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State of Utah  
DEPARTMENT OF COMMERCE  
Office of Consumer Services

MICHELE BECK  
Director

To: Utah Public Service Commission

From: Utah Office of Consumer Services  
Michele Beck, Director  
Béla Vastag, Utility Analyst

Date: February 12, 2019

Re: Application of Dominion Energy Utah for Approval of Modifications to Tariff  
Section 2.06  
Docket No. 19-057-T01

### Background

On January 22, 2019, Dominion Energy Utah (DEU or Company) filed an application requesting that the Utah Public Service Commission (Commission) approve the Company's proposed modifications to Section 2.06 of its Utah Natural Gas Tariff No. 500 to change the gas commodity and supplier non-gas (SNG) cost definitions. In testimony supporting the application, DEU witness Jessica L. Ipson stated that the Company is proposing the changes to the classification of SNG and commodity costs in order to provide more clarity and to enable an apples-to-apples comparison of cost-of-service gas and purchased gas. Ms. Ipson also proposed that these changes to the cost definitions be approved by the Commission before February 25, 2019 so that they could be implemented in the Company's next pass-through filing, potentially on March 1, 2019. She further stated that if this change had been in place for the last pass-through filing, commodity rates would have increased while SNG rates would have decreased but that there would have been no change in the total gas costs collected from customers. Therefore, she concluded that the overall cost impact to the typical customer would have been zero.

The Commission issued a Scheduling Order for this docket on January 29, 2019 setting dates for parties to file initial and reply comments of February 8, 2019 and February 12, 2019, respectively. On February 8, 2019, the Utah Division of Public Utilities (Division) filed initial comments. The Utah Office of Consumer Services (Office) provides these reply comments in response to the initial comments submitted by the Division.

### **Responsive Comments**

The Office appreciates the research and analysis presented in the Division's February 8, 2019 initial comments. Based on the Company's presentation at the October 25, 2018 technical conference, the Office supports the Company's reasoning for the proposed changes in cost definitions but also presumed that these changes would not result in changes to customer's bills. However, the Division's analysis indicates that these definition changes will affect allocation factors and will result in some changes in amounts collected from GS, IS and TS customers. Therefore, the Division has recommended that the implementation of these cost definition changes in the calculation of customer rates should not occur until the Company's next general rate case where all interested parties are likely to participate and where ample time will be available to analyze and understand the impacts. The Division does not oppose the proposed changes in the wording of Section 2.06 of the Company's tariff because this in itself will have no impact on customer rates.

The Office agrees with and supports the Division's recommendations.

### **Recommendation**

The Office also does not oppose the Company making the proposed definitional changes in Section 2.06 of Tariff No. 500 at this time but the Office also recommends that the Commission require the Company to not implement the proposed changes in the classification of SNG and commodity costs until the Company's next general rate case.

CC: Chris Parker, Utah Division of Public Utilities  
Kelly Mendenhall, Dominion Energy Utah