- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah	DOCKET NO. 10-057-17
In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah	DOCKET NO. 11-057-02
In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah	DOCKET NO. 11-057-08
In the Matter of the Application of Questar Gas Company for Authority to Change its Existing Tariff by Removing the Commodity Amortization Rate	DOCKET NO. 12-057-02 ORDER SETTING FINAL RATES

ISSUED: August 14, 2018

BACKGROUND

On November 30, 2010, Questar Gas Company, now doing business as Dominion Energy Utah (Dominion) filed a 191, Pass-Through Account (191-Account) application in Docket No. 10-057-17, requesting an annualized gas cost-related rate decrease of $6.6 million, consisting of a decrease in commodity costs of $11.6 million and an increase in supplier non-gas (SNG) costs of $4.9 million, effective January 1, 2011. In an order issued December 28, 2010 the Utah Public Service Commission (PSC) approved this application on an interim basis pending the completion of an audit by the Division of Public Utilities (DPU).

On April 28, 2011, Dominion filed a 191-Account application in Docket No. 11-057-02, requesting an annualized gas cost-related rate decrease of $13.3 million, consisting of a decrease in commodity costs of $14.2 million, and an increase of $0.9 million in SNG costs, effective June 1, 2011. In an order issued May 31, 2011, the PSC approved this application on an interim basis pending the completion of an audit by the DPU.

On August 31, 2011, Dominion filed a 191-Account application in Docket No. 11-057-08, requesting an annualized gas cost-related rate decrease of $26.2 million, consisting of a decrease of $6.0 million in commodity costs and a decrease of $20.2 million in SNG costs, effective October 1, 2011. In an order issued September 30, 2011, the PSC approved this application on an interim basis pending the completion of an audit by the DPU.

On January 17, 2012, Dominion filed a 191-Account application in Docket No. 12-057-02, requesting permission to remove the 191 Commodity Amortization rate from the GS, FS, and NGV rate schedules, effective February 1, 2012, resulting in an annualized gas cost-related rate decrease of $13.3 million. In an order issued January 25, 2012, the PSC approved this application on an interim basis pending the completion of an audit by the DPU.

THE DPU'S AUDIT REPORT

In a memorandum dated June 19, 2018, the DPU informed the PSC it had completed its audits of Dominion's 191-Account in the instant dockets and concludes the 191-Account is stated fairly, and the costs are prudent and in conformance with prior PSC orders. The DPU's June 19, 2018 filing (June Filing) included separate DPU audit reports for calendar years 2011 and 2012. These reports present a detailed review of the various cost elements included in the 191 Account, with the exception of those costs incurred under the Wexpro Stipulation and Agreement (Wexpro Agreement). According to the DPU, the costs incurred under the Wexpro Agreement are currently examined and reported upon by an independent certified public accountant. The DPU's June Filing also included the 2011 and 2012 audit reports of the Wexpro Accounting Monitor, Eide Bailly, and the Wexpro Hydrocarbon Monitor, Evans Consulting Company, who monitor Wexpro's performance under the Wexpro Agreement.

The DPU's audit focused on the net costs (costs offset by miscellaneous revenues) included in the 191-Account. During the audit, the DPU compared the costs and revenues included in the 191-Account filing with the tariff and evaluated the 191-Account balances. The DPU also reviewed Dominion's adjustments to the 191-Account, including Dominion's explanations, and concluded the adjustments were reasonable.

According to the DPU, Dominion applied incorrect demand percentages to some months in 2011 and 2012, the effects of which were either immaterial or corrected by Dominion within the same calendar year. In response to the DPU's inquiry on this issue, Dominion explained that in June 2012 it implemented a verification procedure to increase the accuracy in the 191-Account.

The DPU asserts the 191-Account for the period under evaluation is stated fairly, and the costs are prudent and in conformance with prior PSC orders. Based on the DPU's audit report, and in conjunction with the Accounting and Hydrocarbon Monitors' reports, the DPU finds that the 191-Account balances for both 2011 and 2012 are reasonable and substantially conform to the approved accounts and method of calculation. The DPU proposes no adjustments in the 191-Account for 2011 and 2012. The DPU concludes that the costs in the 191-Account are prudent and in the public interest. The DPU recommends that the interim rates become final in the instant dockets.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Based on the reasons provided above in the DPU's comments, and in the absence of any opposition or other comments filed in the instant dockets, we accept and adopt the DPU's recommendation. We find the expenses for the periods under review to have been prudently incurred. Similarly, and based on reasons set forth above, we find the previously ordered interim rates in the instant dockets are just, reasonable, and in the public interest. Accordingly, we approve the interim rates in Docket Nos. 10-057-17, 11-057-02, 11-057-08, and 12-057-02 as final.

ORDER

The interim rate changes previously ordered by the PSC in Docket Nos. 10-057-17, 11-057-02, 11-057-08, and 12-057-02 are final.

DATED at Salt Lake City, Utah, August 14, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#303913

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on August 14, 2018, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Kelly Mendenhall (kelly.mendenhall@dominionenergy.com)
Austin Summers (austin.summers@dominionenergy.com)
Jenniffer N. Clark (jenniffer.clark@dominionenergy.com)
Dominion Energy Utah

Patricia Schmid (pschmid@agutah.gov)
Justin Jetter (jjetter@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Steven Snarr (stevensnarr@agutah.gov)
Assistant Utah Attorneys General

Erika Tedder (etedder@utah.gov)
Division of Public Utilities

By Hand-Delivery:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

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Administrative Assistant