

APPLICATION OF DOMINION) Docket No. 17-057-15
ENERGY UTAH COMPANY)
COMPANY TO AMORTIZE THE)
CONSERVATION ENABLING TARIFF) APPLICATION
BALANCING ACCOUNT)

All communications with respect to
these documents should be served upon:

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APPLICATION
AND
EXHIBITS

September 1, 2017

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF DOMINION)	Docket No. 17-057-15
ENERGY UTAH COMPANY)	
TO AMORTIZE THE)	
CONSERVATION ENABLING TARIFF)	APPLICATION
BALANCING ACCOUNT)	

Questar Gas Company dba Dominion Energy Utah Company (Dominion Energy Utah or the Company) respectfully submits to the Utah Public Service Commission (Commission) this Application for the approval of an amortization of the Conservation Enabling Tariff (CET) balance, and an adjustment to the distribution non-gas cost portions of its Utah GS natural gas rates pursuant to §2.08 of the Company's Utah Natural Gas Tariff No. 500 (Tariff).

If the Commission grants this Application, a typical GS residential customer using 80 Dth per year will see no change in their annual bills. The Company proposes to continue charging the existing rates effective October 1, 2017.

In support of this Application, Dominion Energy Utah states:

1. Dominion Energy Utah's Operations. Dominion Energy Utah, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's charges and general conditions for natural gas service in Utah are set forth in the Tariff. Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves customers in the Franklin County, Idaho area. Under the terms of agreement between the Commission and the Idaho Public Utilities Commission, the rates for these Idaho customers are determined by the Utah Commission. Volumes for these customers have been included in the Utah volumes.

2. Settlement Stipulation Order. On page 15 of the Order Approving Settlement Stipulation in Docket No. 05-057-T01, dated October 5, 2006, and page 12 of the Report and Order approving the Settlement Stipulation in Docket No. 09-057-16, dated June 3, 2010, the Commission authorized Dominion Energy Utah to establish and utilize a CET balancing account, Account 191.9 of the Uniform System of Accounts. This filing is made under §2.08 of the Tariff, which sets forth procedures for recovering the allowed distribution non-gas (DNG) revenue per customer by means of periodic adjustments to rates to amortize this account.

3. Test Year. The test year for this application is the 12 months ending September 30, 2018.

4. Amortization of Account No. 191.9 Balance. Attached as Exhibit 1.1, is a summary of the CET accounting entries and monthly balances from September 2016 through July 2017. The (\$1,148,679) shown on line 1, column F, of Exhibit 1.1 is the August 2016 balance shown in Docket No. 16-057-10. Column B of Exhibit 1.1 shows the monthly CET accrual amount, column C shows the amount amortized to customers each month, and column D shows the monthly interest calculation. Typically, the Company amortizes the current balance in the CET amortization account. In this docket the Company proposes instead to make no change to the amortization rate of \$0.00, and leave the over collected balance in column F, line 12 of (\$1,999,790) in the balancing account in an effort to offset future under collections in the CET account due to lower usage per customer. As the table below shows, the usage per customer in 2017 and 2018 is expected to be significantly lower than the usage per customer that was used to set the allowed revenue amounts in the 2013 general rate case.

	Usage per customer
2014 test period	106.63
2017	102.93
2018	102.07

In Docket 16-057-01, the Company agreed to withdraw its 2016 rate case application. This rate case would have reset the CET-allowed revenue amounts to reflect current usage per customer levels. In an effort to address potential large under-collected balances in the CET account, Paragraph 34 of the Settlement Stipulation in Docket 16-057-01 states that “The parties agree that the Utah Conservation Enabling Tariff (“CET”) accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.” While the stipulation has given the Company the ability to exceed the accrual caps, the Company will continue to manage the balances to be within the caps to prevent large balances in the CET account in the future. The approximate \$2.0 million over collection in the balancing account will provide the Company with extra flexibility to help offset decreases in usage per customer and resulting under-collected balances during the test period. Customers will not be adversely affected by this over-collected balance because the Company will pay interest on any over-collected balances.

The Company proposes no change to the GS DNG rates as set forth in Exhibit 1.2. Lines 15-27 show the price and volume variances between this case and the rates approved in Docket 16-057-10. There is no change in CET revenue as shown on line 9, column C, of Exhibit 1.2.

5. Change in Typical Customer’s Bill. The annualized change in rates calculated in this Application results in no change for a typical GS residential customer

using 80 Dth per year. The projected month-by-month bills for a typical GS residential customer are shown in Exhibit 1.3.

6. Exhibits. Dominion Energy Utah submits the following Exhibits in support of its request to amortize the CET balance:

- | | |
|-------------|---|
| Exhibit 1.1 | CET Accounting Entries, September through July 2017 |
| Exhibit 1.2 | Calculation of Proposed CET Rates and Price volume variance |
| Exhibit 1.3 | Effect on GS Typical Customer |

WHEREFORE, Dominion Energy Utah respectfully requests that the Commission, in accordance with the Orders identified above and the Company's Tariff:

1. Enter an order authorizing Dominion Energy Utah to continue to assess the same rates and charges applicable to its Utah natural gas service with no change in the amortization as more fully set out in this Application; and

DATED this 1st day of September, 2017.

