DOMINION ENERGY UTAH 333 South State Street P. O. Box 45003 Salt Lake City, Utah 84145-0003

Exhibit 1.11

LEGISLATIVE/PROPOSED RATE SCHEDULES

P.S.C. Utah No. 400 Affecting GS, FS, IS, NGV, TS, and FT-1 Rate Schedules and Classes of Service in Dominion Energy Utah's Service Area

To Become Effective: August 1, 2018 Tax Reform Surcredit 2 Arminda Spencer (13769) Dominion Energy Utah 333 South State Street P.O. Box 45433 Salt Lake City, Utah 84145-0433 (801) 324-5024 (801) 324-5935 (fax) arminda.spencer@dominionenergy.com

Attorney for Dominion Energy Utah

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF DOMINION ENERGY UTAH TO PROVIDE THE IMPACTS OF THE NEW FEDERAL LEGISLATION TITLED: "AN ACT TO PROVIDE FOR THE RECONCILIATION PURSUANT TO TITLES II AND V OF THE CONCURRENT RESOLUTION OF THE BUDGET FOR FISCAL YEAR 2018"

Docket No. 17-057-26 SUBMISSION OF SUPPLEMENTAL INFORMATION AND MOTION TO MODIFY AND REPLACE TARIFF SCHEDULES

Questar Gas Company dba Dominion Energy Utah (Dominion Energy or the Company) respectfully moves the Utah Public Service Commission (Commission) for the modification and replacement of the Utah Natural Gas Tariff No. 500 (Tariff) sheets for the GS, FS, IS, TS, FT-1, and NGV classes. The attached replacement Tariff sheets reflect changes to the distribution non-gas cost portions of the mentioned rate schedules to reflect the impact of tax rate treatment recently signed into law as part of the Federal tax legislation titled: "An act to provide for reconciliation pursuant to titles II and V of the concurrent resolution of the budget for fiscal year 2018 or Tax Cuts and Jobs Act" (TCJA). In support of this motion, Dominion Energy states:

1. <u>Procedural History</u>. On December 22, 2017, the TCJA was signed into law. A major component of this act was to reduce the corporate federal income tax from 35% to 21%, starting January 1, 2018. On June 1, 2018 the Commission issued its Order Memorializing Bench Ruling Approving Settlement Stipulation, which reduced the revenue collected in rates by \$14.5 million annually and directs the Company to file for "an additional tax related surcredit to return the excess income taxes collected by Dominion between January 1 and May 31, 2018 to be effective August 1, 2018." In this filing the Company seeks to return the excess income taxes that have been deferred from January 1 through May 31, 2018 as referred to in the Commission's Order. The Company identifies this additional surcredit as Tax Reform Surcredit 2.

Calculation of Tax Reform Surcredit 2. To calculate the Tax Reform 2. Surcredit 2, the Company began by using actual billing determinants from January 2018 through May 2018 and multiplying them by the surcredit that was approved on May 24th and memorialized in the Commission's June 1 order. This calculation provides the reduction that would have occurred had the first tax surcredit taken effect on January 1, 2018 rather than June 1, 2018. Exhibit 1.7 shows the credit amount by month from January 2018 through May 2018. Column C shows the monthly credit that would have been applied had the first surcredit taken effect in January. Column D shows the interest rate calculation associated with the credit balance each month. The Company is treating the credit as it does in its other balancing accounts (such as the 191, energy efficiency, or CET accounts). The annual interest rate as shown in Tariff Section 8.05 is 4.19%. The Company applies 1/12th of that rate each month to calculate the monthly interest applied. Column E provides the cumulative balance of the credit through May 2018. As shown in Column E line 5, The Company will return \$9.5 million to customers through the Tax Reform Surcredit 2.

Exhibit 1.8 shows the calculation of the Tax Reform Surcredit 2 by customer class, using the class cost of service approved in Docket No. 13-057-19 and the previous tax surcredit approved in this docket on June 1, 2018. Exhibit 1.9 shows the calculation of the Tax Reform Surcredit 2 by customer class. Column G provides the test period volumes from August 1, 2018 through July 31, 2019. Column H provides the total credit

amount by class on specific block. Column I provides the Tax Reform Surcredit 2 to take effect beginning on August 1, 2018.

3. <u>Change in Typical Customer's Bill.</u> Exhibit 1.10 shows that, if approved, the typical customer will see a decrease in their bill of \$6.52 per year, or about 1.02%.

4. <u>Proposed Tariff Sheets.</u> Exhibit 1.11 shows the proposed Tariff rate schedules that reflect the changes identified in paragraphs 1 through 3 above. The Company proposes that the Tax Reform Surcredit 2 become effective August 1, 2018.

5. <u>Exhibits.</u> Dominion Energy submits the following exhibits in support of its request to submit the information contained herein and the attached Tariff sheets:

Exhibit 1.7	Tax Reform Entries and Interest
Exhibit 1.8	Cost of Service Calculation
Exhibit 1.9	Tax Reform Surcredit 2 Calculation
Exhibit 1.10	GS Customer Impact
Exhibit 1.11	Legislative and Proposed Tariff Sheets

WHEREFORE, Dominion Energy respectfully requests that the Commission accept and approve the updated Tariff sheets effective August 1, 2018. DATED this 2nd day of July, 2018.

Respectfully submitted,

Arminda Spencer (13769) Attorney for Questar Gas Company dba Dominion Energy Utah