



# State of Utah

## Department of Commerce Division of Public Utilities

MARGARET W. BUSSE  
*Executive Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

SPENCER J. COX  
*Governor*

DEIDRE HENDERSON  
*Lieutenant Governor*

## Memorandum

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Jeff Einfeldt, Utility Technical Consultant

Trevor Jones, Utility Analyst

**Date:** April 27, 2021

**Re:** **Docket No's. 17-057-20 and 18-057-04**, Division of Public Utilities' Audit of Dominion Energy Utah's 191 Account for Calendar Year 2018.

### Recommendation (Approval)

The Division of Public Utilities (Division) has completed its review of Dominion Energy Utah's (DEU) Account No. 191.1 of the Uniform System of Accounts (191 Account) for the 2018 calendar year. DEU was previously known as Mountain Fuel, and Questar Gas Company (QGC) prior to the merger with Dominion Energy in September 2016. The Division recommends the Public Service Commission of Utah (Commission) make rates final in Dockets Nos. 17-057-20 and 18-057-04.

### Issue

In Docket Nos. 17-057-20 and 18-057-04 the Commission ordered approval of rates on an interim basis until such time as the Division completes an audit of the 191 Account. The objective of our audit is to determine whether the costs included for recovery in the 191 Account

are materially correct, appropriate, and comply with previous orders<sup>1</sup> issued by the Commission. The Division's audit<sup>2</sup> includes 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"), and the Wexpro II Stipulation and Agreement ("Wexpro II Agreement"). The costs incurred under the two Wexpro agreements are currently examined and reported upon by an independent certified public accounting firm appointed as the accounting monitor.

This memorandum reports and summarizes the results of the Division's audit of the 191 Account for the 2018 calendar year. The Summary of 191 Account Audit Procedures and Results for calendar year 2018 is attached to this memorandum as Exhibit A. In addition to Exhibit A, the following confidential third-party monitoring reports are attached as Exhibits B and C: Exhibit B – HydroCarbon Monitor Annual Report 2018 (CONF) and Exhibit C – Accounting Monitor Report of Wexpro Agreement 2018 (CONF).

## **Background**

In Docket No. 78-057-13, the Commission authorized Mountain Fuel Supply Company (now Dominion Energy Utah) to implement a purchase gas balancing account through Account 191. The 191 Account provides for pass-through recovery of costs in which the risk of changes in costs is borne by ratepayers.

The 191 Account consists of two components: a gas commodity cost and a Supplier Non-Gas Cost. Gas commodity costs include purchase gas costs offset by other revenues and Wexpro related costs and revenues associated with Company-owned gas. Supplier Non-Gas Costs include transportation, gathering, and storage.

---

<sup>1</sup> Commission's previous orders regarding the 191 Account is described in the "Background" section of this memorandum.

<sup>2</sup> 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.

In addition, the 191 Account contains other gas-related expenses as ordered by the Commission. Other gas-related expenses currently allowed recovery through the 191 Account include gas supply litigation costs (Docket No. 95-057-21), the carrying cost of working storage gas (Docket Nos. 93-057-01 and 01-057-14), hedging costs (Docket Nos. 00-57-08 and 00-057-10), and bad debts related to commodity and supplier non-gas costs (Docket No. 01-057-14).

### **Discussion**

The Division conducted an audit of the 191 Account for the calendar year of 2018. During the audit, the Division reviewed pass-through filings and the applicable interim rates. The applicable interim rates applied during 2018 were filed in pass-through Docket Nos. 17-057-20 and 18-057-04.

### **Conclusion**

The Division finds that costs in the 191 Account comply with Commission approved calculations and are just, reasonable, and in the public interest. The Division recommends the Commission make rates final in Docket Nos. 17-057-20 and 18-057-04.

Cc: Kelly Mendenhall, Dominion Energy Utah  
Michele Beck, Office of Consumer Services