



Dominion Energy South Carolina Natural Gas Customer Webinar

September 24, 2024



Welcome & Introductions

Charlie Newton

Agenda

- ▶ Welcome
 - Charlie Newton, Manager Large Customer Accounts and Strategic Partnerships
- ▶ Gas Market Update
 - Darrin Kahl, Manager Gas Supply
- ▶ Winter 2023-24 Review and Winter 2024-25 Projections
 - David Meetze, Supervisor Gas System Control & Dispatch
- ▶ Gas Rate Elections & Pooling
 - Rose Jackson, Sr Strategic Advisor Fuel Commodities
- ▶ Questions and Answers – All

- ▶ Closing
 - Shaun Randall, Vice President Gas Distribution and Customer Solutions



Dominion Energy South Carolina Natural Gas Market Update

Darrin Kahl

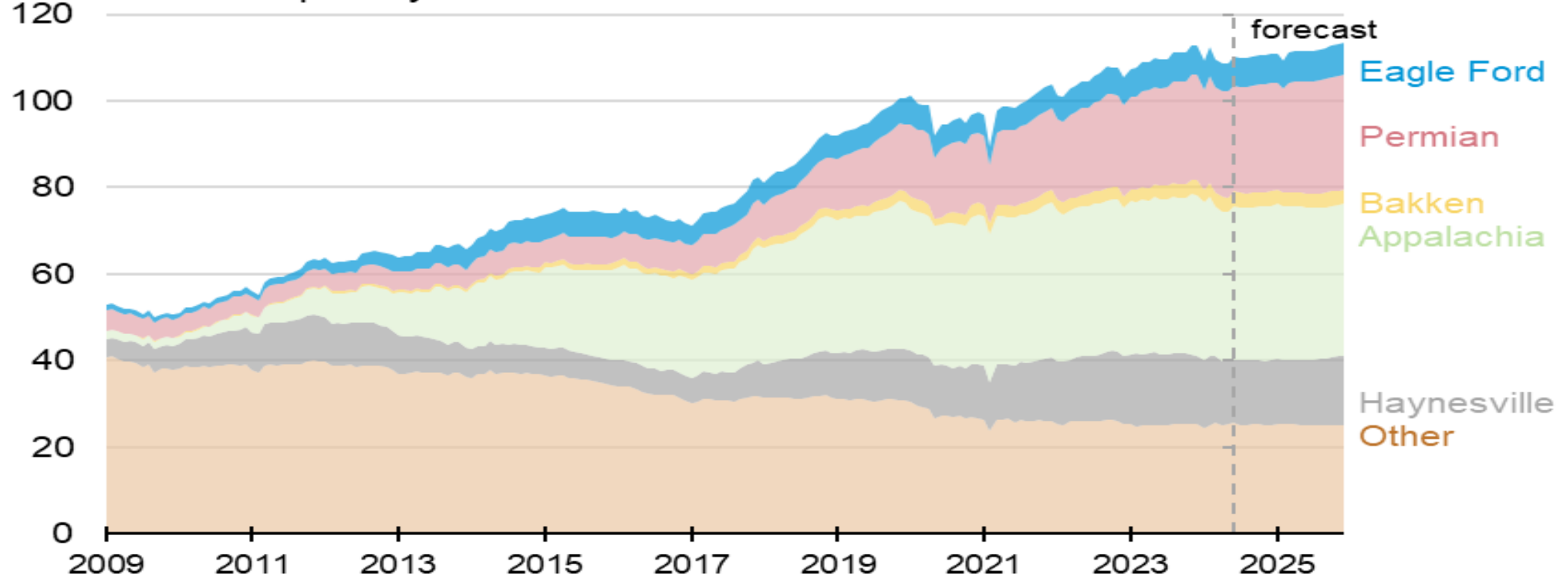
Topics

- ▶ Market Fundamentals
 - Supply & Demand
 - Storage
 - Prices
- ▶ Interstate Pipeline Projects
- ▶ Winter Weather Forecast

U.S. Natural Gas Production

Monthly U.S. marketed natural gas production by region

billion cubic feet per day



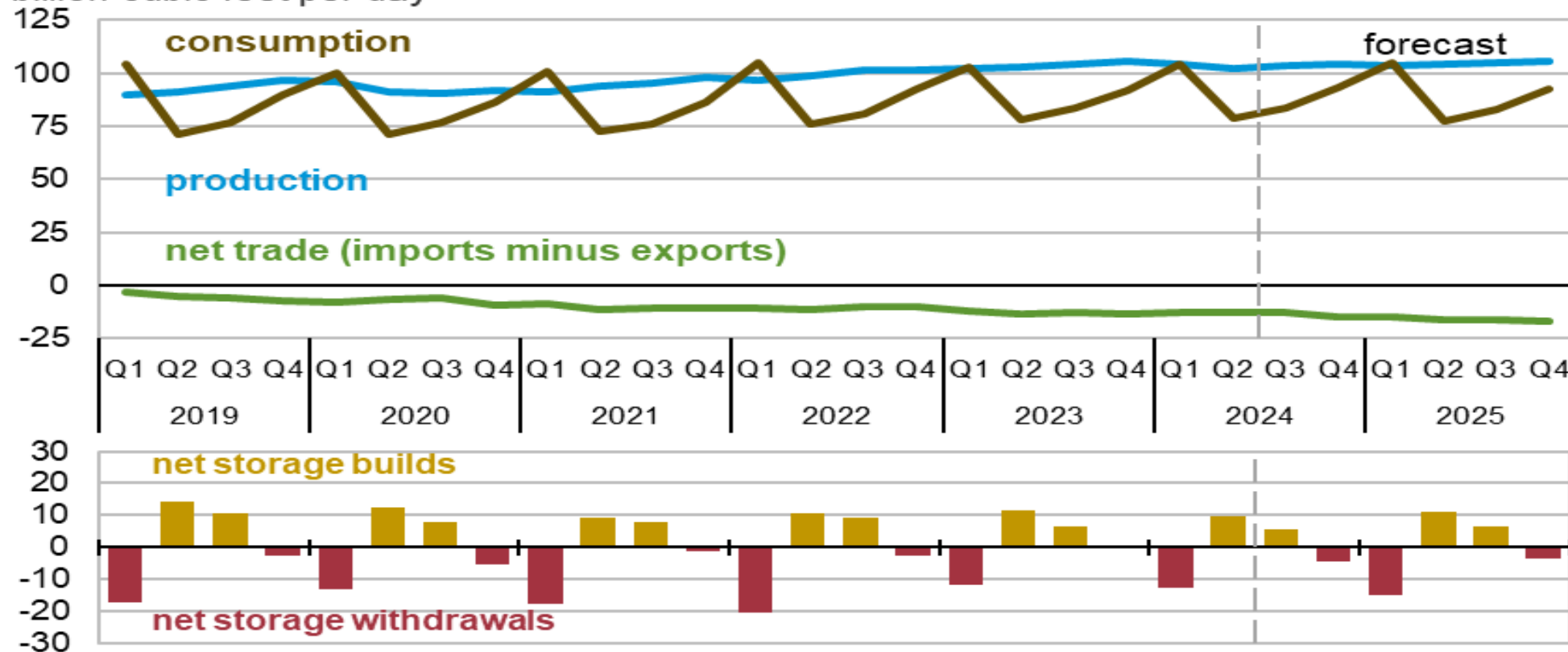
Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, September



