools to protect system integrity

DESC Proposed Rate Case Timeline

- ▶ March 31, 2023- Rate Case Application filed
- ▶ April 28, 2023- DESC filed Direct Testimonies
- ▶ October 2023 (1st billing cycle)- New Rates & Tariff Changes are Effective
 - Rate 35 will be closed to new customers
- ▶ July 1, 2024- Annual Election Date
 - Current customers will have the option to elect:
 - Transportation or Sales Service
 - Firm or Interruptible Priority of Service
- ▶ October 1, 2024- Annual election will become effective
 - Rate 35 will be fully closed

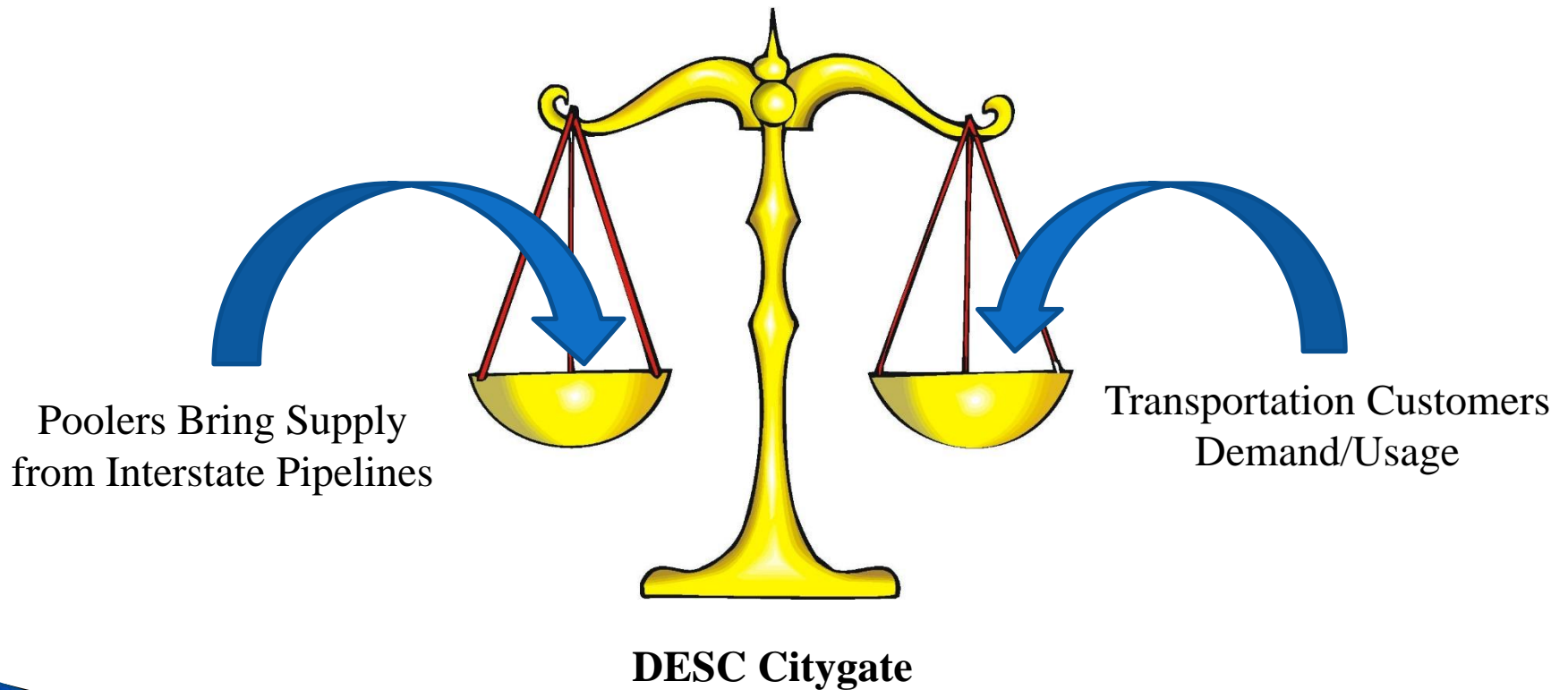
Proposed Tariff Changes

- ▶ Rate 34 – Large General Service (Firm sales)
 - DESC will provide firm supply, firm transportation on upstream interstate pipelines (including CGT) and firm distribution system transportation
- ▶ Rate 36 – Firm Transportation (Firm transportation on the DESC distribution system)
 - DESC will provide firm distribution system transportation
 - Authorized Pooler will provide firm supply & firm transportation on upstream interstate pipeline (including CGT)

