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State of Utah
Department of Commerce
Division of Public Utilities

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Executive Director

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Director, Division of Public Utilities

SUPPLEMENTAL ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director
Artie Powell, Energy Section Manager
Jeff Einfeldt, Utility Analyst

Date: September 26, 2019

Re: **Docket Nos. 15-057-11 and 16-057-05**

DPU Response to PSC Inquiry of Status of Audit Findings related to the DEU 191 Pass-Through Account.

RECOMMENDATION

The Division of Public Utilities (“Division”) recommends Dominion Energy Utah (“DEU”) provide documentation evidencing the actual recording of the five adjustments identified by the Division and the Wexpro Accounting Monitor related to the 191 Pass-Through account for the calendar years ended 2015 and 2016. The Division recommends the Public Service Commission of Utah (“Commission”) take no further action subsequent to the verification by DEU of the recording of the referenced five adjustments.

ISSUE

The Division filed its 191 Account Audit Report on July 17, 2019 that included the Wexpro Accounting Monitor reports for the Wexpro and Wexpro II agreements as exhibits. DPU and the Accounting Monitor identified five adjustments affecting the DEU 191 account for the calendar years 2015 and 2016.

ANALYSIS

The five adjustments are as follows.

1. The Division recommended a reduction to expenses of \$15,022.74 related to the misapplication of the demand percentage lag.
2. The Wexpro Accounting Monitor identified an overbilling by Wexpro to DEU of \$278 related to AFUDC calculation for the year ending 2015. The correction is a reduction to DEU expenses.
3. The Wexpro Accounting Monitor identified an overbilling by Wexpro to DEU of \$1,041 related to AFUDC calculation for the year ending 2016. This correction is also a reduction to DEU expenses.
4. The Wexpro Accounting Monitor identified additional expenses of \$46,589 related to the Sugarloaf well (dry hole balances) for 2016 that need to be billed to DEU, increasing DEU expenses.
5. The Wexpro Accounting Monitor identified a discrepancy in depreciation related to the Wexpro II agreement resulting in a credit due DEU of \$17 (reduction to expenses).

The net effect of the five adjustments is a \$30,230.26 increase to DEU expenses that will be passed on to ratepayers. Pursuant to discussions with Wexpro and DEU accounting personnel, the entries for these adjustments will be recorded by Wexpro and DEU during the closing process of the accounting records for September 2019. The cumulative effect of these adjustments for a typical residential customer is estimated to be four cents annually.

CONCLUSION

DEU and Wexpro have agreed to provide the Division documentation verifying the accounting entries for the five adjustments mentioned above. The entries are scheduled to be made as part of the September 2019 closing process for the accounting system. The Division recommends the Commission take no further action in this matter.

cc: Michele Beck, Office of Consumer Services
Kelly Mendenhall, Dominion Energy Utah