



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Gavin Mangelson, Utility Analyst

Date: October 23, 2017

Subject: Docket 17-057-20

In the Matter of: Pass-Through Application of Dominion Energy Utah for an Adjustment in Rates and Charges for Natural Gas Service in Utah

On October 2, 2017 Dominion Energy Utah (Dominion or DEU) filed with the Public Service Commission (Commission) an application for an adjustment in rates and charges based on pass-through expenses. The Commission held a Scheduling Conference on October 11, 2017.

During the Scheduling Conference the Office of Consumer Services (Office) and others advocated for a separate schedule within this proceeding in order to facilitate a prudency review of a peak hour contract with Dominion Energy Questar Pipeline (DEQP). The Hearing Officer declined to establish a separate schedule. The Office therefore submits the following comments regarding the aforementioned peak hour contract.

Peak Hour Services

DEU exhibit 1.3, line 34 lists an additional peak hour service contract under the Peak Hour Service section of that exhibit. On page 6 of the application Dominion states "Dominion Energy has also entered into an agreement with DEQP to provide peak hour services for a cost of \$1,487,815." The other peak hour service contract listed in that section was first introduced to the pass-through application filed May 1, 2017(17-057-07), and is for a similar service provided by Kern River Pipeline. That particular contract and the peak hour constraint that it is meant to satisfy became a point of dispute in docket 17-057-09, a proceeding which remains open. In that docket the

Office challenged the necessity of peak hour services. While the Office agreed that the volumes associated with the Kern River contract may be necessary under certain assumptions, the Office contended that there was no justified need for additional peak hour service capacity.

The Office asserts that the DEQP peak hour contract contained in the pass-through application of this proceeding warrants individual attention rather than inclusion in the overall audit and review of the pass-through account. The Office recommends that the Commission establish a separate schedule to review these charges. Such a review would give Dominion an opportunity to present evidence supporting the additional charges, and provide an opportunity for interested parties to evaluate and respond to the evidence. Based on discussions among parties, the Office believes that parties could quickly agree on a schedule for the review being recommended.

Recommendation

The Office recommends that the Commission:

1. Require a separate review process for the peak hour service contract with DEQP, and
2. Notice a scheduling conference at which the review schedule for the DEQP peak hour contract may be set.

Copies to: Dominion Energy Utah
Jenniffer Nelson Clark, Attorney

Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager