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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Division of Public Utilities Audit of 191 account for Calendar Year 2013	Docket Nos. 12-057-08 and 13-057-03 DOMINION ENERGY UTAH'S COMMENTS
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Pursuant to the Notice of Filing and Comment Period (Notice) in the above-referenced docket, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits these comments in response to the Utah Division of Public Utilities' (Division) Memorandum filed on July 16, 2018 (Division's Memo).

BACKGROUND

On July 16, 2018, the Division filed its Memo regarding its audit of the accounting entries in the 191 account for the 2013 year. This audit was based on the information filed in Pass-Through Docket Nos. 12-057-08 and 13-057-03. The Division's Memo recommends an adjustment of \$45,774 that would slightly increase costs to Utah customers while reducing rates to Wyoming customers. The Company offers an explanation in response to the Division's proposed adjustment below.

DISCUSSION

The Division's Memo states that its calculations differed from the Company's due to an "incorrect demand percentage applied in the month of October." Though the demand percentage used by the Company is different than that recommended by the Division, it is not necessarily incorrect. The referenced demand percentage is used to allocate demand-related costs between Utah and Wyoming customers. The value is calculated in each pass-through filing and is based on the Integrated Resource Plan (IRP) forecast of peak-day usage.

Prior to 2013, the Company used the allocation method proposed by the Division. Specifically, the Company used this allocation factor for accounting entries in the month when the pass through was made effective. For example, if a pass through was made effective on October 1st, the October accounting entries would be made using the new allocation factor.

However, in 2013, new personnel in both the Company's accounting and regulatory departments assessed this practice and determined that due to lag in the accounting, following this procedure was not accurately matching the allocation factor with the costs being allocated. For example, an invoice accounted for in October is usually payment for service provided in September, and therefore should be allocated using the allocation factor in effect in September. A November invoice would then be accounting for October services, which would be allocated using the new allocation factor that went into effect in October (the prior month). The Company's method simply matches the approved allocation factor with the costs that are being allocated. This method has been applied since 2013.

CONCLUSION

The Company acknowledges that consistency is important in both rate-making and accounting. The Company also believes that it is important to review historical practices and to modify those practices to improve accuracy. The Company believes that matching an allocation factor with the costs being allocated is more accurate, and therefore the better methodology. Therefore, the Company requests that the Commission make no adjustment to the 191 account in 2013 as recommended by the Division, and instead, make the rates final in Docket Nos. 12-057-08 and 13-057-03.

RESPECTFULLY SUBMITTED this 15th day of August, 2018.

DOMINION ENERGY UTAH



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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of Dominion Energy Utah's

Comments was served upon the following persons by e-mail on August 15, 2018:

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