

- 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. 14-057-22

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. 15-057-04

ORDER SETTING FINAL RATES

ISSUED: February 12, 2019

BACKGROUND

A. Docket No. 14-057-22

On October 1, 2014, Questar Gas Company, now doing business as Dominion Energy Utah (DEU), filed a 191 Pass-Through Account (191-Account) application in Docket No. 14-057-22, requesting an annualized gas cost-related rate decrease of \$29.27 million, consisting of a \$23.74 million decrease in commodity costs and a decrease in supplier non-gas (SNG) costs of \$5.52 million. In an order issued December 8, 2014, the Public Service Commission of Utah (PSC) approved this application on an interim basis, effective November 1, 2014, pending the completion of an audit by the Division of Public Utilities (DPU).

B. Docket No. 15-057-04

On April 30, 2015, DEU filed a 191-Account application requesting an overall rate decrease in Docket No. 15-057-04. Subsequently,¹ DEU provided the DPU with a corrected 191-Account model and accompanying corrected exhibits. On May 21, 2015, the DPU filed the corrected materials along with the DPU's memorandum, recommending approval of the application as amended. The application, as corrected by the DPU's memo and the May 28, 2015

¹ In a May 18, 2015 technical conference in this docket, the DPU revealed apparent discrepancies contained in the 191-Account application's Pass-Through model and accompanying exhibits in support of the initial application.

hearing in this docket, requested an overall annualized gas cost-related rate decrease of \$61.89 million, consisting of an \$85.72 million decrease in commodity costs and an increase of \$23.84 million in SNG costs. In its order confirming bench ruling issued June 9, 2015, the PSC approved the corrected application on an interim basis, effective June 1, 2015, pending the completion of an audit by the DPU.

C. The DPU's Audits in Docket Nos. 14-057-22 and 15-057-04

On December 26, 2018, the DPU filed a memorandum informing the PSC it had completed its audit of DEU's 191-Account for CY 2015, including a Summary of 191 Account Audit Procedures and Results (collectively, the Audit Report). Based on the Audit Report, the DPU recommends the PSC make rates final in Docket Nos. 14-057-22 and 15-057-04 without any adjustment.² No other comments were filed and no opposition has been indicated.

THE AUDIT REPORT

The Audit Report presents 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 appointed as a Monitor. The Audit Report included proprietary CY 2015 audit reports of the Wexpro Accounting and the Wexpro Hydrocarbon Monitors, both of whom monitor DEU's and Wexpro's performance under the Wexpro Agreement.

² The DPU's Audit Report mentions the interim rates set in Docket No. 15-057-11, but its Audit Report recommendations do not address these rates. On January 4, 2019, the DPU filed a Supplemental Action Request Response stating that because the interim rates set in Docket No. 15-057-11 were in effect for parts of 2015 and 2016, the DPU will provide its final recommendations on those rates in its forthcoming 2016 audit memo.

The DPU's audit procedure evaluated Utah's allocation of net costs (costs offset by revenues) included in the 191-Account by recalculating the monthly 191-Account balances, applying carrying charges to the balances rolling forward, and accounting for adjustments. The Audit Report concludes the costs included in the 191-Account comply with PSC-approved calculations and are just, reasonable, and in the public interest. Accordingly, the DPU recommends the PSC make rates final in Docket Nos. 14-057-22 and 15-057-04 without any adjustment.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Based on the reasons provided in the DPU's comments, and in the absence of any opposition, we accept and adopt the DPU's recommendation. Similarly, and based on reasons set forth above, we find the previously-ordered interim rates in Docket Nos. 14-057-22 and 15-057-04 are just, reasonable, and in the public interest. Accordingly we approve the interim rates in Docket Nos. 14-057-22 and 15-057-04 as final.

ORDER

The interim rate changes previously ordered by the PSC in Docket Nos. 14-057-22 and 15-057-04 are final.

DATED at Salt Lake City, Utah, February 12, 2019.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#306648

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 February 12, 2019, a true and correct copy of the foregoing was served upon the following as indicated below:

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