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Attorney for Dominion Energy Utah

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF DOMINION ENERGY UTAH TO CHANGE THE INFRASTRUCTURE RATE ADJUSTMENT	Docket No. 17-057-23 MOTION TO MODIFY AND REPLACE TARIFF SCHEDULES
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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 Section 2.07, and the GS, FS, IS, TS, FT-1, MT, and NGV classes. The attached replacement Tariff sheets reflect changes to the Infrastructure Rate Adjustment in 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." (HR1).

In support of this motion, Dominion Energy states:

1. Procedural History. On November 1, 2017, Dominion Energy filed an application to include an Infrastructure Rate Adjustment to the distribution non-gas portions of its rates. On November 27, 2017 the Commission's designated Presiding

Officer issued a bench ruling approving the Application with an effective date of December 1, 2017.

In the approved Application, the Company calculated the revenue requirement using a federal income tax rate of 35%. As part of HR1, signed into law on December 22, 2017, the federal income tax rate will be reduced to 21%. This change impacts the allowed pretax return amount included in the revenue requirement as explained in greater detail below.

2. Calculation of Updated Rates. Exhibit 1.7 shows the effect of the updated tax law on the revenue requirement. Exhibit 1.7, column B shows the revenue requirement calculation previously submitted in this docket. Column C shows the revised revenue requirement calculation. Column D shows the differences related to the new tax treatment. As shown on line 7, the pre-tax rate of return is reduced to 9.33% from the prior 10.79%. This results in a \$2.5 million reduction in the total allowed pre-tax return amount (column D, line 8).

A calculation of the updated pre-tax rate of return has been provided as Exhibit 1.8. Lines 1-3 provide the capital structure and cost of capital as approved in Docket No. 13-057-19, to which no changes have been made. Lines 4-8 provide the pre-tax rate of return calculation in Docket No. 13-057-19 (column C), and as updated with the new tax rate (column D). As shown on column D, line 8, the updated pre-tax rate of return is 9.33%, a decrease from the previous 10.79%.

The Company notes that, in addition to the pre-tax rate of return change described above, it continues to study the impacts HR1 will have on accumulated deferred income taxes (ADIT) included in the rate-base calculation of the revenue requirement. When the Company accurately defines the full extent of this impact, it will file an additional revision to account for any changes related to the ADIT balance.

Revised Exhibit 1.3R shows the updated revenue requirement by customer class, using the class cost of service approved in Docket No. 13-057-19. Revised Exhibit

1.4R provides the updated rate design by class. Revised Exhibit 1.5R shows the impact on a typical customer's bill as a result of the changes explained above.

3. Change in Typical Customer's Bill. If approved, the typical customer will see a decrease in their bill of \$1.93 per year, or about 0.27%.

4. Proposed Tariff Sheets. Exhibit 1.6R shows the proposed Tariff rate schedules that reflect the calculation of the Infrastructure Rate Adjustment as explained in items 1 through 3.

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


Exhibit 1.3R	Cost of Service
Exhibit 1.4R	Rate Calculation
Exhibit 1.5R	Customer Impact
Exhibit 1.6R	Legislative and Proposed Tariff Sheets
Exhibit 1.7	Revenue Requirement Calculation
Exhibit 1.8	Pretax Rate of Return Calculation

WHEREFORE, Dominion Energy respectfully requests that the Commission accept and approve the updated Tariff sheets effective March 1, 2018.

DATED this 31st day of January 2018.

Respectfully submitted,

Dominion Energy



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Cost of Service Allocation

	A	B	C
	Commission Ordered Revenue Requirement 1/	Percent of Total	Total Tracker Revenue
1 GS	\$ 274,403,189	91.22%	\$ 20,164,551
2 FS	3,622,426	1.20%	\$ 266,194
3 NGV	3,680,699	1.22%	\$ 270,477
4 IS	937,291	0.31%	\$ 68,877
5 TS	13,180,423	4.38%	\$ 968,565
6 MT	31,030	0.01%	\$ 2,280
7 FT-1	4,956,255	1.65%	\$ 364,211
8 Totals	\$ 300,811,313	100%	\$ 22,105,155 2/

