EXHIBIT A

# Summary of 191 Account Audit Procedures and Results for CY 2018

## 1 SCOPE

The Division of Public Utilities ("Division") conducted an audit of Dominion Energy Utah's (previously Questar Gas Company) Account No. 191.1 of the Uniform System of Accounts for the calendar year of 2018. The majority of the Division's work focused on net costs (costs offset by revenues) included in Account No. 191.1, although limited testing was performed on the reported revenues. The purpose of this audit was to compare the costs and revenues included in the Account No. 191.1 filing with the tariff and evaluate whether or not the calculation of the balance substantially conformed to the approved accounts and method of calculation.

## 2 DEFINITIONS

Various terms or abbreviations are used in the following sections. Those terms or abbreviations are described below:

1) "Division": Utah Division of Public Utilities
2) "DEU": Dominion Energy Utah (previously Questar Gas Company)
3) "DEQP": Dominion Energy Questar Pipeline (previously Questar Pipeline Company)
4) "ABS": Account Balance Summary. A spreadsheet consisting of individual accounting entries to the various accounts in the 191 account.
5) "GL": General Ledger or "Accounting Works". A DEU spreadsheet report produced monthly that originates from the Company's general ledger.
6) "191 SUM": The monthly 191 summary sheet produced by DEU. This sheet shows the 191 account calculations, including a breakdown by account, interest calculations, and adjustments to the 191 account.
7) "191 Account": Account No. 191.1 of the Uniform System of Accounts

## 3 AUDIT PROCEDURES

The Division's audit procedures of the 191 account for the calendar year 2018 consist of the following:

1) Risk Assessment – The Division reviewed the information provided by DEU to determine that it was substantially similar to previous years, and relied upon risk areas that were identified in previous audits, particularly storage gas costs, which will be discussed later in this report.
2) High-Level Reconciliations – Reconciled DEU's End-of-year financial information to the 191 SUM.

3) Net Gas Cost Review
   a) Verified the Commodity percentage was calculated correctly.
   b) Verified the Demand percentage was calculated correctly.
   c) Recalculated the ending 191 balance and compared to the 191 SUM.
   d) Reviewed supporting documentation for costs and revenues included in the 191 account.
   e) Reviewed supporting documentation for the 191 account adjustments.

# 4 RISK ASSESSMENT

The Division determined the operation and content of DEU's 191 account for 2018 is substantially similar to previous years. Therefore, the Division was able to rely on risk assessments performed in previous audits. The two main areas of risk continue to be storage gas related costs and adjustments to the 191 account.

## 4.1 RISK - STORAGE GAS RELATED COSTS

Based on previous audits, the Division determined the greatest likelihood of a material misstatement was with storage gas costs (withdrawal value/charges, injection value/charges, and return on storage gas). This is due to the complexity of the storage inventory calculations, and the use of an estimate that is determined by the company for storage injection and withdrawal values. The Division requested and reviewed supporting documents for several of the entries in the General Ledger related to storage gas costs and found no inconsistencies.

## 4.2 RISK - COMPANY ADJUSTMENTS TO THE 191 ACCOUNT

Adjustments to the 191 account were also identified as inherently greater risk due to their nature of being outside the normal accounting and reporting process. For the calendar year 2018, there were approximately $89,522 in net adjustments to the 191 account, which is an increase from prior years. The results of the adjustment review are discussed in section 5.3.1 below.

# 5 AUDIT PROCEDURES AND RESULTS

In addition to the items identified in the risk assessment, the Division tested many other key areas of the 191 account. The majority of the Division's audit procedures focused on the costs and revenues included in the 191 account for the calendar year of 2018. The audit procedures and tests discussed below are summaries of the work performed by the Division. In addition to the audit procedures and tests performed, the Division also sent data requests and held meetings with DEU to discuss certain aspects of the 191 Account.