U.S. Production, Consumption and Net Imports

U.S. natural gas production, consumption, and net imports

billion cubic feet per day

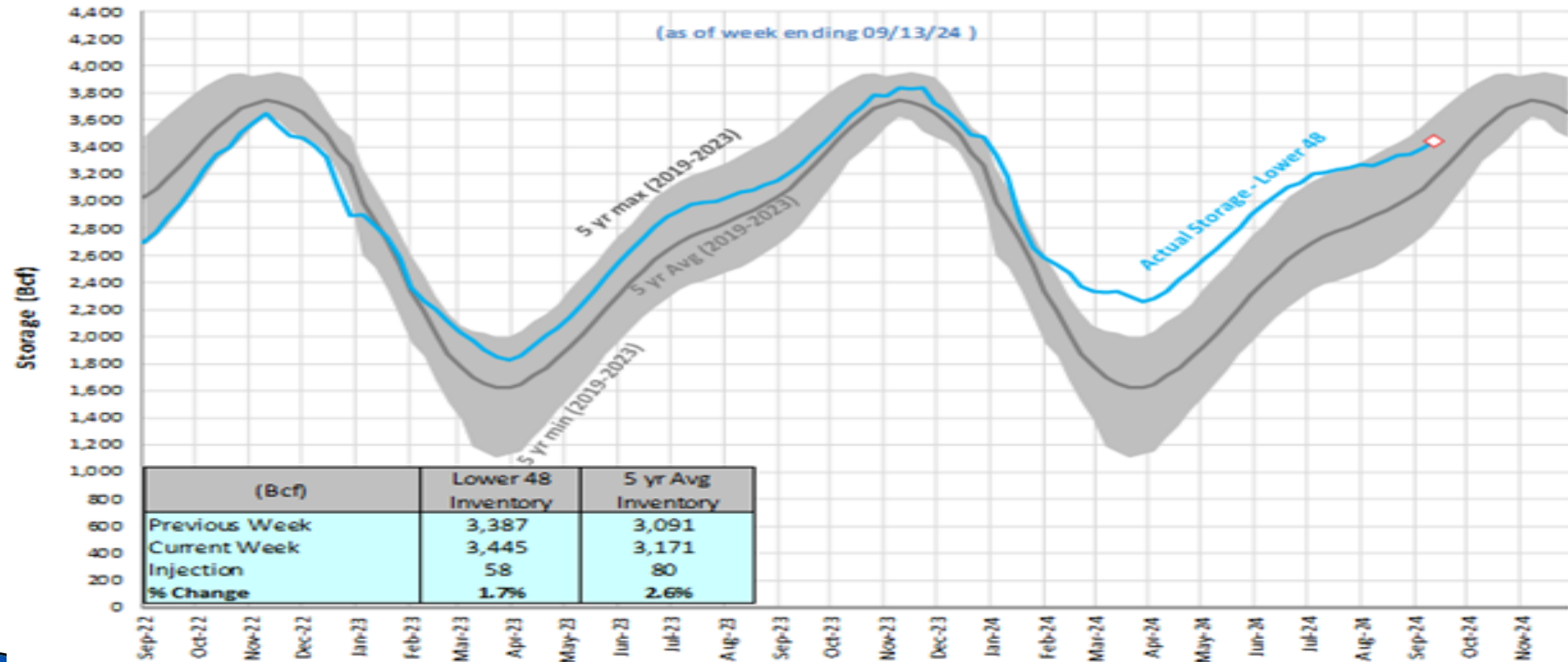


Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2024



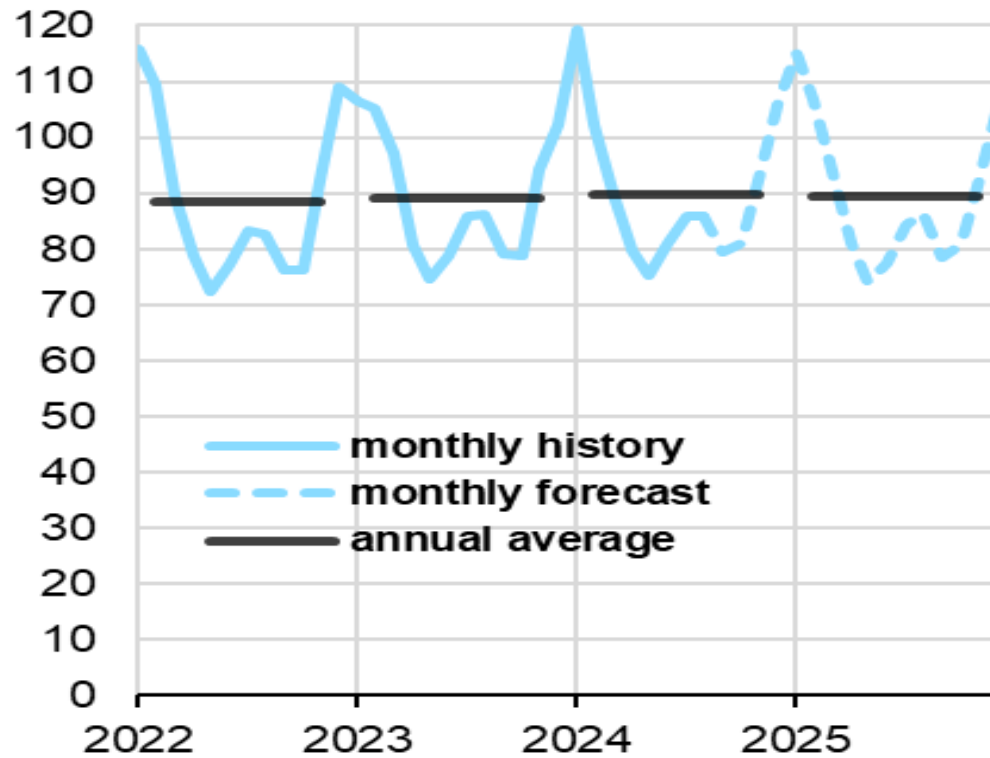
U.S. Storage

US Natural Gas Storage (lower 48)

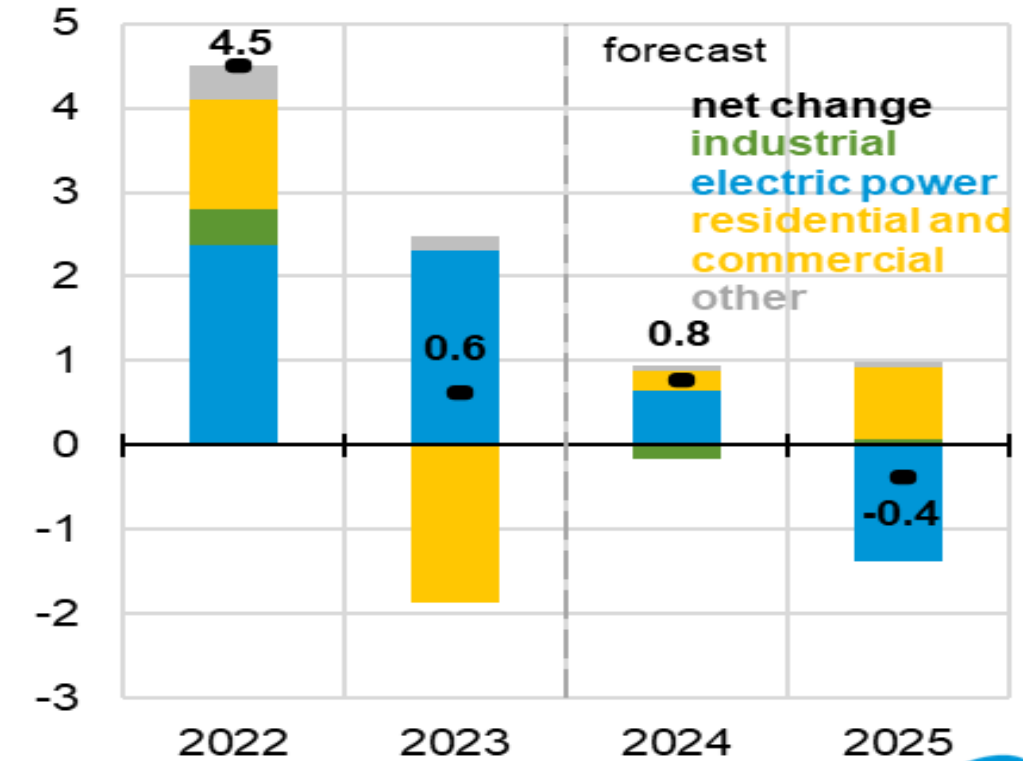


U.S. Natural Gas Consumption

U.S. natural gas consumption
billion cubic feet per day



Components of annual change
billion cubic feet per day

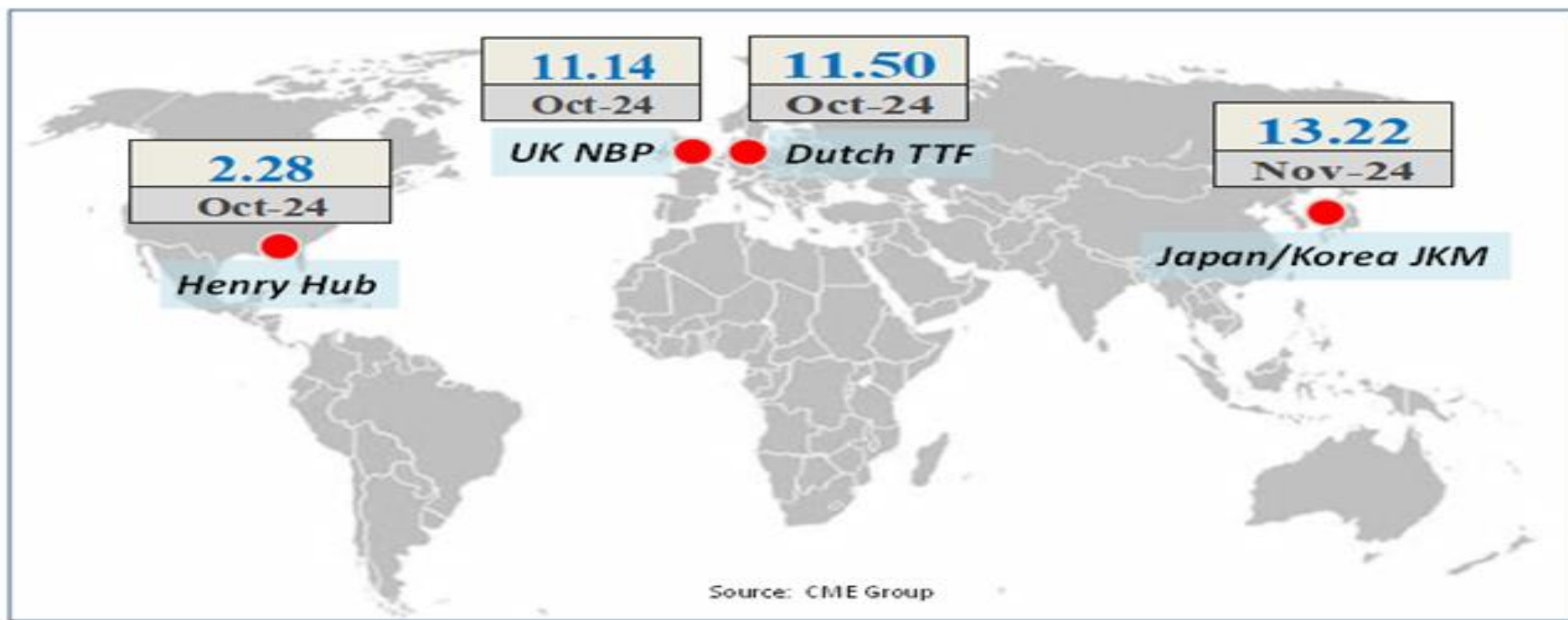


Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2024



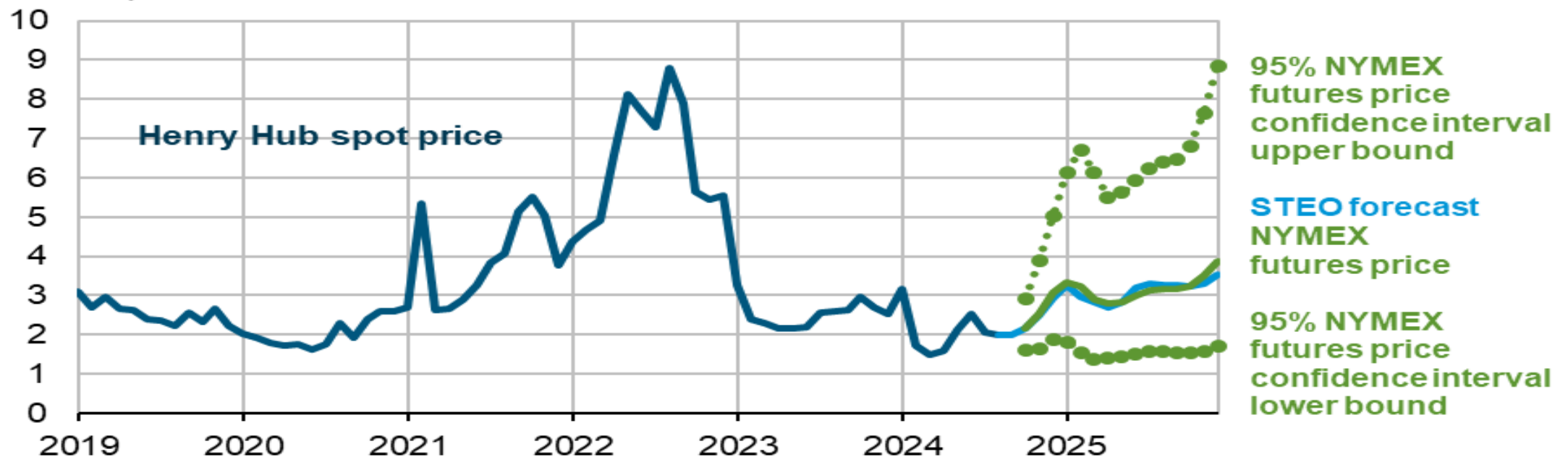
Global Natural Gas Prices

Global Gas Hub Prompt Month Prices (\$/mmbtu): 09/18/24



Henry Hub Prices

Henry Hub natural gas price and NYMEX confidence intervals
dollars per million British thermal units