1/ Per Docket 13-057-19, Report and Order

2/ Total calculated surcharge amount from Exhibit 1.1R page 4, column B, line 14

Infrastructure Tracker Rate Calculation

Utah GS			A	B	C	D			E	F	G	H	I	J	K								
Volumetric Rates			Dth			Base DNG Rates			Infrastructure Replacement Revenue			Percentage Increase			Infrastructure Replacement Rate			Current Rates			(I - J) Difference		
1	Winter	Block 1	First		45	59,699,082	2.34949	140,262,402	13,534,379	9.65%	0.22671	0.25254	(0.02583)										
2		Block 2	Over		45	16,724,472	1.34949	22,569,509	2,177,693	9.65%	0.13021	0.14505	(0.01484)										
3	Summer	Block 1	First		45	24,760,558	1.72670	42,753,942	4,125,357	9.65%	0.16661	0.18560	(0.01899)										
4		Block 2	Over		45	4,665,973	0.72670	3,390,741	327,178	9.65%	0.07012	0.07811	(0.00799)										
5	Total Volumetric Charges					105,850,085		208,976,594	20,164,551	9.65%													
Utah NGV						Updated Base DNG Rates			Infrastructure Replacement Revenue	Percentage Increase	Infrastructure Replacement Rate	Current Rates											
Volumetric Rates						Dth			Dth	Base Rate	Revenues	Revenue	Increase	Rate	Rate	Difference							
6	All Usage		All Over		0	281,652	5.42207	1,527,138	270,477	17.71%	0.96032	1.06974	(0.10942)										
Utah FS						Updated Base DNG Rates			Infrastructure Replacement Revenue	Percentage Increase	Infrastructure Replacement Rate	Current Rates											
Volumetric Rates						Dth			Dth	Base Rate	Revenues	Revenue	Increase	Rate	Rate	Difference							
7	Winter	Block 1	First		200	487,426	1.24572	607,197	59,096	9.73%	0.12124	0.13505	(0.01381)										
8		Block 2	Next		1,800	1,042,559	0.86572	902,565	87,846	9.73%	0.08426	0.09386	(0.00960)										
9		Block 3	All Over		2,000	511,880	0.46572	238,393	23,204	9.73%	0.04533	0.05049	(0.00516)										
	Total Winter																						
10	Summer	Block 1	First		200	635,623	0.81937	520,809	50,685	9.73%	0.07974	0.08883	(0.00909)										
11		Block 2	Next		1,800	1,035,573	0.43937	454,997	44,281	9.73%	0.04276	0.04763	(0.00487)										
12		Block 3	All Over		2,000	283,873	0.03937	11,175	1,087	9.73%	0.00383	0.00427	(0.00044)										
13	Total Volumetric Charges					3,996,934		2,735,136	266,194	9.73%													
Utah IS						Updated Base DNG Rates			Infrastructure Replacement Revenue	Percentage Increase	Infrastructure Replacement Rate	Current Rates											
Volumetric Rates						Dth			Dth	Base Rate	Revenues	Revenue	Increase	Rate	Rate	Difference							
14		Block 1	First		2,000	365,182	0.43528	158,955	63,615	40.02%	0.17420	0.19405	(0.01985)										
15		Block 2	Next		18,000	200,051	0.06573	13,149	5,261	40.02%	0.02630	0.02930	(0.00300)										
16		Block 3	All Over		20,000	0	0.03869	0	0	40.02%	0.01548	0.01725	(0.00177)										
17	Total Volumetric Charges					565,233		172,104	68,877	40.02%													
Utah FT-1						Updated Base DNG Rates			Infrastructure Replacement Revenue	Percentage Increase	Infrastructure Replacement Rate	Current Rates											
Volumetric Rates						Dth			Dth	Base Rate	Revenues	Revenue	Increase	Rate	Rate	Difference							
18		Block 1	First		10,000	768,106	0.23673	181,832	35,095	19.30%	0.04569	0.05090	(0.00521)										
19		Block 2	Next		112,500	3,052,224	0.22185	677,143	130,696	19.30%	0.04282	0.04770	(0.00488)										
20		Block 3	Next		477,500	1,794,309	0.15574	279,444	53,937	19.30%	0.03006	0.03349	(0.00343)										
21		Block 4	All Over		600,000	0	0.03178	0	0	19.30%	0.00613	0.00683	(0.00070)										
22	Annual Demand Charges per Dth of					58,000	12.90388	748,425	144,466	19.30%	2.49079	2.77459	(0.28380)										
23	Contract Firm Transportation					5,672,639		1,866,644	364,211	19.30%													
Utah TS						Updated Base DNG Rates			Infrastructure Replacement Revenue	Percentage Increase	Infrastructure Replacement Rate	Current Rates											
Volumetric Rates						Dth			Dth	Base Rate	Revenues	Revenue	Increase	Rate	Rate	Difference							
24		Block 1	First		200	1,602,725	0.73301	1,174,821	74,463	6.34%	0.04646	0.05176	(0.00530)										
25		Block 2	Next		1,800	8,110,432	0.47917	3,886,314	246,314	6.34%	0.03037	0.03383	(0.00346)										
26		Block 3	Next		98,000	25,607,581	0.19596	5,018,128	318,046	6.34%	0.01242	0.01384	(0.00142)										
27		Block 4	All Over		100,000	9,617,853	0.07253	697,541	44,242	6.34%	0.00460	0.00512	(0.00052)										
28	Annual Demand Charges per Dth of					174,523	25.80777	4,504,056	285,485	6.34%	1.63580	1.82219	(0.18639)										
29	Contract Firm Transportation					45,113,114		15,280,860	968,565	6.34%													
Utah MT						Updated Base DNG Rates			Infrastructure Replacement Revenue	Percentage Increase	Infrastructure Replacement Rate	Current Rates											
Volumetric Rates						Dth			Dth	Base Rate	Revenues	Revenue	Increase	Rate	Rate	Difference							
30	All Usage		All Over		0	29,297	0.65141	19,084	2,280	11.95%	0.07783	0.08670	(0.00887)										
31	Total Volumetric Charges					29,297		19,084															
32											Total			\$22,105,155									

