

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Dominion Energy Utah's Replacement Infrastructure 2017 Annual Plan and Budget	<u>DOCKET NO. 16-057-17</u> <u>ORDER APPROVING SETTLEMENT</u> <u>STIPULATION</u>
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ISSUED: November 27, 2017

PROCEDURAL HISTORY

On August 30, 2017, Dominion Energy Utah (Dominion) filed an update to its 2017 Infrastructure Tracker Annual Plan and Budget, which included a request to increase the \$64.15 million budget for its 2017 Annual Plan by \$5.27 million to accommodate the relocation of segments of Feeder Line 51 in 2017 (Application). Pursuant to the August 31, 2017 notice of filing and comment period the Public Service Commission of Utah (PSC) issued, the Division of Public Utilities (DPU) filed comments on September 29, 2017, and Dominion filed reply comments on October 13, 2017. After reviewing the comments and reply comments filed, the PSC determined that testimony and a hearing would assist in resolution of the diverging points of view between the DPU and Dominion. Thus, the PSC thereafter set an October 31, 2017 scheduling conference.

On October 30, 2017, Dominion filed a Settlement Stipulation (Settlement). The Settlement is signed by Dominion and the DPU. On October 31, 2017, the PSC issued a notice of filing and comment period, allowing any party to request a hearing no later than November 16, 2017. No comments were filed. No one requested a hearing, and the time for doing so has now

elapsed. Therefore, we review the Settlement pursuant to our authority to do so without a hearing as set forth in Utah Code Ann. § 54-7-1.¹

FINDINGS AND CONCLUSIONS

Settlements of matters before the PSC are encouraged at any stage of a proceeding.² In evaluating a settlement, we consider it as a whole and must find whether the settlement is just and reasonable in result, and whether the record evidence supports this finding.³

a. The record evidence supports a finding that the Settlement is just and reasonable in result.

The record in this docket is uncontested. The parties to the Settlement, namely, Dominion and the DPU, agree in Paragraph 3 of the Terms and Conditions of the Settlement that the “results are just and reasonable.”⁴ “[T]he [PSC] may adopt any settlement proposal entered into by two or more of the parties to an adjudicative proceeding.”⁵ Thus, we find the record evidence supports that the Settlement is just and reasonable in result.

b. The Settlement is just and reasonable in result.

Without reiterating the Settlement in its entirety,⁶ it requests, in pertinent part, that the PSC approve Dominion’s request to increase its 2017 Annual Plan and Budget as proposed in the Application. Dominion will then reduce its 2018 Infrastructure Tracker Replacement Budget by

¹ See generally, Utah Code Ann. § 54-7-1(3)(e)(ii)(A)-(B) (The PSC “shall conduct a hearing before adopting a settlement proposal if requested by . . . any [initiating] party. . . [,] any [defending] party[,], or an intervening party[.]”).

² See Utah Code Ann. § 54-7-1(3)(a).

³ See Utah Code Ann. § 54-7-1(3)(d)(i)(A)-(B).

⁴ Settlement Stipulation at 2, ¶ 3.

⁵ See Utah Code Ann. § 54-7-1(3)(b).

⁶ A copy of the Settlement is attached hereto as an appendix.

the lesser of \$5.27 million, or the actual amount that replacement spending in 2017 exceeds the allowed 2017 spending amount of \$64.17 million. We find settlement of this issue is just and reasonable and, thus, find the Settlement is just and reasonable in result.⁷ We conclude that the settlement is consistent with the applicable law.⁸

ORDER

Based on the foregoing findings and conclusions, the Settlement is just and reasonable in result. Accordingly, we approve the Settlement Stipulation filed in this docket on October 30, 2017.

DATED at Salt Lake City, Utah, November 27, 2017.

/s/ Melanie A. Reif
Presiding Officer

⁷ See *Utah Dept. of Admin. Services v. Public Service Comm'n*, 658 P.2d 601, 613-14 (Utah 1983) (holding we may approve a stipulation or settlement after considering the interests of the public and other affected persons, if we find the stipulation or settlement in the public interest).

⁸ See generally, Utah Code Ann. § 54-7-1. See also *Application of Questar Gas Company to Increase Distribution Non-Gas Rates and Charges and Make Tariff Modifications* (Report and Order, issued June 3, 2010; Docket No. 09-057-16) (approving the Infrastructure Tracker as a pilot program); *Application of Questar Gas Company to Increase Distribution Rates and Charges and to Make Tariff Modifications* (Report and Order, issued February 21, 2014; Docket No. 13-057-05) (expanding the Infrastructure Tracker pilot program).