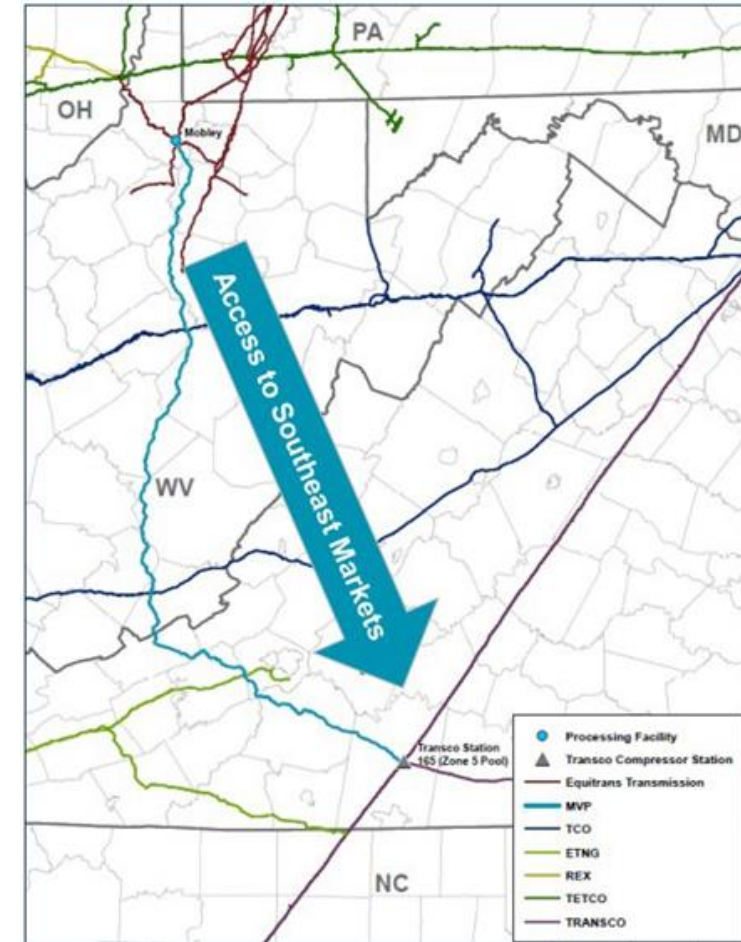


Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, September 2024, CME Group, and Refinitiv an LSEG Business

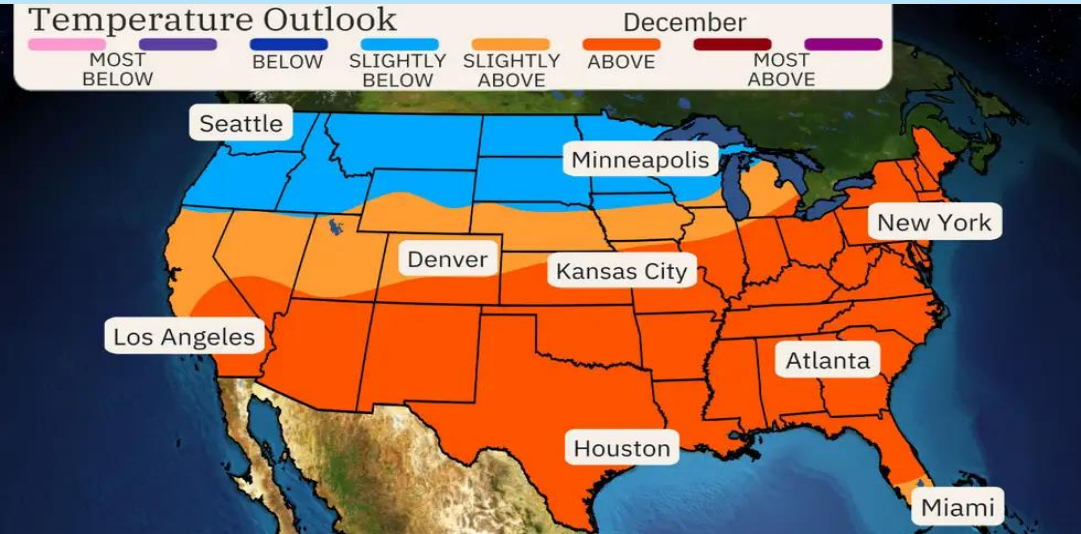
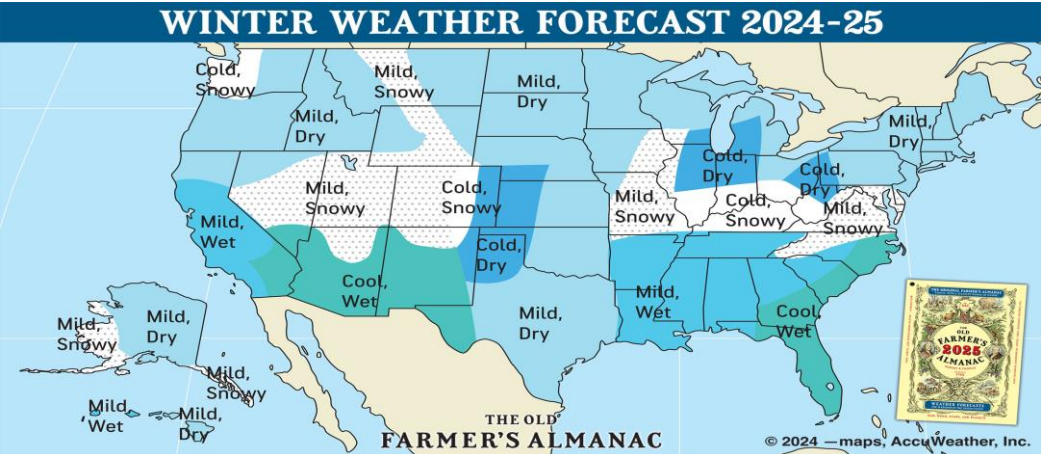
Note: Confidence interval derived from options market information for the five trading days ending September 5, 2024. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Interstate Pipeline Projects

- Mountain Valley Pipeline, LLC
 - Operated by EQT Midstream Partners, LP
 - 2 Bcf/day of Capacity
 - Interconnects with Transco at Station 165
 - New source of Transco Zone 5 supply
 - In-Service Date June 14, 2024
 - New IFERC GMR Index and Gas Daily Index
- Southern Natural Gas, LLC
 - SSE4
 - Binding Open Season with 1.2 Bcf/d of Capacity
 - ~\$3 billion project
 - Power generation and LDC demands
 - Brownfield, looping and horsepower compression
 - Additions to SNG and Elba Express pipeline systems
 - Anticipated in service late 2028



