



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Brenda Salter, Technical Consultant

Date: March 29, 2018

Re: **Audit of Dominion Energy of Utah Company's Energy Efficiency Program Expenditures**

Docket No. 17-057-17

RECOMMENDATION (APPROVAL)

The Division of Public Utilities (Division) recommends the Public Service Commission (Commission) approval of Dominion Energy of Utah's (DEU or Company) actual energy efficiency program expenditures for the period September 1, 2016 through July 31, 2017. The Division requests final approval in this Docket.

ISSUE

On September 1, 2017, DEU filed an application with the Commission to increase the energy efficiency amortization rate. On September 22, 2017, the Division issued a response to the Commission's Action Request recommending the Commission grant the increased amortization rate on an interim basis until the Division has had adequate opportunity to review and audit the entries to insure proper accounting has been recorded for the spent dollars. On February 8, 2018,

the Division issued its Audit Report with approval conditioned on the Company providing verification of the removal of the sports sponsorship and the effect of removing the \$5,439.29¹ on the energy efficiency amortization rate. On February 7, 2018, the Commission issued a Notice of Filing and Comment Period giving interested parties until March 14, 2018, to respond to the Division's Audit with reply comments due March 29, 2018. On March 21, 2018, the Commission issued a Supplemental Action Request to the Division requesting clarification of certain aspects of the audit and filing. On March 22, 2018, DEU filed in response to the Division's Audit. This memorandum is in response to the Commission's Supplemental Action Request and DEU's comments.

DISCUSSION

The Division's review of DEU's energy efficiency program noted \$5,439.29 in costs either inadvertently included in the program or outside of the DSM program scope. The Division conditioned its approval recommendation on the removal of these costs from the program. The Division also asked the Company to provide an update on the effect of the removal of the costs on the Company's proposed amortization rate. On March 22, 2018, DEU filed with the Commission its response noting that it would provide to the Division the reversing entries of the sports sponsorship cost and that the removal of \$5,439.29 would have no measurable effect on the amortization rate. As noted in the Division's Audit report, the Company had previously provided the reversing entry for LAFAVOR envelope which was included in January's business. On March 22, 2018, the Company provided a copy of the sports sponsorship reversing entry completed in the Company's February business. The Division has reviewed the Company's response along with the reversing entries and recommends approval of the energy efficiency program expenditures for the period September 1, 2016, through July 31, 2017.

CONCLUSION

The Company has provided verification of the removal of the sports sponsorship along with assuring the Commission that the \$5,439.29 decrease in costs will have no measurable effect on

¹ LAFAVOR Envelope reversing entry of \$4,939.29 and \$500 Cottonwood High School Sponsorship.

the proposed amortization rate. Therefore, based on the Company's filing and the Division's compliance review² the interim rates appear to be just, reasonable, and in the public interest and should be made final.

CC Kelly Mendenhall, Dominion Energy Utah
Mike Orton, Dominion Energy Utah
Michele Beck, Office of Consumer Services
Service List

² In using the term "Audit" the Division notes that it did not conduct an independent audit as defined and conducted under Generally Accepted Auditing Standards as promulgated under the Auditing Standards Board of the American Institute of Certified Public Accountants. In this instance "Audit" means compliance review.