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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Manager

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

Date: November 16, 2021

Re: **Docket No. 21-057-26**, Application of Dominion Energy Utah to Change the Infrastructure Rate Adjustment.

Recommendation (Approval)

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 on an interim basis with an effective date of December 1, 2021. 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 collect an additional \$2.849 million by increasing 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 1, 2021. The new rates are specified in Dominion's filing, Exhibit 1.5.

Background

On November 1, 2021, Dominion filed the application identified above with the Commission in Docket No. 21-057-26. On that same day, the Commission issued its Action Request directing the Division to review the application and make recommendations on or before December 1, 2021. On November 3, 2021, the Commission issued a notice of Scheduling Conference to be held on November 9, 2021. As a result of that scheduling conference, the dates of the Division's Action Request Response and its initial comments became due on November 16, 2021, with reply comments due November 19, 2021. 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 \$12.018 million or an Incremental Revenue Requirement increase of \$2.849 million from the current Revenue Requirement of \$9.169 million. 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. 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 closed from January 2019 through October 2021. Exhibit 1.1 page 6 of 6 summarizes the preceding exhibit pages and shows the calculations resulting in the revised incremental revenue requirement, which is an increase of approximately \$2.849 million (see Exhibit 1.1 page 6 of 6 line 14). Of note, this filing is the first time the overspend provision of the 2019 rate case has been used (Report and Order issued February 25, 2020, Docket No.

¹ Docket No. 19-057-02

19-057-02, p. 11). In this instance Dominion overspent the budget in 2020 by approximately \$1.2 million. Accordingly, that amount has been deducted from the total plant in service balance (see Exhibit 1.1 page 6 of 6 line 3).

2. Exhibit 1.2 shows the proposed Cost of Service Allocation of the total \$12.018 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 \$1.98 or 0.26%.
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.

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