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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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IN THE MATTER OF THE APPLICATION	)	Docket No. 17-057-17
OF DOMINION ENERGY UTAH TO	)	DOMINION ENERGY UTAH'S
AMORTIZE THE ENERGY EFFICIENCY	)	REPLY COMMENTS
DEFERRED ACCOUNT BALANCE	)	

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Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits these Reply Comments to the Comments issued by the Office of Consumer Services (Office) on September 22, 2017.

**I. BACKGROUND**

On September 1, 2017, the Company filed an Application in this matter seeking the Utah Public Service Commission's (Commission) approval to amortize the Energy Efficiency Deferred Account Balance. On that same day, the Commission issued an Action Request directing the Utah Division of Public Utilities (Division) to investigate the matters raised in the Application. On September 13, 2017 the Commission held a scheduling conference to schedule proceedings in this docket and issued a Scheduling Order and Notice of Hearing on September 19, 2017. On September 20, 2017, the Commission issued a Supplemental Action Request (SAR) in this Docket requesting some additional information. The Company hereby offers this

response to the questions raised in supplemental action request and additional comments raised by the Office of Consumer Advocate.

## **II. DISCUSSION**

In its supplemental action request, the Commission noted that its December 16, 2016 Order Memorializing Bench Ruling in Docket No. 16-057-11 states: “With respect to the DSM/EE Application, we note the Office’s opposition to semi-annual DSM/EE filings. We also note that absent from the DSM/EE application is an explanation of how DSM/EE rates set to collect approximately \$20.551 million are sufficient to address [Dominion’s] annual DSM/EE budget of over \$24 million. We direct [Dominion] to address these issues in its next DSM/EE filing.” The Commission requested comment upon whether the Company has satisfied this requirement.

The Company offers the following comments. The Company, in its forecast in Docket 16-057-11 and 17-057-17, has assumed that the budget will be spread over each month using historical averages. Because the test period covers multiple budget years, this has an impact on the calculation of the rate. Also, at the time of the rate filing, there is typically a balance in the account 182.4 which will have an impact on the calculation of the amortization rate. Additionally, the dollars collected through this surcharge are heavily weighted during the winter months. These factors all contribute to the projected balance each month. The Company is attempting to set rates in a way that minimizes interest expense/income to \$0. In both 16-057-11 and 17-057-17, the Company has designed rates that, based on the timing of forecasted costs and the collection from customers of those costs, will result in a projected interest income/expense of \$0. Given this goal, the Company believes that the proposed rate (that is designed to collect \$20.551 million) is appropriate because it results in the smallest forecasted interest amounts.

This can be seen on 17-057-17 DEU Exhibit 1.3, page 2, lines G41 through G52. The Company used the same methodology in Docket 17-057-17 and the Company believes that this calculation will allow the Company to collect the appropriate amount of costs without filing a spring energy efficiency amortization application.

Additionally, the Office raised one concern regarding whether the \$21.612 million the proposed rates are designed to collect will sufficiently collect the budget of \$25.088 million. As page two of DEU 1.3 shows, for the calendar year 2018, the Company has projected costs of \$25.088 million. (See Page 2, sum of cells D44 through D55). As mentioned above, due to the timing of the costs and amortizations, the Company believes the calculation in Docket 17-057-17 will allow it to collect the appropriate amount of costs while minimizing interest income/expense.

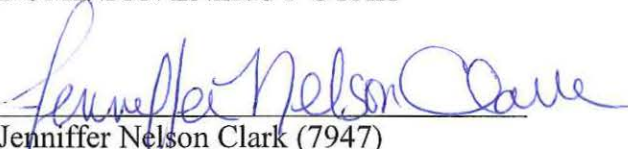
### **III. CONCLUSION**

The proposed rates are just, reasonable, and in the public interest for the reasons set forth in the Application and herein, they should be approved.

DATED this 27<sup>th</sup> day of September, 2017.

Respectfully submitted,

QUESTAR GAS COMPANY dba  
DOMINION ENERGY UTAH



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**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the Dominion Energy Utah's Reply Comments was served upon the following by electronic mail on September 27, 2017:

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