Winter Weather Forecast

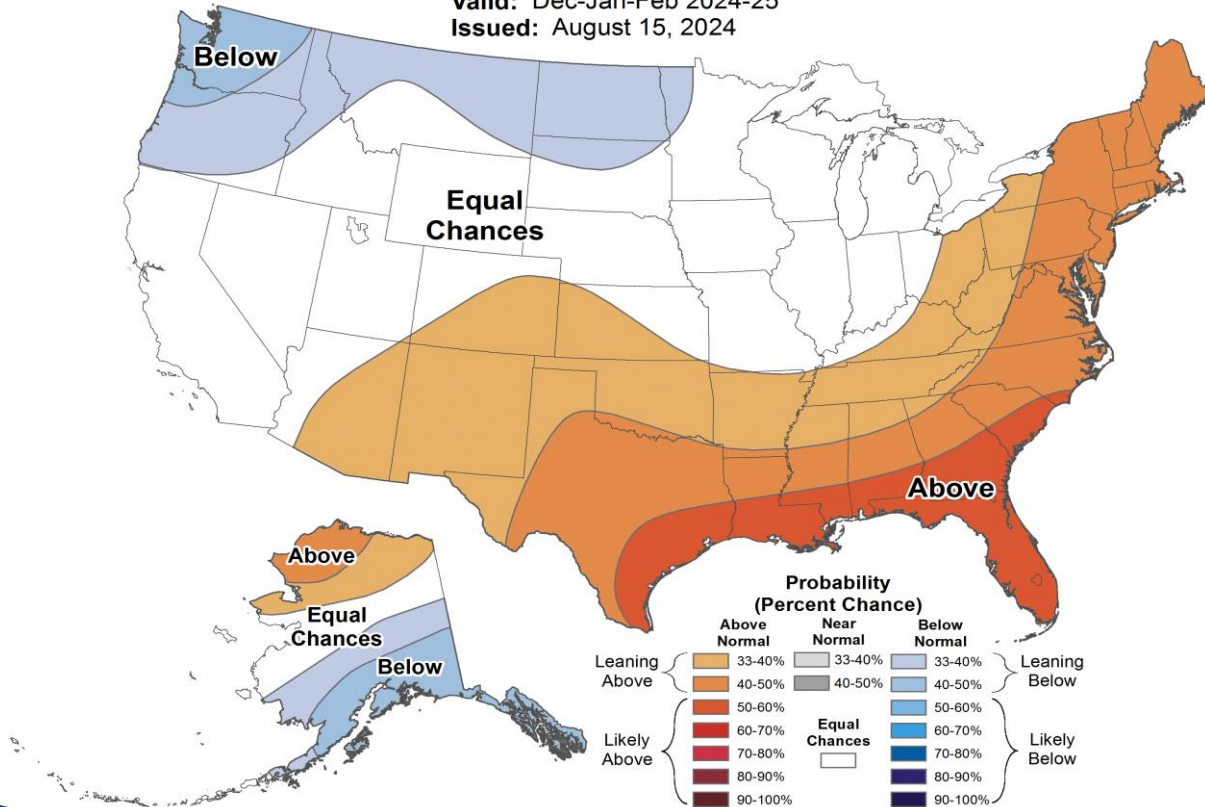


Winter Weather Forecast



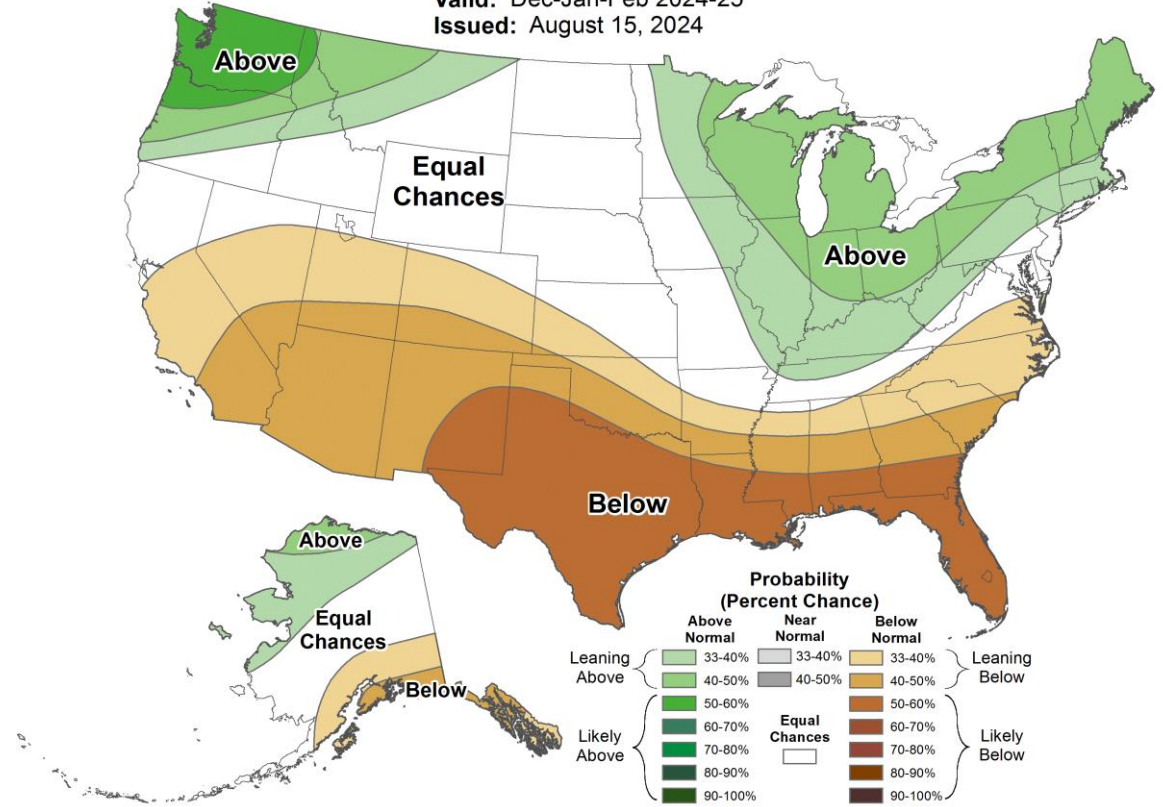
Seasonal Temperature Outlook

Valid: Dec-Jan-Feb 2024-25
Issued: August 15, 2024



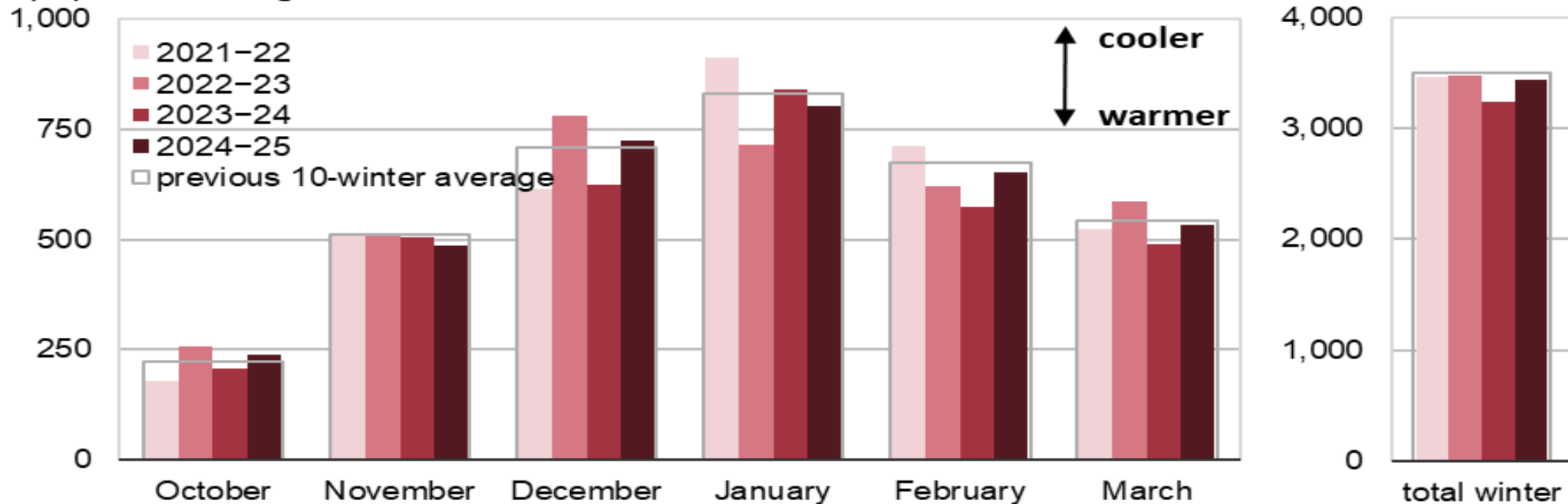
Seasonal Precipitation Outlook

Valid: Dec-Jan-Feb 2024-25
Issued: August 15, 2024



Heating Degree Days

U.S. winter heating degree days
population-weighted



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, September

Note: EIA calculations based on National Oceanic and Atmospheric Administration (NOAA) data. Projections reflect NOAA's 14-16 month outlook.





Dominion Energy South Carolina Winter '23-24 Review and Winter '24-25 Projections

David Meetze

Natural Gas Curtailment History

- ▶ Winter of 2023-24 was relatively mild
- ▶ 2 long curtailments
 - 1 in December 2023 (6 days)
 - 1 in January 2024 (7 days)
- ▶ There were no curtailments after February 1, 2024
- ▶ Historically most curtailments occur in January (47%), followed by December (22%) and February (21%) with the small remainder in November and March.

Natural Gas Curtailment History – Winter 2023-24

Category	Beginning Day/Date/Time	Ending Day/Date/Time	# of Hours	YTD Curtail Hours	Season YTD Hours	Monthly Curtail Totals
9	11/28/2023 10:00 AM	11/30/2023 10:00 AM	2	48		
8	11/28/2023 10:00 AM	11/30/2023 10:00 AM	2	48		
7	11/28/2023 10:00 AM	11/30/2023 10:00 AM	2	48		
6	11/28/2023 10:00 AM	11/30/2023 10:00 AM	2	48		
3F	11/28/2023 10:00 AM	11/30/2023 10:00 AM	2	48		
3E	11/28/2023 10:00 AM	11/30/2023 10:00 AM	2	48		
3D	11/28/2023 10:00 AM	11/30/2023 10:00 AM	2	48		
3C	11/28/2023 10:00 AM	11/30/2023 10:00 AM	2	48		
					384	NOV 384
9	12/11/2023 10:00 AM	12/15/2023 10:00 AM	4	96		
8	12/11/2023 10:00 AM	12/15/2023 10:00 AM	4	96		
7	12/11/2023 10:00 AM	12/15/2023 10:00 AM	4	96		
6	12/11/2023 10:00 AM	12/15/2023 10:00 AM	4	96		
3F	12/11/2023 10:00 AM	12/15/2023 10:00 AM	4	96		
3E	12/11/2023 10:00 AM	12/15/2023 10:00 AM	4	96		
3D	12/11/2023 10:00 AM	12/15/2023 10:00 AM	4	96		
3C	12/11/2023 10:00 AM	12/15/2023 10:00 AM	2	48		
9	Continuing fr Above	Continuing fr Above	0	0		
8	Continuing fr Above	Continuing fr Above	0	0		
7	Continuing fr Above	Continuing fr Above	0	0		
6	Continuing fr Above	Continuing fr Above	0	0		
3F	Continuing fr Above	Continuing fr Above	0	0		
3E	Continuing fr Above	Continuing fr Above	0	0		
3D	Continuing fr Above	Continuing fr Above	0	0		
3C	12/14/2023 10:00 AM	12/15/2023 10:00 AM	1	24		
9	12/19/2023 10:00 AM	12/21/2023 10:00 AM	2	48		
8	12/19/2023 10:00 AM	12/21/2023 10:00 AM	2	48		
7	12/19/2023 10:00 AM	12/21/2023 10:00 AM	2	48		
6	12/19/2023 10:00 AM	12/21/2023 10:00 AM	2	48		
3F	12/19/2023 10:00 AM	12/21/2023 10:00 AM	2	48		
3E	12/19/2023 10:00 AM	12/21/2023 10:00 AM	2	48		
3D	12/19/2023 10:00 AM	12/21/2023 10:00 AM	2	48		
3C	12/19/2023 10:00 AM	12/21/2023 10:00 AM	2	48		
9	12/30/2023 10:00 AM	12/31/2023 10:00 AM	1	24		
8	12/30/2023 10:00 AM	12/31/2023 10:00 AM	1	24		
7	12/30/2023 10:00 AM	12/31/2023 10:00 AM	1	24		
6	12/30/2023 10:00 AM	12/31/2023 10:00 AM	1	24		
3F	12/30/2023 10:00 AM	12/31/2023 10:00 AM	1	24		
3E	12/30/2023 10:00 AM	12/31/2023 10:00 AM	1	24		
3D	12/30/2023 10:00 AM	12/31/2023 10:00 AM	1	24		
3C	12/30/2023 10:00 AM	12/31/2023 10:00 AM	1	24		
					1,704	DEC 1,320
9	1/1/2024 10:00 AM	1/23/2024 10:00 AM	7	168		
8	1/1/2024 10:00 AM	1/23/2024 10:00 AM	7	168		
7	1/1/2024 10:00 AM	1/23/2024 10:00 AM	7	168		
6	1/1/2024 10:00 AM	1/23/2024 10:00 AM	7	168		
3F	1/1/2024 10:00 AM	1/23/2024 10:00 AM	7	168		
3E	1/1/2024 10:00 AM	1/23/2024 10:00 AM	7	168		
3D	1/1/2024 10:00 AM	1/23/2024 10:00 AM	7	168		
3C	1/1/2024 10:00 AM	1/23/2024 10:00 AM	7	168		
9	1/31/2024 10:00 AM	2/1/2024 10:00 AM	1	24		
8	1/31/2024 10:00 AM	2/1/2024 10:00 AM	1	24		
7	1/31/2024 10:00 AM	2/1/2024 10:00 AM	1	24		
6	1/31/2024 10:00 AM	2/1/2024 10:00 AM	1	24		
3F	No Curtailments	No Curtailments	0	0		
3E	No Curtailments	No Curtailments	0	0		
3D	No Curtailments	No Curtailments	0	0		
3C	No Curtailments	No Curtailments	0	0		
					3,144	JAN 1,440