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Approved and confirmed November 27, 2017, as the Order of the Public Service
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#298112

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on November 27, 2017, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Barrie L. McKay (barrie.mckay@dominionenergy.com)
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Assistant Utah Attorneys General

Erika Tedder (etedder@utah.gov)
Division of Public Utilities

By Hand-Delivery:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant

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APPENDIX

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Request to Increase the
2017 Annual Plan and Budget for the
Infrastructure Replacement Program

Docket No. 16-057-17

SETTLEMENT STIPULATION

Pursuant to Utah Code Ann. § 54-7-1 and Utah Admin. Code R746-100-10.F.5, Dominion Energy (“Dominion”) and the Utah Division of Public Utilities (“Division”) submit this Settlement Stipulation. This Settlement Stipulation shall be effective upon the entry of a final order of approval by the Commission.

PROCEDURAL HISTORY

1. On November 11, 2016, Dominion Energy filed its Infrastructure Replacement Tracker 2017 Annual Plan and Budget (2017 Plan). The 2017 Plan detailed the specific replacement projects the Company would undertake in 2017 and showed a total budget of \$64.15 million.

2. On July 13, 2017 Dominion sent a letter to the Commission regarding its Replacement Infrastructure 2017 Annual Plan and Budget Update notifying the Commission of its intent to request an allowance to exceed its 2017 Tracker budget cap to replace a portion of Feeder Line 51.

3. On August 30, 2017, Dominion sent a letter to the Commission formally requesting permission to increase its 2017 Infrastructure Replacement Tracker budget by \$5.27 million based on required work on Feeder Line 51 in Weber County. On that same day, the Commission issued an Action Request to the Division directing the Division to review this filing for compliance and make recommendations.

4. On September 29, 2017 the Division filed its Action Request Response regarding the Company's request to increase the 2017 Annual Plan and Budget by \$5.27 million.

5. On October 13, 2017 the Company filed reply comments to the Division's September 29, 2017 Action Request Response.

6. On October 17, 2017 the Commission issued a Notice of Scheduling Conference to be held on Tuesday, October 31, 2017.

TERMS AND CONDITIONS

The Parties agree for purposes of settlement that the Company's request to increase the 2017 Annual Plan and Budget should be granted and approved subject to the following commitments:

1. Dominion Energy will reduce its upcoming 2018 infrastructure replacement tracker budget by the lesser of \$5.27 million or the actual amount that replacement spending in 2017 exceeds the allowed 2017 spend amount of \$64.17 million.
2. The Parties agree that this Settlement Stipulation shall not preclude the Company from requesting modifications to exceed infrastructure replacement plans or budgets in future infrastructure replacement tracker filings due to exigent circumstances.
3. The Parties agree that settlement of those issues identified above is in the public interest and that the results are just and reasonable.
4. The Parties agree that no part of this Settlement Stipulation or the formulae or methods used in developing the same, or the relevant Commission orders approving the same shall in any manner be argued or considered as precedential in any future case. All negotiations

related to this Settlement Stipulation are privileged and confidential, and no Party shall be bound by any position asserted in negotiations. Neither the execution of this Settlement Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Settlement Stipulation.

5. Nothing in this Settlement Stipulation or Commission approval of this Settlement Stipulation shall constitute an approval, pre-approval or determination of prudence or cost-recovery as to any expenditures, the prudence or appropriateness of any particular capital structure or cost of capital, or any other ratemaking issue other than as expressly provided in the Settlement Stipulation. Dominion shall retain its burden to demonstrate the prudence of its expenditures and the justness and reasonableness of any rates it proposes in the future, and all Parties will retain all rights to challenge or propose adjustments to Dominion Questar Gas' request for any change in its rates in any regulatory proceeding.

6. Dominion and the Division will each make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. As applied to the Division the explanation and support shall be consistent with their statutory authorities and responsibilities, and nothing in this Settlement Stipulation shall abrogate the authority and responsibilities of the Division under Utah Code Ann. § 54-4-4.

RELIEF REQUESTED

Based on the foregoing, the Parties request that the Commission issue an order approving this Settlement Stipulation and adopting its terms and conditions.

RESPECTFULLY SUBMITTED: October 30, 2017.



Utah Division of Public Utilities



Dominion Energy Utah