



**Dominion  
Energy®**

**Dominion Energy South Carolina  
2023 Gas Rate Case Changes  
Impacting Transportation  
Marketer Meeting  
June 26, 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 (1<sup>st</sup> 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

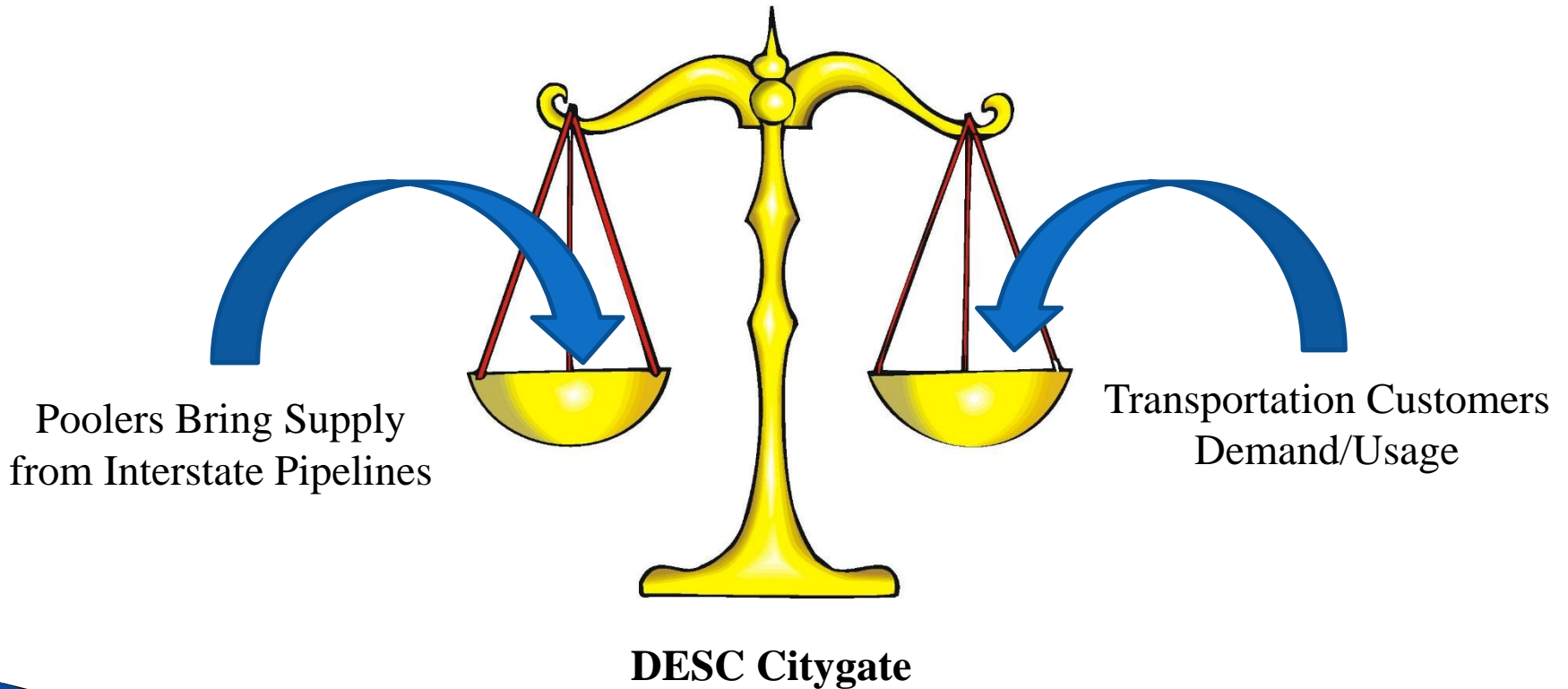
# Proposed Tariff Changes

- ▶ 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

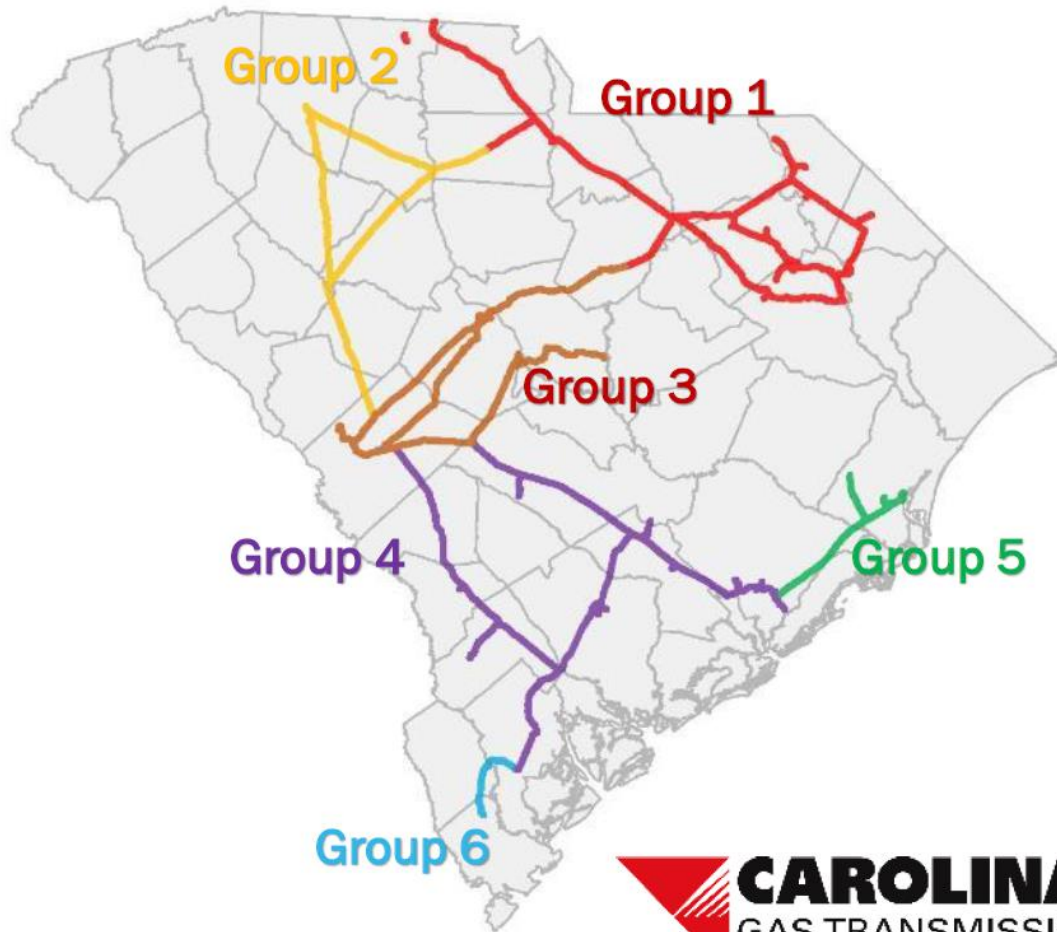
- ▶ Currently a monthly imbalance is calculated for each customer and the balancing charge is billed to the customer
- ▶ The proposed Pooling procedure will allow Authorized Poolers to aggregate customers into a virtual pool on the DESC distribution system
  - Nets longs and shorts
  - Mitigates cashout 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
  - Driven by balancing requirements on Interstate Pipelines
- ▶ Proposed Pools
  - Southern Only Aggregate Pool
    - Primary Pools- Bath, Del Webb, Graniteville, North Augusta, Urquhart
  - Transco Only Aggregate Pool
    - Primary Pool- Abbeville
  - CGT Aggregate Pool
    - Primary Pools- CGT Group 1, CGT Group 2, CGT Group 3, CGT Group 4, CGT Group 5, CGT Group 6



# CGT Primary Pools



23



# Changes Related to Balancing

- ▶ 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 must 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

# Timeline for Pooling Agreements

- ▶ SC PSC must issue an order by Sept. 30, 2023 with finalized
  - Transportation Pooling Agreement
  - General Terms & Conditions
  - Rate schedules
- ▶ Follow-up to final order
  - Programming changes to DESC Electronic Bulletin Board (“EBB”)
  - Programming changes to DESC Customer billing system (“CIS”)
  - Transportation Pooling Agreement
    - Final Pooling Agreement will be posted on the DESC EBB
    - Potential Poolers will execute and submit to [sctransadmin@dominionenergy.com](mailto:sctransadmin@dominionenergy.com)
    - Credit check will be performed by Corporate Credit
    - Once Corporate Credit has approved Pooler, Pooling Agreement will be signed by DESC and a fully executed copy will be sent to Pooler
    - Poolers will be asked to submit a new or updated EBB Access Form
      - One form can be completed for all authorized users
- ▶ Customers can elect new rates once the EBB & CIS systems have been updated
  - Rate 35 customers will be closed to new customers
  - New volume thresholds will be applied to each rate schedule

# Questions?