Natural Gas Curtailment History 2007 - 2024

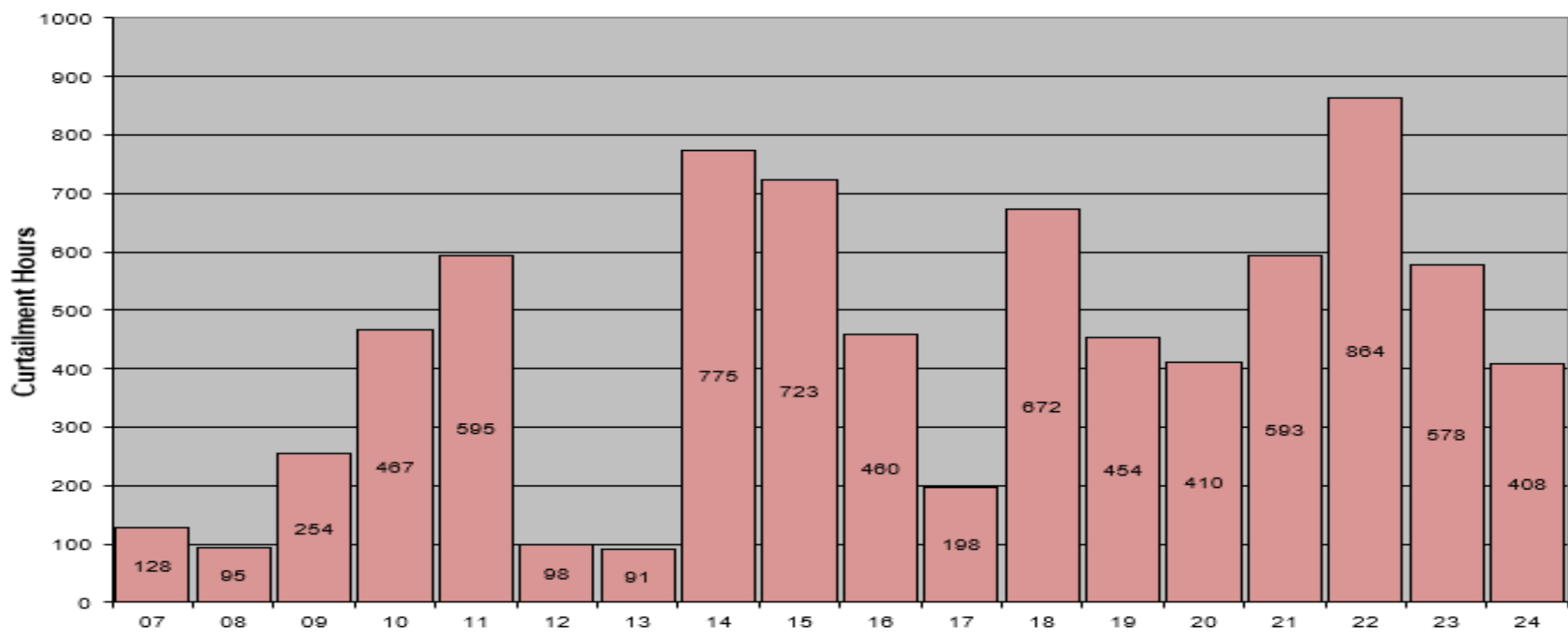
DOMINION ENERGY SOUTH CAROLINA - NATURAL GAS CURTAILMENT HISTORY BY CATEGORY

P-O-S Category 9			P-O-S Category 8			P-O-S Category 7			P-O-S Category 6		
Winter	#	Hrs	Winter	#	Hrs	Winter	#	Hrs	Winter	#	Hrs
07	4	128	07	2	48	07	2	48	07	2	48
08	2	95	08	2	88	08	2	85	08	2	81
09	4	254	09	3	142	09	3	142	09	2	106
10	3	467	10	2	396	10	2	378	10	2	357
11	7	595	11	6	428	11	6	428	11	6	410
12	2	98	12	1	47	12	1	31	12	1	31
13	2	91	13	1	42	13	1	42	13	1	42
14	10	775	14	11	711	14	11	711	14	10	686
15	9	723	15	10	678	15	10	678	15	10	678
16	5	460	16	5	457	16	5	457	16	5	456
17	3	198	17	2	150	17	2	150	17	2	150
18	4	672	18	5	624	18	5	624	18	5	624
19	8	454	19	8	454	19	8	454	19	8	432
20	6	410	20	6	410	20	6	384	20	6	342
21	9	593	21	9	569	21	10	497	21	10	497
22	10	864	22	11	816	22	11	792	22	11	768
23	6	578	23	6	554	23	6	552	23	6	552
24	5	408	24	5	408	24	5	408	24	5	408
Totals	99	7863	Totals	95	7022	Totals	96	6861	Totals	94	6668
Ave	5.5	437	Ave	5.3	390	Ave	5.3	381	Ave	5.2	370

P-O-S Category 3F			P-O-S Category 3E			P-O-S Category 3D			P-O-S Category 3C		
Winter	#	Hrs	Winter	#	Hrs	Winter	#	Hrs	Winter	#	Hrs
07	1	6	07	1	6	07	1	6	07	0	0
08	1	36	08	1	36	08	1	24	08	0	0
09	2	103	09	2	103	09	2	103	09	1	26
10	2	310	10	2	293	10	2	290	10	1	74
11	4	292	11	4	289	11	4	269	11	3	198
12	1	24	12	1	24	12	1	24	12	0	0
13	0	0	13	0	0	13	0	0	13	0	0
14	10	530	14	9	453	14	9	452	14	5	318
15	8	593	15	7	551	15	7	527	15	5	406
16	4	385	16	5	360	16	6	332	16	5	179
17	2	120	17	2	120	17	2	120	17	2	100
18	4	576	18	4	576	18	5	534	18	5	385
19	8	432	19	8	432	19	7	408	19	7	310
20	5	289	20	4	241	20	4	240	20	4	194
21	9	456	21	9	456	21	9	377	21	6	192
22	11	768	22	11	768	22	11	720	22	11	629
23	7	528	23	7	528	23	7	528	23	6	432
24	4	384	24	4	384	24	4	384	24	5	360
Totals	83	5832	Totals	81	5620	Totals	82	5338	Totals	66	3803
Ave	4.6	324	Ave	4.5	312	Ave	4.6	297	Ave	3.7	211

