PUBLIC MEETING

Utah Committee of Consumer Services

November 4, 2019

Case Updates

PacifiCorp Integrated Resource Plan

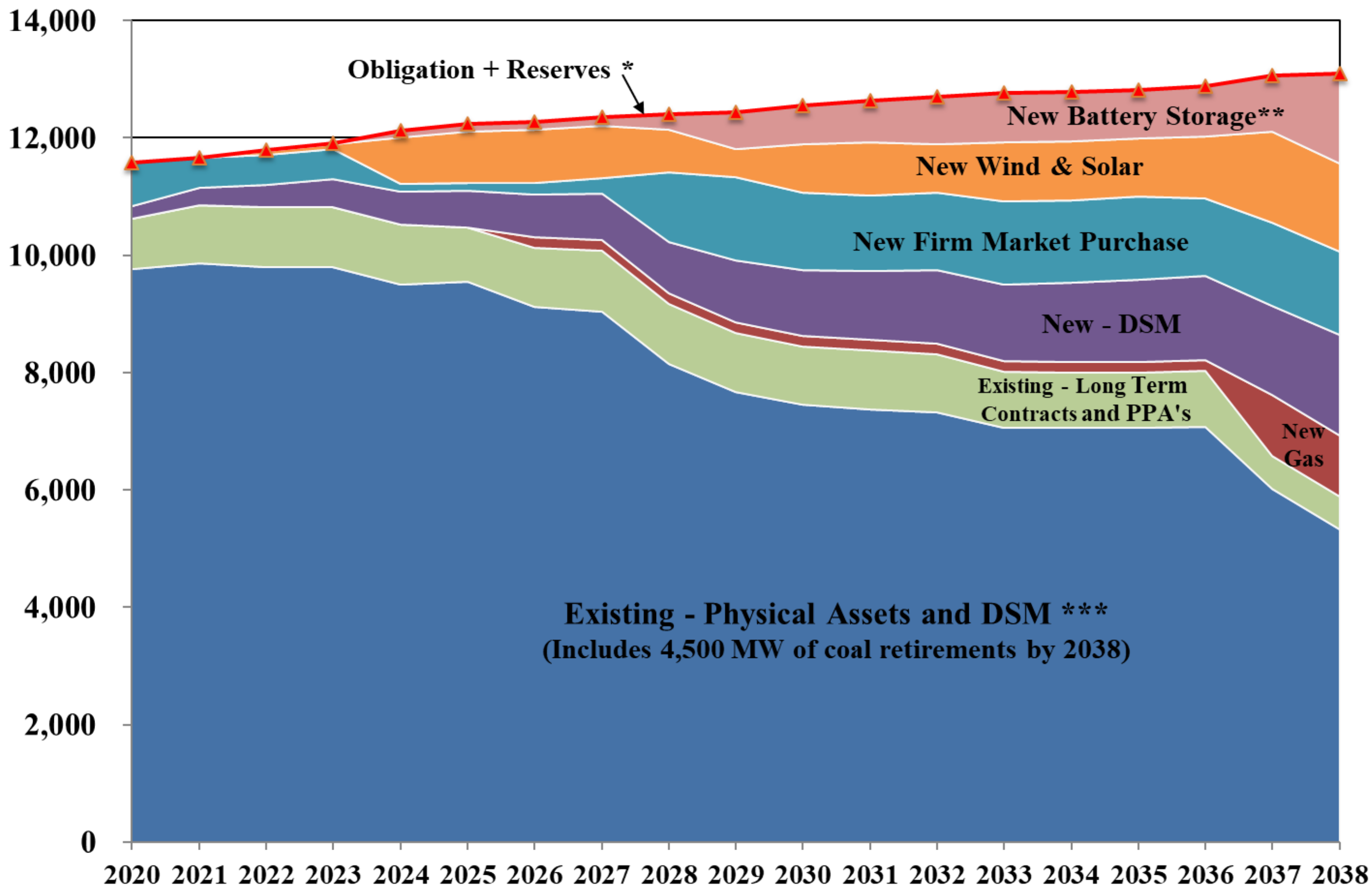
Background

- After 15 months of public stakeholder meetings, PacifiCorp filed its Integrated Resource Plan on October 18th
- Final coal analysis showed cost effective coal retirements of over 1000 MW in the near term
  - Some retirements were planned prior to the IRP analysis
  - Final proposal accelerated retirements of Bridger 1 and Naughton 1 and 2
  - Action plan incorporates many complex factors, including reliability
- Action plan also includes adding substantial amounts of new transmission and renewable resources
- The IRP now goes through the regulatory processes in multiple states
- Any new resources are not automatically approved, but must go through all appropriate regulatory approvals based on location and type of resource

