



State of Utah

Department of Commerce Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Bob Davis, Utility Technical Consultant

Date: December 7, 2020

Re: **Docket No. 20-057-23**, Application of Dominion Energy Utah to Modify the Sustainable Transportation and Energy Plan (STEP) Surcharge.

Recommendation (Approval)

The Division of Public Utilities (“Division”) has reviewed Dominion Energy Utah (“DEU”) STEP Surcharge modification filing. The Division’s review of Dominion’s filing concludes that DEU’s proposed surcharge modification and tariff sheets comply with the Public Service Commission of Utah’s (“Commission”) Order approving Docket No. 19-057-02 dated February 25, 2020. Based on its review, the Division concludes the STEP Surcharge rate change is reduced by \$.00017 and recommends the Commission approve DEU’s STEP surcharge modification and tariff sheets.

Issue

On November 25, 2020, DEU filed with the Commission its Sustainable Transportation and Energy Plan Surcharge Modification and Exhibits. On the same day, the Commission issued an Action Request to the Division asking it to review the application and make recommendations. The Commission asked the Division to report back by December 24, 2020. On November 25,

2020, the Commission issued its Notice of Telephonic Consolidated Scheduling Conference to be held on December 2, 2020, for this docket and concurrently filed Docket No. 20-057-21 (“Concurrent Filing”), Application of Dominion Energy Utah to Change the Infrastructure Rate Adjustment.¹ On December 3, 2020, the Commission issued its Scheduling Conference Order for the concurrent dockets asking for comments on or before December 14, 2020 and reply comments on or before December 17, 2020. The hearing is set for December 21, 2020. This memorandum is the Division’s response to that request.

Background

The Commission’s Report and Order in Docket No. 19-057-33, dated August 31, 2020, approved a Settlement Stipulation between DEU and other parties to provide funding of \$500,000 per year to the Intermountain Industrial Assessment Center (“IIAC”) for a two-year pilot period. The Commission determined that in light of the Signatories’ agreement at hearing, that the STEP balancing account, carrying charge, and associated tariff changes, should be resolved in a future proceeding.² On October 30, 2020, the Commission issued its Order in Docket No. 20-057-19, approving DEU’s STEP balancing account, carrying charge, and associated tariff changes.³

The Commission’s Report and Order in DEU’s General Rate Case, Docket No. 19-057-02, dated February 25, 2020, approved DEU’s Application to Increase Distribution Rates and Charges and Make Tariff Modifications.⁴ The Commission’s Order approved a revenue increase of \$2,680,013 over three steps.⁵ This filing and DEU’s Concurrent Filing represents Step 2 of the Commission’s Order and ensuing adjustments to the STEP Surcharge.

¹ Dominion Energy of Utah Application, Docket No. 20-057-21, November 25, 2020, and Exhibits 1.1 to 1.4, <https://pscdocs.utah.gov/gas/20docs/2005721/316566Application11-25-2020.pdf>.

² See Commission’s Order, Docket No. 19-057-33, August 31, 2020, page 6, <https://pscdocs.utah.gov/gas/19docs/1905733/3152031905733oass8-31-2020.pdf>.

³ See Commission’s Order, Docket No. 20-057-19, October 30, 2020, <https://pscdocs.utah.gov/gas/20docs/2005714/3161992005714,2005715,2005716,2005717,2005718,and2005719o10-30-2020.pdf>.

⁴ See Commission’s Report and Order, Docket No. 19-057-02, February 25, 2020, <https://pscdocs.utah.gov/gas/19docs/1905702/3122301905702rao2-25-2020.pdf>.

⁵ *Id.*, pgs. 45-46, ¶ 6.

Discussion

The Division reviewed DEU's Application to Modify the STEP Surcharge along with Exhibits 1.01 through 1.05, DEU STEP Surcharge Exhibits 1.01 – 1.03, and its Concurrent Filing. The Division concludes DEU's filing complies with the Commission's Orders to modify the STEP surcharge concurrent with the STEP 2 Infrastructure Rate Adjustments.

The Commission's Order in Docket No. 19-057-33 requires DEU to report the progress of the STEP program to the parties quarterly.

Conclusion

The Division's review of Dominion's filing concludes that DEU's proposed STEP Surcharge modifications and tariff sheets are just and reasonable and in the public interest and comply with the Commission's Orders in Docket Nos. 19-057-02, 19-057-33, 20-057-19, and 20-057-21. Based on its review, the Division recommends the Commission approve DEU's modified surcharge and tariff sheets.

Cc: Jenniffer Clark, DEU
Michele Beck, OCS