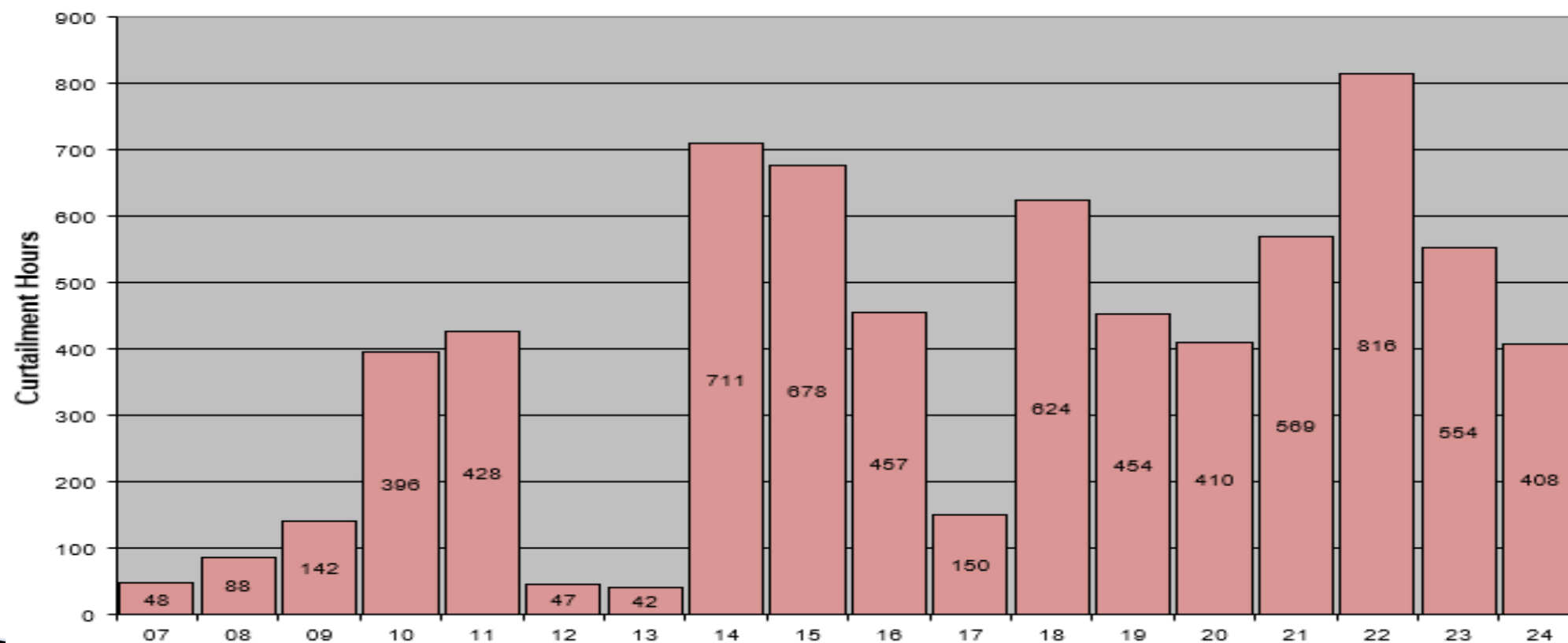
Natural Gas Curtailment History

Dominion Energy South Carolina - Curtailment History Category 9



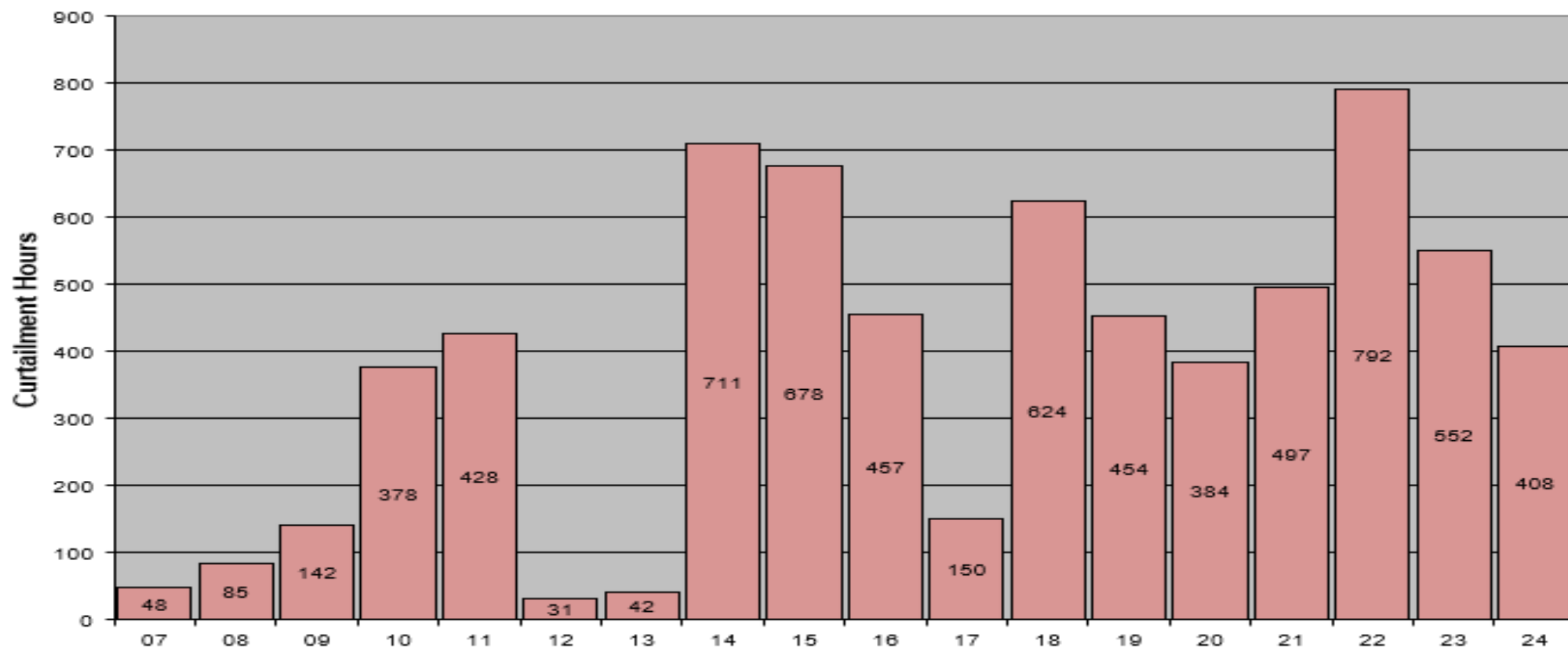
Natural Gas Curtailment History

Dominion Energy South Carolina - Curtailment History Category 8



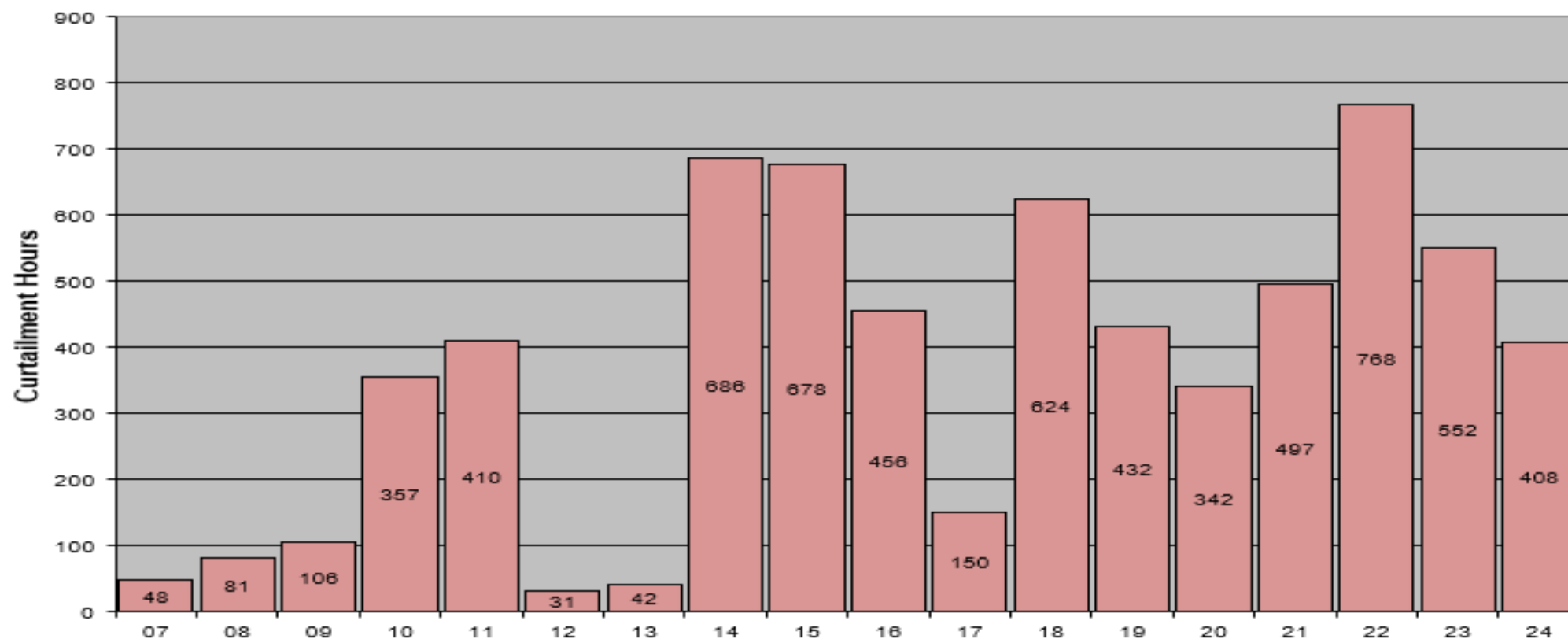
Natural Gas Curtailment History

Dominion Energy South Carolina - Curtailment History Category 7



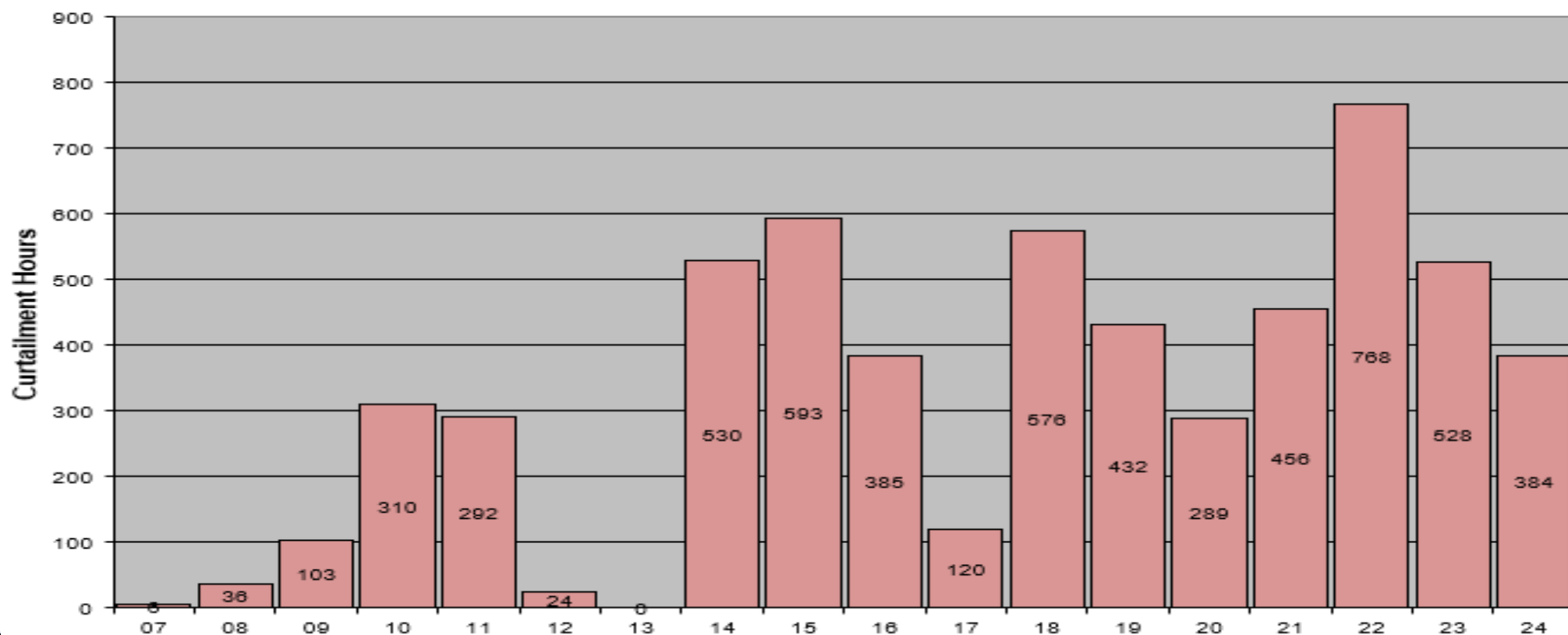
Natural Gas Curtailment History

Dominion Energy South Carolina - Curtailment History Category 6



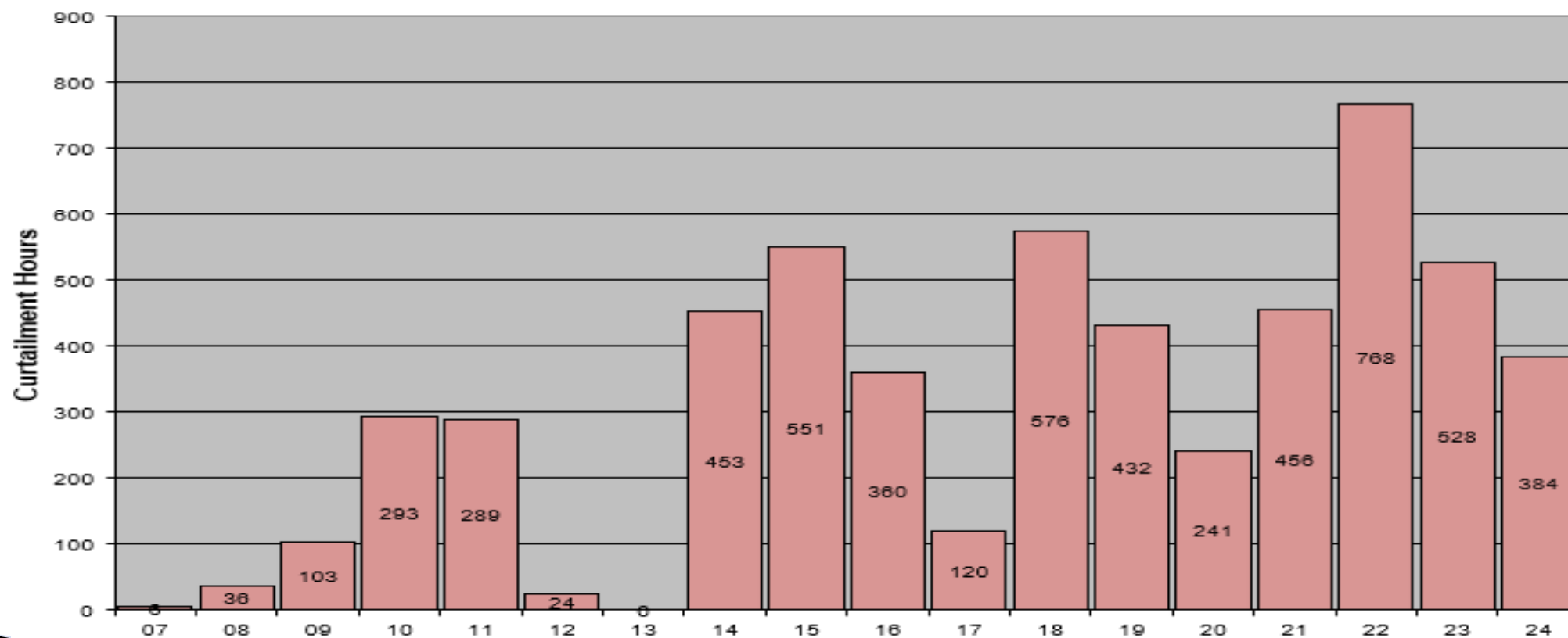
Natural Gas Curtailment History

Dominion Energy South Carolina - Curtailment History Category 3F



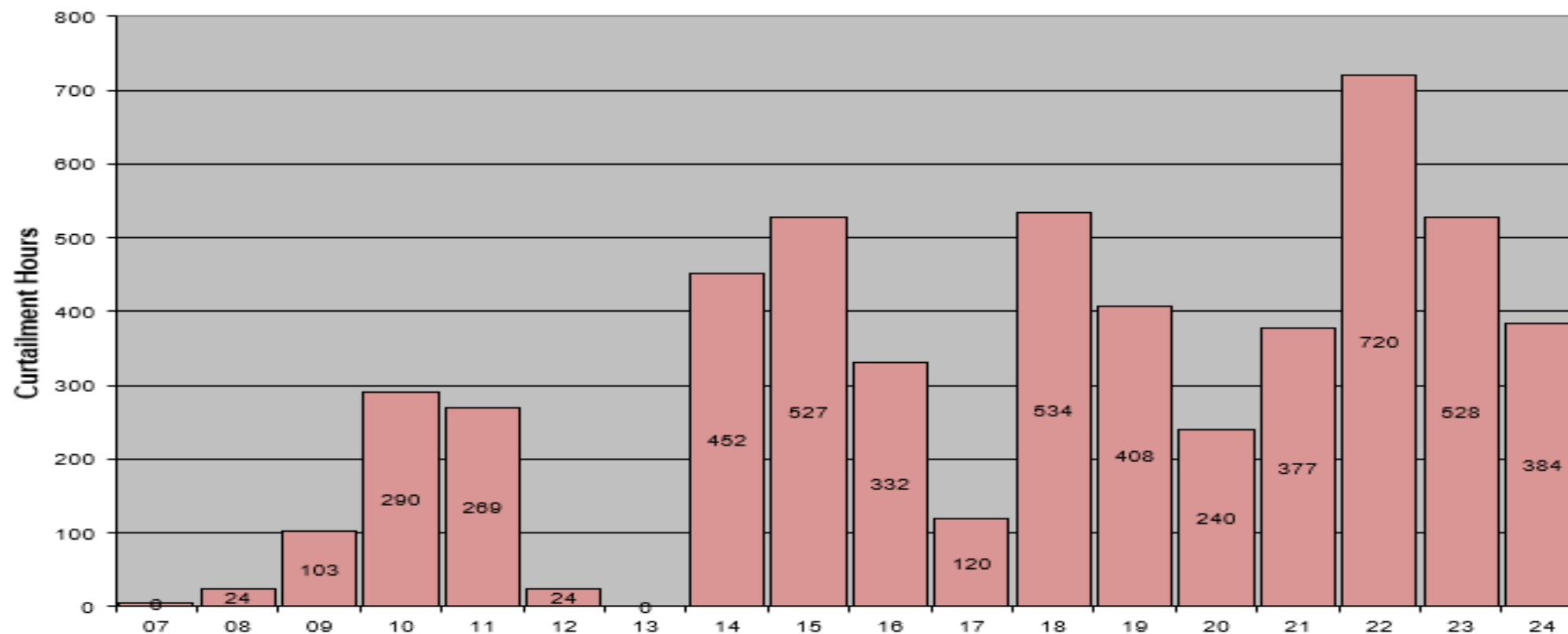
Natural Gas Curtailment History

Dominion Energy South Carolina - Curtailment History Category 3E



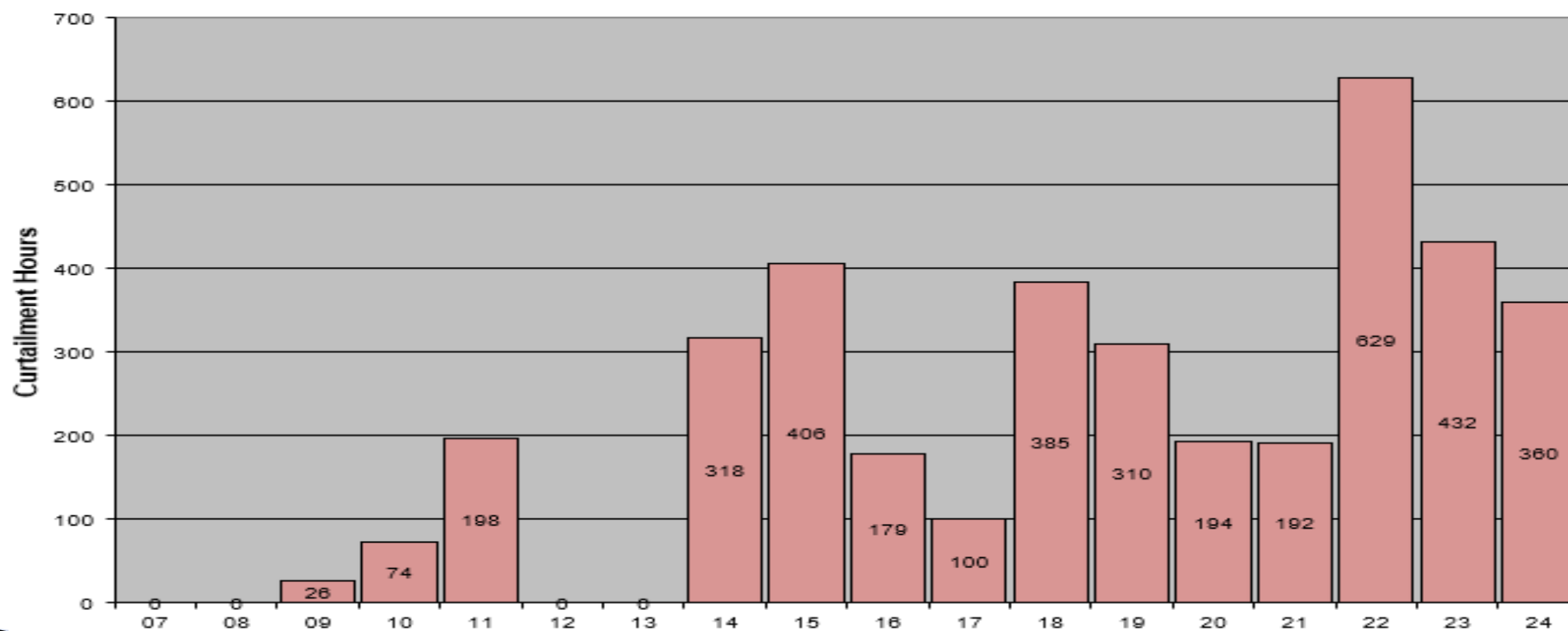
Natural Gas Curtailment History

Dominion Energy South Carolina - Curtailment History Category 3D



Natural Gas Curtailment History

Dominion Energy South Carolina - Curtailment History Category 3C



Natural Gas Curtailment History

Dominion Energy South Carolina (DESC) <i>Natural Gas Curtailment Hours for All Categories by Year & By Month</i>						
<u>Year</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