Committee of Consumer Services

UTAH LIFE ELEVATED

PacifiCorp 2019 IRP - Preferred Portfolio Capacity Resources over 20 Years - MWs



* Includes 13% Planning Reserves, Sales and Non-Owned Reserves

** Includes Stand-alone Storage and the Storage component of Renewables + Storage

*** Includes retirements, and gas repower. DSM includes both Class 1 and 2

PacifiCorp 2019 IRP – Action Plan – Coal Units

- Naughton Unit 3 (WY) - Convert to gas in 2020 (was shut down 1/30/2019)
  - Provide 247 MW as gas fired (previously 293 MW)
- Cholla Unit 4 (AZ - 387 MW) - Retire by Jan 2023 - begin process in 2020
- Bridger Unit 1 (WY - 354 MW*) - Retire by Dec 2023 - begin process in 2020
- Naughton Units 1 & 2 (WY - 156 & 201 MWs) - Retire by Dec 2025
  - Begin process in 2022
- Craig Unit 1 (CO – 82 MW*) – Retire by Dec 2025
- Total Coal Retirements 2023 to 2025 = 1,180 MW

*PacifiCorps owns 67% of Bridger Unit 1 and 19% of Craig Unit 1

PacifiCorp 2019 IRP - Action Plan - New Resources

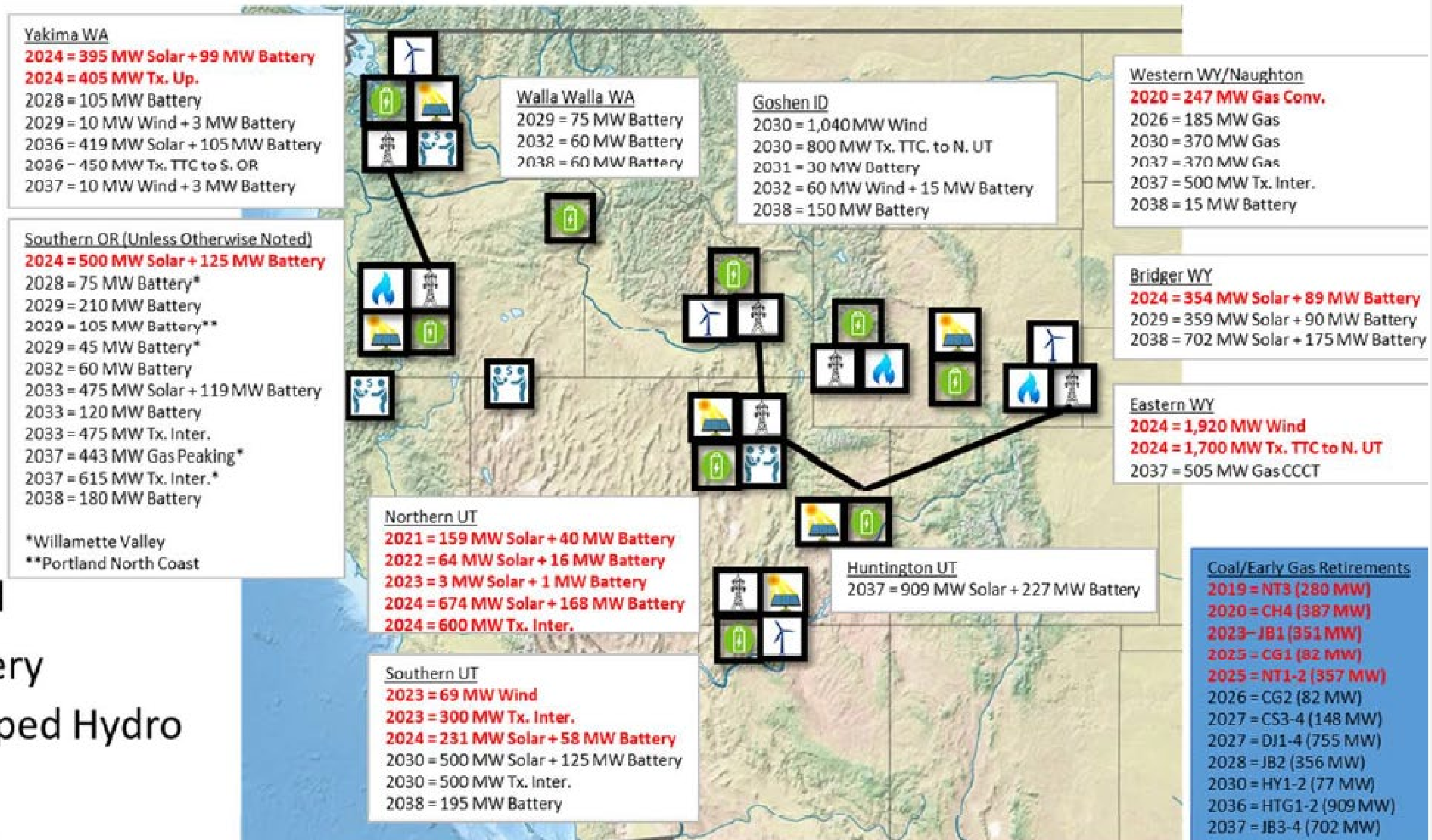
- All Source Request for Proposals (RFP)
  - For resources to be in-service by December 2023 (listed as 2024 in IRP)
  - File RFP with Utah Commission in Q1 2020 – requesting approval
  - Issue RFP to market in Q2 2020
  - Final shortlist and file for CPCNs in Q2 2021
- New Resources by 2024
  - Solar – 2,380 MW
  - Wind – 1,989 MW
  - Battery – 596 MW*
  - Total Solar, Wind & Battery = 4,965 MW