Proposed Tariff Changes

- ▶ Rate 54 – Interruptible Sales Service
 - DESC will provide interruptible supply, interruptible transportation on upstream interstate pipelines (including CGT) and interruptible distribution system transportation
- ▶ Rate 55 – Interruptible Transportation (Interruptible transportation on the DESC distribution system)
 - DESC will provide interruptible distribution system transportation
 - Authorized Pooler will provide supply & interruptible transportation on upstream interstate pipelines (including CGT)

Changes Related to Balancing



Changes Related to Balancing

- ▶ Currently a monthly imbalance is calculated for each customer and the balancing charge is billed to the customer
- ▶ The proposed Pooling procedure will allow Authorized Poolers to aggregate customers into a virtual pool on the DESC distribution system
 - Nets longs and shorts
 - Mitigates cashout costs to the Pooler
 - Provides DESC with another balancing tool other than Customer Curtailments
- ▶ Allows Poolers to trade imbalances

Changes Related to Balancing

- ▶ Proposed Pool Balancing Procedures
- ▶ Cashout cost will be at a rate equal to the Average Daily Index Cost for the Month plus the applicable transportation costs for each pipeline equally weighted basis (50/50) which shall be:
 - the 100% load factor rate under Transco's currently effective Rate Schedule FT (Zone 3-5) + applicable fuel retention & all applicable surcharges
 - the 100% load factor rate under SNG's currently effective Rate Schedule FT (Zone 0-3) + applicable fuel retention & all applicable surcharges
 - plus the 100% load factor rate under CGT's currently effective Rate Schedule FT or Zone of delivery + applicable fuel retention & all applicable surcharges

Changes Related to Balancing

- ▶ If a Poolers Pool is Short for any month:
 - Less than or equal to 2% - no premium
 - Over 2% & equal to or less than 5% - 110% premium
 - Over 5% & equal to or less than 10% - 120% premium
 - Over 10% & equal to or less than 15% - 130% premium
 - Over 15% - 150% premium
- ▶ If a Poolers Pool is Long for any month:
 - Less than or equal to 2% - no discount
 - Over 2% & equal to or less than 5% - 90% discount
 - Over 5% & equal to or less than 10% - 80% discount
 - Over 10% & equal to or less than 15% - 70% discount
 - Over 15% - 50% discount

DESC's Historical Curtailments

- ▶ DESC is obligated to provide reliable service to firm customers who pay a premium for firm service
- ▶ Only tool to balance DESC's overall system
- ▶ Operational reasons for Curtailments
 - Major Fluctuations in weather
 - Distribution System Concerns
 - Localized pressure issues
 - Localized pipeline constraints
 - Interstate Pipeline Concerns
 - Lack of supply/capacity to serve interruptible transport customers
 - Operational Flow Orders (“OFOs”) on interstate pipelines

Changes Related to Balancing

- ▶ Addition of Operational Orders
 - DESC will provide Pooler at least 4 hours advance notice of the effective time of any restrictions in an Operational Order
 - Tolerance level of Pooler's approved nomination will be determined by DESC based on current operating conditions
 - Pooler may trade imbalances for any gas day the Pooler is subject to an Operational Order penalty
 - Penalty equal to the higher of:
 - a) \$50 per Dekatherm
 - b) 3 times the Gas Daily "Transco, zone 5 del." Midpoint price

Questions?





Please provide your feedback on today's seminar.

Pathway to Sustainability



Danny Kassis

Westy Westmoreland