Respectfully submitted,

DOMINION ENERGY UTAH COMPANY



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CERTIFICATE OF SERVICE

I hereby certify that on September 1, 2017, a true and correct copy of the foregoing Application of Dominion Energy Utah to amortize the Conservation Enabling Tariff Balancing Account was served upon the following by electronic mail:

Patricia E. Schmid Justin C. Jetter Assistant Attorney Generals 500 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 pschmid@utah.gov jjetter@utah.gov	Michele Beck Director Office of Consumer Services 400 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 mbeck@utah.gov
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CET ACCOUNTING ENTRIES
September 2016 through July 2017

	(A)	(B)	(C)	(D)	(E)	(F)
Month	CET Monthly Accrual	CET Monthly Amortization	Interest	Total Monthly Entries	Balance in Account 191.9	
1 August-16						(\$1,148,679)
2 September-16	\$1,379,800	(\$135,962)	\$219	\$1,244,057		\$95,377
3 October-16	\$678,839	(\$200,564)	\$1,319	\$479,593		\$574,971
4 November-16	(\$149,379)	(\$200,669)	\$517	(\$349,532)		\$225,439
5 December-16	(\$3,140,497)	(\$1,511)	(\$10,815)	(\$3,152,823)		(\$2,927,384)
6 January-17	\$1,436,959	(\$47)	(\$5,527)	\$1,431,386		(\$1,495,998)
7 February-17	(\$1,879,276)	(\$37)	(\$12,516)	(\$1,891,829)		(\$3,387,827)
8 March-17	\$1,140,338	\$70,346	(\$7,602)	\$1,203,082		(\$2,184,745)
9 April-17	\$1,030,861	(\$17)	(\$4,029)	\$1,026,815		(\$1,157,930)
10 May-17	(\$1,099,491)	\$2	(\$7,882)	(\$1,107,371)		(\$2,265,301)
11 June-17	\$33,303	\$6	(\$7,793)	\$25,515		(\$2,239,785)
12 July-17	\$246,816	\$137	(\$6,958)	\$239,995		(\$1,999,790)

CALCULATION OF PROPOSED CET RATES

			(A)	(B)	(C)
	GS	Block / Dth	Current CET Amortization	Proposed CET Amortization 1/	Difference in CET Rate
1	Summer	Block #1 0-45	\$0.00000	-	\$0.00000 = \$0.00000
2		Block #2 Over 45	\$0.00000	-	\$0.00000 = \$0.00000
3	Winter	Block #1 0-45	\$0.00000	-	\$0.00000 = \$0.00000
4		Block #2 Over 45	\$0.00000	-	\$0.00000 = \$0.00000

1/ CET Amortization:

	Revenue	Test-Year Dth	Proposed Rate
GS Summer Blk 1	\$0 /	24,760,558	= \$0.00000
GS Summer Blk 2	\$0 /	4,665,973	= \$0.00000
GS Winter Blk1	\$0 /	59,699,082	= \$0.00000
GS Winter Blk 2	\$0 /	16,724,472	= \$0.00000
	\$0	105,850,085	

The proposed rates were calculated by allocating the total 191.9 Account balance of \$(1,999,790.25) to the summer and winter blocks of the Test-Year using estimated DNG Revenues for each of these blocks.

Price/Volume Variance

16-057-10
(Last Case)

	GS	Block	Previous Dth	Previous Rate	\$ Change
5	Summer	Block #1	23,886,941	\$0.00000	\$0
6		Block #2	4,480,462	\$0.00000	\$0
7	Winter	Block #1	57,481,325	\$0.00000	\$0
8		Block #2	16,042,995	\$0.00000	\$0
9			101,891,723		\$0

17-057-15
(Current Case)

	GS	Block	Proposed Dth	Proposed Rate	\$ Change
10	Summer	Block #1	24,760,558	\$0.00000	\$0
11		Block #2	4,665,973	\$0.00000	\$0
12	Winter	Block #1	59,699,082	\$0.00000	\$0
13		Block #2	16,724,472	\$0.00000	\$0
14			105,850,085		\$0
15					
16	Volume Effect		Change in Volume	Original Price	
17	Summer	Block #1	873,617	\$0.00000	\$0
18		Block #2	185,511	\$0.00000	\$0
19	Winter	Block #1	2,217,757	\$0.00000	\$0
20		Block #2	681,477	\$0.00000	\$0
21			3,958,362		\$0
22	Price Effect		New Volume	Change in Price	
23	Summer	Block #1	24,760,558	\$0.00000	\$0
24		Block #2	4,665,973	\$0.00000	\$0
25	Winter	Block #1	59,699,082	\$0.00000	\$0
26		Block #2	16,724,472	\$0.00000	\$0
27			105,850,085		\$0

**EFFECT ON GS TYPICAL CUSTOMER
80 DTHS - ANNUAL CONSUMPTION**

	(A)	(B)	(C)	(D)	(E)	(F)
	Rate Schedule	Month	Usage In Dth	Billed at Current Rate Effective 6/1/2017	Billed at Proposed Rate	Change
1	GS	Jan	14.9	\$126.57	\$126.57	\$0.00
2		Feb	12.5	107.27	107.27	0.00
3		Mar	10.1	87.97	87.97	0.00
4		Apr	8.3	62.32	62.32	0.00
5		May	4.4	36.21	36.21	0.00
6		Jun	3.1	27.50	27.50	0.00
7		Jul	2.0	20.14	20.14	0.00
8		Aug	1.8	18.80	18.80	0.00
9		Sep	2.0	20.14	20.14	0.00
10		Oct	3.1	27.50	27.50	0.00
11		Nov	6.3	57.41	57.41	0.00
12		Dec	11.5	99.23	99.23	0.00
13		Total	80.0	\$691.06	\$691.06	\$0.00
					Percent Change:	0.00 %