## 5.1 HIGH-LEVEL RECONCILIATIONS – RECONCILE 191 ACCOUNT TO 2018 END-OF-YEAR FINANCIAL INFORMATION

The purpose of this procedure was to verify the amounts included in the 191 account reconcile to the amounts reported in the 2018 End-of-Year financial information. Differences were investigated. Based on the Division's review, the costs and revenues reported in the 191 account reconcile to the costs and revenues reported in the Company's End-of-Year financial information.

## 5.2 NET GAS COST REVIEW

### 5.2.1 COMMODITY PERCENTAGE RECONCILIATION

The Division verified the commodity percentages used to allocate costs to Utah were calculated correctly. The Division calculated commodity percentages from the decatherms reported in the Booked Revenue Report. The Division recalculated Utah Commodity percentages reconciled to the amounts reported by DEU (noting minor immaterial exceptions).

### 5.2.2 DEMAND PERCENTAGE RECONCILIATION

The percentages used to allocate demand costs to Utah originate from DEU's pass-through filings. The applicable pass-through filings for current year 2018 are Docket No's 17-057-20 and 18-057-04. The demand percentage is calculated based on a one month lag approved by the Commission in the Order Setting Final Rates for Docket Nos. 12-057-08 and 13-057-03 (issued September 21, 2018). The following is the result of the demand percentage allocations:

| **Monthly Demand % By Month** *(in dollars)* | | | | | |
|---|---|---|---|---|---|
| Audit Month | DPU Demand % | DEU Demand % | Difference | Demand Costs | Potential Error |
| 12/31/2017 | 97.227% | 97.230% | 0.003% | $ 9,002,824 | $ (250) |
| 1/31/2018 | 97.227% | 97.230% | 0.003% | 10,378,113 | (288) |
| 2/28/2018 | 97.227% | 97.230% | 0.003% | 9,839,052 | (273) |
| 3/31/2018 | 97.227% | 97.230% | 0.003% | 9,188,409 | (255) |
| 4/30/2018 | 97.227% | 97.230% | 0.003% | 7,557,227 | (210) |
| 5/31/2018 | 97.227% | 97.230% | 0.003% | 7,288,634 | (202) |
| 6/30/2018 | 97.227% | 97.230% | 0.003% | 7,285,314 | (202) |
| 7/31/2018 | 97.227% | 97.230% | 0.003% | 5,918,862 | (164) |
| 8/31/2018 | 97.227% | 97.230% | 0.003% | 7,499,314 | (208) |
| 9/30/2018 | 97.227% | 97.230% | 0.003% | 7,284,320 | (202) |
| 10/31/2018 | 97.227% | 97.230% | 0.003% | 8,267,962 | (229) |
| 11/30/2018 | 97.227% | 97.230% | 0.003% | 8,820,950 | (245) |
| Total | | | | | $ (2,729) |

### 5.2.3 RECALCULATION OF MONTHLY 191 ACCOUNT BALANCE

In this audit procedure, the Division allocated the total Company costs to Utah, added gas revenues recalculated by the Division, and applied the applicable interest costs, bad debt percentages, and other DEU 191 Adjustments to arrive at monthly 191 Account balances. These amounts were then compared to the amounts reported by DEU in the 191 SUM as a reasonableness test. The Division finds its calculation of the monthly balance to be substantially similar to DEU's reported balances. The results of this procedure are shown below:

| Month | DPU CALCULATED 191 BALANCE | DEU REPORTED 191 BALANCE | Difference |
|---|---|---|---|
| 1/31/2018 | $ (6,429,324) | $ (6,402,499) | $ (26,825) |
| 2/28/2018 | (27,149,708) | (27,183,207) | 33,499 |
| 3/31/2018 | (35,693,959) | (35,670,286) | (23,672) |
| 4/30/2018 | (40,505,769) | (40,477,090) | (28,679) |
| 5/31/2018 | (35,051,605) | (35,011,227) | (40,378) |
| 6/30/2018 | (30,824,064) | (30,777,318) | (46,746) |
| 7/31/2018 | (24,607,758) | (24,576,640) | (31,118) |
| 8/31/2018 | (15,914,108) | (15,974,098) | 59,990 |
| 9/30/2018 | (15,838,809) | (15,906,566) | 67,757 |
| 10/31/2018 | (7,656,572) | (7,715,004) | 58,432 |
| 11/30/2018 | 3,044,444 | 2,989,782 | 54,662 |
| 12/31/2018 | 2,994,902 | 3,177,089 | (182,187) |