*All proposed battery resources are integrated with solar farms to allow the battery components to also qualify for the Investment Tax Credit (ITC).

PacifiCorp 2019 IRP - Action Plan - Transmission

- Gateway South - 400 miles, 500 kV - complete by Dec 2023 – CPCN in 2021
- Utah South Reinforcements - 70 miles, new 345 kV
  - rebuild Mona/Clover #1 & #2 345 kV lines
- Additional Reinforcements in northern Utah, Utah Valley & Washington state
- Gateway South accesses new Wyoming wind resources
- Utah Reinforcements are primarily for new Utah solar resources

PacifiCorp 2019 IRP - Preferred Portfolio
Location of New Resources - Action Plan Items in Red



Action Plan Items identify resources requiring action in the near term, i.e. over the next 4 years, in order for PacifiCorp to deliver these preferred portfolio resources.

Next Steps

- Utah PSC will set a schedule for comments and reply comments
- Many resource acquisition-related regulatory filings are anticipated over the course of the next 2 – 3 years
- All-source RFP will be filed with the Utah PSC in first quarter 2020

Questions?

Dominion Energy General Rate Case

Phase 1: Revenue Requirement

- Dominion’s request:
  - Increase rates by $19.2 Million
  - 10.5% ROE, capital structure: 55% equity 45% debt
  - Rate increase driven by: request for higher ROE, increased capital expenditures, new expenses included in lead/lag study
  - Also requested ongoing Infrastructure Tracker with higher budget
  - New rates effective March 2020
- OCS position:
  - Decrease rates by $14.2 Million
  - 9.1% ROE, no change to capital structure
  - Adjustments include: ROE, Lead/lag study, Capital budget forecast, Pension Expense, other Misc.
- Two other parties submitted testimony proposing revenue requirement adjustments (DPU, UAE)
- Three other parties submitted testimony proposing ROE adjustments (DPU, FEA, ANGC)

ROE Positions

- DEU: 10.5% ROE, 55% equity 45% debt
- OCS: 9.1% ROE, 55% equity 45% debt
- DPU: 9.25% ROE, 55% equity 45% debt
- ANGC: 9.5% ROE, 52% equity 48 % debt (or 9.0 %ROE and 55/45)
- FEA: no higher than 9.0% ROE, 52% equity 48% debt

Phase 2: Cost of Service and Rate Design

- Direct Testimony due: November 14th
- Issues will likely include:
  - Inter-class subsidies, particularly between GS (General Service) and TS (transportation service). TS has been paying significantly below cost of service.
  - TS customer size: Dominion proposes to implement a minimum annual usage to qualify as a TS customer. An alternative proposal could be to have two sizes of TS customers.
  - Fundamental GS rate design changes: Dominion proposes changes to move GS and TS to full cost of service over time (gradualism) and to use this case to "optimize" the GS class and wait until the next case to "optimize" the TS class. We are evaluating if this is the best approach and whether this approach is fair to small GS customers.
  - Allocation of costs to Interruptible Customers
  - Allocation factors used for certain specific types of expenses

Questions?

Closed Meeting

Pursuant to Utah Code Section 52-4-205 (1)(c):
Strategy sessions to discuss pending or reasonably imminent litigation

Other Business