
Investigation of Revenue Requirement Impacts of the New 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”	<u>DOCKET NO. 17-057-26</u> <u>ORDER APPROVING TAX REFORM</u> <u>SURCREDIT 2 RECONCILIATION</u>
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ISSUED: January 2, 2019

PROCEDURAL HISTORY AND DISCUSSION

In its July 18, 2018 comments filed in this docket relating to Dominion Energy Utah’s (“DEU”) July 2, 2018 filing of supplemental information and proposed tariff modifications, the Utah Office of Consumer Services (“OCS”) recommended the Public Service Commission (“PSC”) require DEU to implement a true-up of the Tax Reform Surcredit 2 amounts following the issuance of the last monthly surcredit in July 2019, or at some other appropriate time. The OCS further suggested DEU present its plans for a Tax Reform Surcredit 2 ending balance true-up. In reply comments filed on July 25, 2018 (“July Reply Comments”), DEU proposed to address the ending Tax Reform Surcredit 2 balance amount by clearing out the remaining over- or under-recovery in the Tax Reform Surcredit 2 account to \$0 through corresponding entries to the integrity management expense rider (“True-up Proposal”). DEU added that the balance in the integrity management account is allocated to all classes and will be updated in DEU’s forthcoming 2019 general rate case.

On July 30, 2018, the PSC issued its Order Approving Tariff Revisions approving a tax surcredit related to the reduction in the federal income tax rate. In this order, the PSC explained the True-up Proposal would be addressed separately. The same day, the PSC issued a notice of filing and comment period allowing any interested party to submit comments and reply

comments on the July Reply Comments no later than November 16 and December 17, 2018, respectively.

On November 16, 2018, the OCS filed comments supporting DEU's True-up Proposal. The OCS recommends that at the time the Tax Reform Surcredit 2 account is cleared out and the final corresponding entry made to the integrity management expense rider, DEU should notify the PSC that the adjustment has been made and specify the amount of over- or under-recovery.

No other party filed comments and the opportunity to do so has passed.

FINDINGS AND CONCLUSION

The OCS supports DEU's True-up Proposal and no party opposes it. We find DEU's True-up Proposal equitably addresses possible under- or over-payment of the Tax Reform Surcharge 2 credit. We also find it reasonable to require DEU to file a notification regarding the True-up adjustment and its amount, as the OCS suggests. With this requirement, and based on the comments filed by the OCS and DEU, we conclude the True-up Proposal is just, reasonable, and in the public interest. We therefore approve DEU's True-up Proposal as filed with the notification requirement.

ORDER

Based on the foregoing findings and conclusions,

- 1) We approve DEU's True-up Proposal; and
- 2) We direct DEU to file a True-up notification as described herein within 30 days of making the adjustment.

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DATED at Salt Lake City, Utah, January 2, 2019.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#306123

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on January 2, 2019, a true and correct copy of the foregoing was served upon the following as indicated below:

By E-Mail:

Jenniffer Nelson Clark (jenniffer.clark@dominionenergy.com)
Kelly Mendenhall (kelly.mendenhall@dominionenergy.com)
Arminda I. Spencer (arminda.spencer@dominionenergy.com)
Dominion Energy Utah

Gary A. Dodge (gdodge@hjdllaw.com)
Phillip R. Russell (prussell@hjdllaw.com)
Hatch, James & Dodge

Kevin Higgins (khiggins@energystrat.com)
Neal Townsend (ntownsend@energystrat.com)
Energy Strategies

Patricia Schmid (pschmid@agutah.gov)
Justin Jetter (jjetter@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Steven Snarr (stevensnarr@agutah.gov)
Assistant Utah Attorneys General

Erika Tedder (etedder@utah.gov)
Division of Public Utilities

By Hand-Delivery:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111

Administrative Assistant