2006-07	0	112	24	154	0	290
2007-08	0	0	445	0	0	445
2008-09	0	0	546	327	106	979
2009-10	0	0	1700	865	0	2565
2010-11	0	1531	1294	84	0	2909
2011-12	0	0	228	51	0	279
2012-13	0	0	41	176	0	217
2013-14	394	88	2702	820	632	4636
2014-15	447	100	1502	2785	0	4834
2015-16	99	0	1954	1033	0	3086
2016-17	0	376	684	0	48	1108
2017-18	0	1446	3169	0	0	4615
2018-19	378	916	1638	0	444	3376
2019-20	629	628	629	624	0	2510
2020-21	0	1224	528	1885	0	3637
2021-22	384	533	3720	1104	384	6125
2022-23	652	2304	576	384	336	4252
2023-24	384	1320	1440	0	0	3144
	3,367	10,578	22,820	10,292	1,950	49,007
	6.87%	21.58%	46.56%	21.00%	3.98%	100.00%

Polar Vortex (Jan)
Polar Vortex (Feb)

Snow on the SC Coast (Jan)

Cold January
Cold December (Elliott)

Natural Gas Curtailments 2024-25

- ▶ Curtailments are primarily weather driven.
- ▶ The interstate pipeline systems (Sonat/Transco/CGT) serving South Carolina remain constrained – particularly CGT.
- ▶ DESC System Improvements have been blocked by third parties.
- ▶ Area Point Curtailments are possible this winter in the River Neck Road Area Point. (Kingsree/Johnsonville/Latta/Conway/Myrtle Beach).
- ▶ Customers in the River Neck Road Area Point are likely to be curtailed before System-wide curtailments are made.

