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*Attorney for Dominion Energy Utah*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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IN THE MATTER OF THE APPLICATION OF	)	Docket No. 17-057-26
DOMINION ENERGY TO PROVIDE THE	)	DOMINION ENERGY UTAH'S
IMPACTS OF THE NEW FEDERAL	)	REPLY COMMENTS
LEGISLATION TITLED: (TAX REFORM ACT).	)	
SUPPLEMENTAL INFORMATION TAX	)	
REFORM SURCREDIT	)	

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Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits these Reply Comments to the Action Request Response issued by the Division of Public Utilities (Division) on July 17, 2018 in the above-referenced docket.

**I. BACKGROUND**

On June 1, 2018 the Public Service Commission (Commission) issued an order memorializing its bench ruling issued at hearing on May 24, 2018, approving a settlement stipulation (Stipulation) related to changes in the federal income tax rate from 35 percent to 21 percent. The Stipulation was entered into by Dominion Energy, the Division, the Office of Consumer Services (Office), and the Utah Association of Energy Users (UAE). The Stipulation resulted in a \$14.5 million annual revenue requirement decrease, effective June 1, 2018 to be returned to customers in the form of a surcredit. The Stipulation also required that,

on or before July 1, 2018, the Company would file proposed tariff sheets, to be effective August 1, 2018, providing a second tax related surcredit to customers.

## **II. DISCUSSION**

On July 2, the Company filed with the Commission supplemental information and a motion to modify and replace tariff schedules to return to customers' tax related amounts collected between January 1, 2018 and May 31, 2018. The Company identifies this additional surcredit as Tax Reform Surcredit 2.

On July 12, the Division and Company met to discuss the July 2 proposal. During this meeting, two additional changes were discussed; namely, the filing needed to reflect the April 1 change to the carrying charge's interest rate and correct an error in the volumes used to calculate the numbers in Column C of Exhibit 1.7. Corrected Exhibits 1.7 through 1.10 and corrected proposed tariff sheets were then requested by the Division and provided by the Company.

On July 17, the Division filed an Action Request Response, supporting Dominion's plan to refund savings from operations to ratepayers. The Division also included the corrected exhibits and tariff sheets mentioned above as exhibits to the Division's memorandum. The Company is in favor of Commission approval of these corrected exhibits.

On July 18, 2018, the Office filed comments regarding the Company's July 2 filing. In its comments, the Division recommends that the Commission require the Company to apply the correct carrying charge. The corrected exhibits provided by the Company and submitted by the Division reflect the correct carrying charge of 4.19% for January, February and March amounts and 4.09% for amounts after April 1 to reflect the interest rate change that was effective April 1, 2018.

The Office further recommends that the Commission require the Company to provide a true up of the Tax Reform Surcredit 2 following the July 2019 monthly surcredit payment or at an appropriate time. The Office suggests that the Company should present its plan for a true up in reply comments or a subsequent filing. The Company agrees that there should be a true up of the Tax Reform Surcredit 2 amounts after July 2019. The Company proposes that the balance should be dealt with by clearing out the remaining over or under recovery in this account to \$0 by making corresponding entries in the integrity management expense rider. The balance in this account is allocated to all classes and will be updated in the 2019 general rate case.

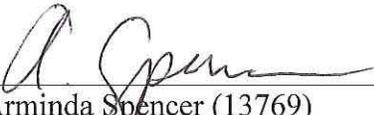
### **III. CONCLUSION**

The corrected exhibits and proposed Tariff changes are just and reasonable and in the public interest and the Commission should approve the Application. The Company agrees that there should be a true up of the Tax Reform Surcredit 2 amounts after July 2019, and proposes to true up these amounts through the integrity management expense rider.

DATED this 25<sup>th</sup> day of July, 2018.

Respectfully submitted,

QUESTAR GAS COMPANY dba  
DOMINION ENERGY UTAH

  
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**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing was served upon the following by electronic mail on July 25, 2018:

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