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State of Utah

Department of Commerce Division of Public Utilities

CHRIS PARKER ARTIE POWELL
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Action Request Response

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Artie Powell, Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

JJ Alder, Utility Analyst

Date: December 7, 2020

Re: **Docket No. 20-057-21** DEU, Approve Application of Dominion Energy Utah to Change the Infrastructure Rate Adjustment

Recommendation (Approve)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) authorize the proposed new rates as requested by Dominion Energy Utah (Dominion) in its applications. After a preliminary review of the applications, the Division recommends approval, on an interim basis with an effective date of December 31, 2020. The Division recommends that these requested rate changes be approved on an interim basis to allow additional time for the Division to complete an audit of the respective accounts.

Issue

Dominion is seeking to modify the Infrastructure Rate Adjustment to the Distribution Non-Gas (DNG) cost portions of its Utah GS, FS, IS, TSF and TSI, TBF, MT, and NGV natural gas rate schedules, pursuant to section 2.07 of its Tariff. It proposes to implement these changes by charging the new rates effective December 31, 2020.

On page 14 of the Commission's Settlement Stipulation Order, in Docket No. 19-057-02, the Commission authorized Dominion to continue the infrastructure rate adjustment tracker program (Program). Section 2.07 of the Tariff directs the procedures for recovering costs associated with the Program.

Background

On November 25, 2020, Dominion filed the application identified above with the Commission in Docket No. 20-057-21. On that same day, the Commission issued its Action Request directing the Division to review the application and make recommendations on or before December 24, 2020. On that same day, the Commission issued a notice of Scheduling Conference to be held on December 2, 2020. As a result of that scheduling conference, the dates of the Division's Action Request Response and its initial comments became due on December 14, 2020, with reply comments due December 17, 2020. This is the Division's Action Request Response, recommendation, and comments.

Discussion

In this filing, Dominion provides the amounts and dates of when specific infrastructure investment was completed and placed into service. The proposal represents a total revenue requirement of \$5.178 million or an Incremental Revenue Requirement increase of \$5.178 million from the current Revenue Requirement of \$0. As part of the 2019 general rate case,¹ all prior investment was included in base rates. As of March 1, 2020, the tracker surcharge was set to zero at the same time base rates were adjusted. This will be the first incremental revenue we collect above what is included in the base rate. Dominion now proposes to collect in rates the revenue requirement associated with the investment amounts since the approval of base rates. As part of the current filing, Dominion included the following exhibits:

1. Exhibit 1.1 provides the dollar amounts showing the infrastructure investment from January 2019 through November 2020. Exhibit 1.1 page 4 of 4 summarizes the preceding exhibit pages and shows the calculations resulting in the revised incremental revenue requirement, which is an increase of approximately \$5.178 million (see Exhibit 1.1 page 4 of 4 line 13).

¹ Docket No. 19-057-02

2. Exhibit 1.2 shows the proposed Cost of Service Allocation of the total \$5.178 million proposed revenue requirement.
3. Exhibit 1.3 shows how this amount will be divided using the demand charge and volumetric rates to collect the proper amount from each customer class.
4. Exhibit 1.4 shows the monthly change to a typical GS customer for an annual increase of \$3.65 or 0.55%.
5. Exhibit 1.5 shows the proposed legislative and rate schedule tariff sheets in the applicable classes of customers that reflect the updated infrastructure rate adjustment.
6. Exhibit 1.6 shows the combined Tariff rate schedules. In addition to this application, Dominion has also filed the motion to implement Step 2 increase in rates in Docket No. 19-057-02 and the application to modify the STEP Surcharge in Docket No. 20-057-23. This Exhibit shows the combined Tariff rate schedules should the Commission grant and approve both applications and the motion.

Conclusion

This application complies with past Commission orders and the proposed tariff sheets accurately reflect the proposed changes filed by Dominion. The Division recommends the Commission approve the proposed rates on an interim basis until the Division can complete its audits, at which time it will make a final recommendation to the Commission.

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