## 5.3 NET GAS COST REVIEW

The Division performed several review procedures to ensure the total Company expenses and Utah revenues reported in the 191 SUM are in fact supported by invoices, billing statements, checks, inventory calculations, and other documentation. The 191 account net gas costs can be broken down into the following components: Wexpro operating costs, purchased gas, storage gas, gathering costs, transportation costs, and overriding royalties. The Division summarized the composition of the costs in the table below:

| Total Company Net Gas Cost | | |
|---|---|---|
| **Gas Cost** | **CY 2018 Amount** | **% of Total** |
| Wexpro Costs | $ 259,814,313 | 50.99% |
| Purchased Gas | 131,775,453 | 25.86% |
| Storage Gas Costs | 30,484,368 | 5.98% |
| Gathering Costs | 28,224,251 | 5.54% |
| Transportation Costs | 67,900,602 | 13.33% |
| Overridding Royalties | (8,034,344) | -1.58% |
| Gas Managment (WY Only) | 27,443 | 0.01% |
| Non Core Customer Revenue (WY Only) | (644,857) | -0.13% |
| **Total Net Gas Costs** | **$ 509,547,229** | **100.00%** |

The Division also compared the change in costs from the previous year with the results summarized below:

| Total Company Net Gas Cost | | | | | |
|---|---|---|---|---|---|
| **Gas Cost** | **CY 2018 Amount** | | **CY 2017 Amounts** | | **% Change** |
| Wexpro Costs | $ | 259,814,313 | $ | 316,555,402 | -17.92% |
| Purchased Gas | | 131,775,453 | | 127,279,853 | 3.53% |
| Storage Gas Costs | | 30,484,368 | | 17,558,972 | 73.61% |
| Gathering Costs | | 28,224,251 | | 24,761,828 | 13.98% |
| Transportation Costs | | 67,900,602 | | 68,914,843 | -1.47% |
| Overridding Royalties | | (8,034,344) | | (10,746,175) | -25.24% |
| Gas Managment (WY Only) | | 27,443 | | 36,900 | -25.63% |
| Non Core Customer Revenue (WY Only | | (644,857) | | (125,784) | 412.67% |
| **Total Net Gas Costs** | **$** | **509,547,229** | **$** | **544,235,839** | **-6.37%** |

### 5.3.1 DEU ADJUSTMENTS TO 191 ACCOUNT

In addition to the net costs and revenues reported in the DEU 191 SUM, DEU made several adjustments to Utah's 191 Account balance that had the net impact of reducing the balance by $(89,522) representing a reduction of adjustment activity from month to month compared to the prior year. The adjustments for each month are shown as follows:

| Month (2018) | Amount |
|---|---|
| January | $ - |
| February | - |
| March | - |
| April | - |
| May | - |
| June | - |
| July | - |
| August | (781) |
| September | - |
| October | 304,853 |
| November | - |
| December | (214,550) |
| **Total Adjustments** | **$ 89,522** |

## 5.4 REVENUE REVIEW – ACCURACY

### 5.4.1 RECALCULATE 191 REVENUES

The Division reviews revenues by multiplying the reported decatherms and the tariff rates in effect at that time and then compares those calculated revenues with the revenues reported by the Company as a reasonableness test. The Division is aware that timing differences will cause the Division's calculated amounts to differ from the values reported by DEU. The Division inquired of the Company about whether the external audit firm specifically audited the tariff rates and the Company stated that it did. The Division therefore also relies on the audit opinion provided by the external audit firm in addition to the work performed specifically by the Division. The Division will continue to monitor the differences for any particularly material or unusual differences going forward.

## 6 CONCLUSION

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