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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission

From: The Office of Consumer Services
Michele Beck, Director
Danny A.C. Martinez, Utility Analyst

Date: September 22, 2017

Subject: Docket 17-057-15, In the Matter of the Application of Dominion Energy Utah to Amortize the Conservation Enabling Tariff Balancing Account

Docket 17-057-16, In the Matter of the Application of Dominion Energy Utah for a Tariff Change and Adjustment to the Low Income Assistance/Energy Assistance Rate

Docket 17-057-17, In the Matter of the Application of Dominion Energy Utah to Amortize the Energy Efficiency Deferred Account Balance

Docket 17-057-18, In the Matter of the Application of Dominion Energy Utah to Change the Infrastructure Rate Adjustment

<u>Background</u>

On September 1, 2017, Dominion Energy Utah ("DEU" or "Company") filed applications in Dockets 17-057-15, 17-057-16, 17-057-17 & 17-057-18. The Office of Consumer Services ("Office") reviewed the Company's combined applications comprising these dockets. In these initial applications, the Company's combined applications result in a net 0.72% increase or $4.98 for the typical GS customer using 80 Dth/year. On September 19, 2017, the Company filed Exhibit 1.5U which corrected the Company's calculation for the impact on the typical GS customer. This update decreased the increase related to the 17-057-17 case by $0.04 from $1.11 to $1.07, making the net increase $.4.94 or 0.71%. The specific rate changes by docket are listed below:

Docket	$ Change	% Change
17-057-15 (CET)	$0.00	0.00%
17-057-16 (Low Income)	($0.06)	(0.01%)
17-057-17 (DSM/EE)	$1.07	0.15%
17-057-18(Infrastructure Rate Adjustment)	$3.93	0.57%
Total	$4.94	0.71%

On September 20, 2017, the Commission issued a Supplemental Action Request ("SAR") in this Docket requesting the following:

> 'The PSC's December 16, 2016 Order Memorializing Bench Ruling in Docket No. 16-057-11 states: "With respect to the DSM/EE Application, we note the Office's opposition to semi-annual DSM/EE filings. We also note that absent from the DSM/EE application is an explanation of how DSM/EE rates set to collect approximately $20.551 million are sufficient to address [Dominion's] annual DSM/EE budget of over $24 million. We direct [Dominion] to address these issues in its next DSM/EE filing."
>
> Please include in your comments in this docket an evaluation of whether Dominion has satisfied this requirement.'

The Office's evaluation of the Commission's SAR will be addressed under the Docket 17-057-17 section.

<u>Docket 17-057-15</u>

The Office identified some issues that it would like to explore further, but did not identify any concerns about implementing the rate on an interim basis. The Office recommends that the Commission approve the Company's requested rate changes on an interim basis.

<u>Docket 17-057-16</u>

Upon review of the Company's application, the Office did not identify any substantive concerns. The Office did notice an inconsistency between the effective dates between the Company's application and the proposed tariff sheets. In Exhibit 1.3, pages 2-3, 2-5, 2-6, 4-4, 5-9, 5-11, 5-13 in Docket 17-057-16, the effective date on tariff sheets showed an effective date of September 1, 2017 while the application showed an effective date of October 1, 2017. The tariffs should have an effective date of October 1, 2017. The Office contacted the Company and made them aware of the inconsistency. Representatives from the Company indicated that they would make the correction at the hearing.

The Office recommends that the Commission approve the Company's requested rate changes on an interim basis on the condition that corrected tariffs are filed with the Commission.

Docket 17-057-17

The Office in reviewing the Commission's SAR identified two issues in its request as follows:

1. Did the Company address the Office's opposition to semi-annual DSM/EE filings?
2. Did the Company address in its DSM/EE application how DSM/EE rates set to collect approximately $20.551 million are sufficient to address the Company's DSM/EE budget of over $24 million?

With regards to the first issue above, the Office notes that it filed comments in Docket 16-057-11 opposing the use of semi-annual DSM/EE Amortization adjustments since it would likely result in rate changes similar to seasonal block rates.[1] The Office still supports this position. This year, the Company filed its DSM/EE Amortization filing only annually in as represented in Docket 17-057-17. Since the Company only filed annually this year, the Office is satisfied that the Company resolved this first issue and recommends to the Commission an annual DSM/EE Amortization Rate filing moving forward, unless unusual circumstances warrant a more frequent filing.

Second, the Office notes that the Company did not specifically address how DSM/EE rates set to collect $20.551 million are sufficient to address the Company's DSM/EE

[1] See Office of Consumer Services Comments in Docket 16-057-11, dated October 25, 2016, pages 3 & 4.

budget of over $24 million in its application for Docket 17-057-17. Regarding the Company's current request, the projected DSM budget for 2018 increases to $25.088 million. Based on the Exhibit 1.3, the DSM amortization rate is designed to collect $21.612 million. The Company's explanation addressing the Commission's SAR will shed light on this difference and should be included in its explanation of last year's ordered explanation.

The Office is not prepared to make a specific recommendation until reviewing additional information from the Company to address this issue. Depending on when such information is received, the Office will provide a specific recommendation in reply comments or at the hearing.

Docket 17-057-18

The Office reviewed the Company's application and recommends that the Commission approve the Company's requested rate changes on an interim basis.