

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION)
OF QUESTAR GAS COMPANY DBA)
DOMINION ENERGY WYOMING FOR)
APPROVAL OF THE HORSESHOE BEND)
DEVELOPMENT AS A WEXPRO II)
PROPERTY)

Docket No. 30010-222-GA-24
(Record No. 17496)

ORDER

(Issued April 25, 2024)

This matter is before the Wyoming Public Service Commission (Commission) upon the Application of Questar Gas Company d/b/a Dominion Energy Wyoming (DEW or the Company) for approval of the Horseshoe Bend Development as a Wexpro II property, the *Petition for Confidential Treatment of Certain Exhibits to the Application, Portions of the Testimony (Petition A)*, and the *Petition for Confidential Treatment of Exhibit (Petition B)* (collectively, the *Petitions*). The Commission, having reviewed the Application, the *Petitions*, its files concerning Dominion Energy, applicable Wyoming utility law, and being otherwise fully advised in the premises, FINDS and CONCLUDES:

1. DEW 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. DEW is a public utility subject to the Commission's jurisdiction. Wyo. Stat. §§ 37-1-101(a)(vi)(D) and 37-2-112.

2. On February 1, 2024, DEW filed an Application requesting inclusion of recently acquired properties located within the Horseshoe Bend Farmout field (the Horseshoe Bend Development) as Wexpro II properties pursuant to the Wexpro II Agreement. The Company also voluntarily offered the remaining portions of the Horseshoe Bend Development for inclusion as a Wexpro II property. The Commission approved the Wexpro II Agreement in Docket No. 30010-123-GA-12. The Horseshoe Bend Development is outside the existing Wexpro I Development Drilling Area D¹.

3. DEW entered into a Farmout Agreement with the owner of a working interest in the Horseshoe Bend Development for the purposes of developing two wells at its own risk on October 16, 2023. The Company is currently selling production from these wells on the open market, pending approvals from the Utah and Wyoming Commissions to include the acquisition as a Wexpro II property. The Company avers that approval of the Horseshoe Bend Development as a Wexpro II property will provide an opportunity for customers to receive low cost gas in the future. Additionally, the Company states that Wexpro will continue to manage its current production and future drilling programs at or below the 5-Year Forward Curve and manage

¹ Pursuant to the Wexpro II Agreement, Dominion *must* seek approval from the Wyoming and Utah Commissions before including any property acquired within the Wexpro I drilling area if it wants to include that property in the cost-of-service supplies. *Memorandum Opinion, Findings and Order Approving the Wexpro II Agreement* at ¶ 18 (Oct. 16, 2013) (Docket No. 30010-123-GA-12). For properties acquired outside the Wexpro I drilling area, Dominion *may* apply for approval to include them as Wexpro II property. *Id.* at 19.

combined cost-of-service production from Wexpro I and Wexpro II properties to Dominion Energy at or below the thresholds established in the Canyon Creek Acquisition in Commission Docket No. 30010-145-GA-15.

4. The Application states the proposed acquisition will not cause the Company to exceed the 55% production threshold and will reduce the Wexpro overall cost of service.

5. On February 6, 2024, the Commission issued a *Notice of Application* and set an intervention deadline of March 6, 2024. Newspapers in Dominion's service territory published the *Notice of Application*.

6. On March 7, 2024, Office of Consumer Advocate (OCA) filed its *Petition to Intervene Post Hoc* in order to file the required Hydrocarbon Monitor's report and comments with the Commission but did not contest the Application or request a hearing.

7. On March 19, 2024, the Commission issued an *Order Authorizing Intervention Post Hoc* in response to OCA's *Petition to Intervene Post Hoc*. OCA filed the confidential Independent Hydrocarbon Monitor Review Report.

8. On March 20, 2024, Dominion filed its *Petition A* requesting confidential treatment of the following information and filings: the Application, pages 8 through 11; Exhibit 3.3; Direct Testimony of Kelly B Mendenhall, Lines 27-33 and 86-88; Direct Testimony of Brady B. Rasmussen, Lines 46-47, 51-59, 64-66, and 150-151; and Dominion Energy Confidential Exhibits B, D, E, F, G, H, J, K, L, M, N, O, and P. On March 28, OCA filed *Petition B*, requesting confidential treatment of the Independent Hydrocarbon Monitor Review Report.

9. The Commission considered Dominion's Application and *Petition A* at its Open Meeting on March 28, 2024. Kelly Mendenhall, Director of Regulatory and Pricing; Brady Rasmussen, VP and General Manager of Wexpro; and Jenniffer Clark, Counsel, appeared on behalf of Dominion. Mr. Mendenhall presented the Application and generally described the requirement to have new properties designated as Wexpro II properties under the Wexpro II Agreement by the Commission. In his presentation, Mr. Mendenhall detailed the information set forth in paragraphs 2, 3, 4, and 8 above. Michelle Madsen, Counsel for OCA, stated the OCA supports the Application, as it will provide stability and benefit to ratepayers, but has some concern that the Horseshoe Bend Development may underproduce based upon the Company's projection. The Commission considered OCA's *Petition B* on the consent agenda at its Open Meeting on April 4, 2024.

10. Commission Staff reviewed the Application and *Petitions* in light of the Wexpro II Agreement, Commission Orders relating to the Agreement, and the Hydrocarbon Monitor's Report, in addition to applicable rules and statutes. Based upon this review, the Company and Mr. Mendenhall's representations, and OCA's input, the Staff recommended the Commission approve the Application and grant the *Petitions*.

11. The Commission finds and concludes that the Application conforms to the requirements of the Wexpro II Agreement, its prior *Orders* relating to the Agreement, as well as applicable rules and statutes. The Commission also finds and concludes that approval of the

Application is in the public interest. With regard to the *Petitions*, the Commission finds and concludes that they conform to the requirements of Commission Rule, Chapter 2, Section 30, and Wyo. Stat. §16-4-203(d)(v).

IT IS THEREFORE ORDERED:

1. Pursuant to Open Meeting action taken on March 28, 2024, the Application of Questar Gas Company d/b/a Dominion Energy Wyoming for approval of the Horseshoe Bend Development as a Wexpro II property is approved.
2. Questar Gas Company's d/b/a Dominion Energy Wyoming *Petition for Confidential Treatment of Certain Exhibits to the Application, Portions of the Testimony*, is granted.
3. Pursuant to Open Meeting action taken on April 4, 2024, Office of Consumer Advocate's *Petition for Confidential Treatment of Exhibit*, is granted.
4. This *Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on April 25, 2024.

PUBLIC SERVICE COMMISSION OF WYOMING



MARY A. THRONE, Chairman



CHRISTOPHER B. PETRIE, Deputy Chairman



MICHAEL M. ROBINSON, Commissioner





WESLEY G. NEUMAN, Assistant Secretary

CERTIFICATE OF SERVICE

I hereby certify that on the 25th day of April, 2024, a copy of the Commission's *Order* was sent via electronic mail or hand delivery to the following:

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