Natural Gas Curtailment Contacts

- ▶ Please update your natural gas curtailment contacts as soon as possible.
- ▶ Contact your account manager or Gas Support
(Laurie McCullough – laurie.mccullough@dominionenergy.com)



Dominion Energy South Carolina Gas Rate Elections & Pooling

Rose Jackson

2023 Natural Gas Rate Case Results

- ▶ DESC will move to a Tariff based Structure for Large Users of Natural Gas
- ▶ 4 Rates were approved
 - Rate 34 Firm Sales Service
 - Rate 36 Firm Transportation Service
 - Rate 54 Interruptible Sales Service
 - Rate 55 Interruptible Transportation Service
- ▶ 1 Rate was eliminated
 - Rate 35 Transportation and Standby Service and associated Rate 35A contracts

Contract/Rate Transition Period

- ▶ Gas Rate Case Settlement provided existing customers with a transition period of two winter seasons
- ▶ All existing customers can remain on their current contract structure until April 1, 2025
- ▶ All customers must select service to one of the 4 large use rates by January 1, 2025
 - DESC will evaluate all service requests on a first come first service basis
 - New rates elections will become effective April 1, 2025
 - Rate 34, 35 and 35A customers requesting a move to Rate 36 will be allocated capacity on CGT (Carolina Gas Transmission) by area point **if capacity is available** for the period of April 1, 2025, through September 30, 2026

Customer Options

- ▶ Customers will have to elect the priority of service
 - Firm (year-round service)
 - Interruptible (curtailment categories remained the same)
- ▶ Customer will have to select the provider of service
 - Sales Service will be provided by DESC (gas supply, upstream interstate pipeline transportation, CGT transportation and LDC distribution service)
 - Distribution Service
 - LDC provides distribution service
 - Pooler/Marketer provides gas supply, upstream interstate pipeline transportation & CGT transportation

Key Changes

- ▶ Each metering point will have its own rate. Meters will not be combined or aggregated under one rate (volume block billing will be eliminated)
- ▶ No interruptible natural gas bid pricing
 - Fuel matching in interruptible contracts is eliminated
 - Transportation modeling in interruptible contracts is eliminated
- ▶ First 10 dts of usage during a natural gas curtailment will be billed as Emergency Gas without prior approval by Gas Control. Additional usage during curtailment will be billed as Penalty Gas

Firm Rates

- ▶ Requires firm MDQ of 50 Dts or greater for large commercial or industrial customers
- ▶ 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)

Interruptible Rates

- ▶ No minimum usage requirement
- ▶ Customer must be capable of being 100% curtailed on 2 hours notice
 - Previous Curtailment Categories retained
 - No alternate fuel backup required
- ▶ 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)

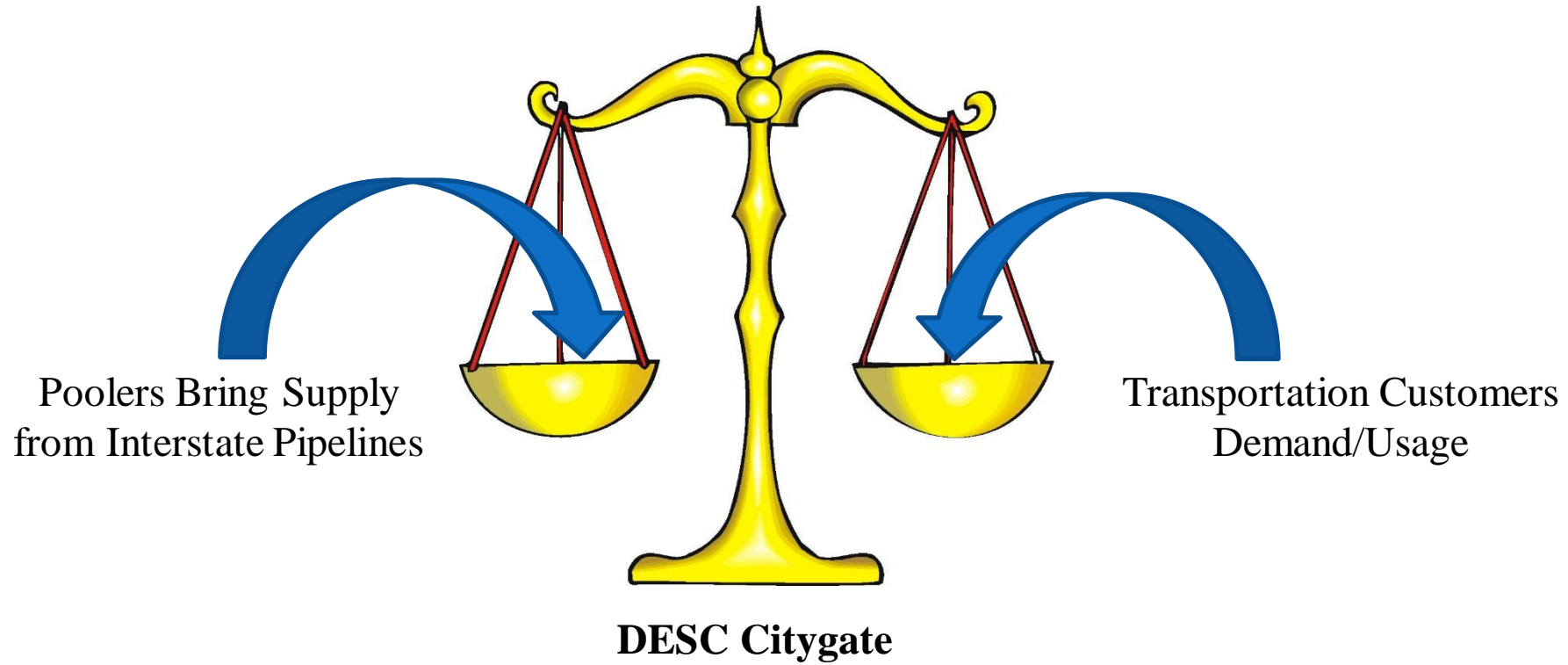
DESC Annual Rate Election Review Process

- ▶ Beginning in 2026, customers will make an annual rate election on July 1st of each year with an effective date of October 1st
 - Rate election is only required if a rate change is requested by the customer or their firm MDQ has dropped below the minimum MDQ of 50 Dts
- ▶ Firm Transportation Requests (Rate 36)
 - Modeled & approved by DESC Engineering group
 - CIAC if applicable will be calculated
- ▶ Firm Sales Requests (Rate 34)
 - Modeled & approved by DESC Engineering group
 - CIAC if applicable will be calculated
 - Firm Transportation on CGT & Upstream Pipelines evaluated by Gas Supply

DESC Annual Rate Election Review Process (Continued)

- ▶ Interruptible Sales (Rate 54)
 - Customer can move to Rate 55 one time during the initial 12-month period
 - Customer can move to Rate 34 (if approved) one time during any 12-month period
- ▶ Interruptible Transportation (Rate 55)
 - DESC may refuse service under this rate if -
 - it does not have the Gas delivery capacity in excess of the requirements of existing customers.
 - the requested service would require an uneconomic enlargement or extension of DESC's facilities.

Transportation Pooling



Transportation Pooling Agreement

- ▶ Poolers/Marketers who want to serve DESC transportation customers (Rate 36- Firm Transportation) or (Rate 55- Interruptible Transportation) will be required to execute a Transportation Pooling Agreement as approved by the SC PSC in DESC's recent gas rate case
- ▶ Once a Transportation Pooling Agreement has been signed by the Pooler/Marketer, the DE Corporate Credit Dept. will review the Transportation Pooling Agreement and determine if any credit assurance is required
- ▶ Once approved by the DE Corporate Credit Dept., a fully executed copy of the Transportation Pooling Agreement will be returned to the Pooler
- ▶ A virtual pool will be established on the DESC EBB; Pooler may nom by Pool or by Customer
- ▶ Pooler will be invoiced for end of month virtual pool imbalance

Changes Related to Balancing

- ▶ If a customer is not served by an authorized Pooler, a monthly imbalance is calculated for each customer and the balancing charge is billed to the customer
- ▶ The approved 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 by Aggregate Pool

Balancing for Poolers

- ▶ 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

Balancing for Poolers

- ▶ 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

Operational Orders for Poolers

▶ 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

Pooling Scheduling Requirement

- ▶ Poolers can only pool customers who have switched to Rate 36- Firm Transportation or Rate 55- Interruptible Transportation
 - Poolers are no longer required to nominate by customer
 - Customer MDQ is only used for billing customers & no longer a limit on daily nominations
 - Pool balancing is at the DESC citygate- no fuel is collected
 - DESC receipt point should match the upstream delivery point; DESC delivery point will be the Poolers DESC pool
- ▶ During the transition period, Poolers must continue to nominate by customer on Rate 35/35A
 - Customer MDQ will limit daily noms
 - Contract fuel percentage (most common fuel rate- 3%) will be assessed
 - Customer will be invoiced for their individual imbalance (doesn't qualify for pool balancing)

Questions and Answers - All



Closing Remarks

Shaun Randall