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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

Doug Wheelwright, Technical Consultant

Eric Orton, Technical Consultant

Date: June 22, 2018

Re: Action Request Response regarding Docket No 17-057-25. DEU Infrastructure Replacement Tracker Compliance Filing.

Dominion Energy Utah's Replacement Infrastructure 2018 Annual Plan and Budget

RECOMMENDATION (ACKNOWLEDGE)

The Division of Public Utilities (DPU) recommends that the Public Service Commission of Utah (PSC) acknowledge the Dominion Energy Utah (LDC) compliance filing, as ordered in paragraph 22b of the Commission's order in Docket no. 13-057-05, as it has provided the information required regarding its Infrastructure Replacement Pilot Program (Tracker).

BACKGROUND

The PSC's final order from paragraph 22b in the Partial Settlement Stipulation approved in Docket No. 13-057-05 (Settlement) required the LDC to annually submit to the PSC certain information to assist it in monitoring and controlling the Tracker.

On May 16, 2018, the LDC submitted its annual compliance letter and four attachments. On June 1, 2018, the PSC issued an Action Request to the DPU directing it to review this filing for compliance and make recommendations. This is the response to that Action Request.

ISSUE

In this filing the LDC provided four attachments to its compliance letter.

- 1) the current High Pressure Feeder Line Master List (HP Master List),
- 2) the current HP Feeder Line Schedule (HP Schedule),
- 3) the IHP Belt Line Master List (IHP Master List),
- 4) the current IHP replacement schedule (IHP Schedule), and

The LDC requests that the PSC acknowledge its filing as compliant.

DISCUSSION

The Tracker, as designed, provides the LDC a method to recover necessary and prudent costs it incurs to replace its large diameter, aging, high pressure infrastructure without filing a request for a general rate change. Likewise, it contains corresponding ratepayer safeguards and boundaries, namely: an annual dollar cap (with escalation), the requirement that the LDC file a rate case every three years, and an annual filing with the PSC of an updated HP Master List, an updated list of HP and IHP project schedules along with the directive to “explain any material changes to the schedules set forth.”

The DPU has reviewed the filing and attachments and there appear to be no material distinctions that could alter the Tracker as it is currently established.

CONCLUSION

The letter the LDC filed on May 16, 2018, outlined the LDC’s compliance with paragraph 22 of the Partial Settlement Stipulation, in Docket No. 13-057-05. The DPU finds that the LDC has materially met its requirement and sees no apparent material changes. Therefore, the DPU recommends that the PSC acknowledge that the LDC has complied with that requirement.

The Division notes that this recommendation should not be construed in any way as an endorsement or preapproval that these costs or actions are prudent, necessary or in the public interest. These issues will be addressed in the next general rate case.

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