**EFFECT ON GS TYPICAL CUSTOMER
80 DTHS - ANNUAL CONSUMPTION**

	(A) Rate Schedule	(B) Month	(C) Usage In Dth	(D) Billed at Current Rate Effective 11/1/2017	(E) Billed at Proposed Rate	(F) Change
1	GS	Jan	14.9	\$130.80	\$130.41	(\$0.39)
2		Feb	12.5	110.82	110.49	(0.33)
3		Mar	10.1	90.84	90.57	(0.27)
4		Apr	8.3	64.47	64.31	(0.16)
5		May	4.4	37.35	37.27	(0.08)
6		Jun	3.1	28.31	28.25	(0.06)
7		Jul	2.0	20.66	20.62	(0.04)
8		Aug	1.8	19.27	19.23	(0.04)
9		Sep	2.0	20.66	20.62	(0.04)
10		Oct	3.1	28.31	28.25	(0.06)
11		Nov	6.3	59.20	59.04	(0.16)
12		Dec	11.5	102.49	102.19	(0.30)
13		Total	80.0	\$713.18	\$711.25	(\$1.93)
					Percent Change:	(0.27) %

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LEGISLATIVE AND PROPOSED RATE SCHEDULES

Exhibit 1.6R
P.S.C. Utah No. 500
Affecting Section 2.07
and All Rate Schedules
and Classes of Service in
Dominion Energy Utah's
Utah Service Area

Date Issued: January 31, 2018
To Become Effective: March 1, 2018

2.02 GS RATE SCHEDULE
GS VOLUMETRIC RATES

	Rates Per Dth Used Each Month			
	Dth = decatherm = 10 therms = 1,000,000 Btu			
	Summer Rates: Apr. 1 - Oct. 31		Winter Rates: Nov. 1 - Mar. 31	
	First 45 Dth	All Over 45 Dth	First 45 Dth	All Over 45 Dth
Base DNG	\$1.72670	\$0.72670	\$2.34949	\$1.34949
CET Amortization	0.00000	0.00000	0.00000	0.00000
DSM Amortization	0.20370	0.20370	0.20370	0.20370
Energy Assistance	0.01310	0.01310	0.01310	0.01310
Infrastructure Rate Adjustment	<u>0.1856016661</u>	<u>0.0781107012</u>	<u>0.2525422671</u>	<u>0.1450513021</u>
Distribution Non-Gas Rate	\$2.1291011011	\$1.013622161	\$2.8188379300	\$1.7113469650
Base SNG	\$0.57923	\$0.57923	\$1.23368	\$1.23368
SNG Amortization	<u>0.02371</u>	<u>0.02371</u>	<u>0.05050</u>	<u>0.05050</u>
Supplier Non-Gas Rate	\$0.60294	\$0.60294	\$1.28418	\$1.28418
Base Gas Cost	\$4.08676	\$4.08676	\$4.08676	\$4.08676
191 Amortization	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>
Commodity Rate	\$4.22228	\$4.22228	\$4.22228	\$4.22228
Total Rate	\$6.9543293533	\$5.8468383884	\$8.3252929946	\$7.2178020296

GS FIXED CHARGES

Monthly Basic Service Fee (BSF) :	BSF Category 1	\$6.75
For a definition of meter categories see § 8.03.	BSF Category 2	\$18.25
	BSF Category 3	\$63.50
	BSF Category 4	\$420.25
Annual Energy Assistance credit for qualified low income customers:		\$72.50
For a description of the Low Income Program see § 8.03 – Energy Assistance Fund.		

GS CLASSIFICATION PROVISIONS

- (1) Service is used for purposes such as space heating, air conditioning, water heating, clothes drying, cooking or other similar uses.
- (2) Usage does not exceed 1,250 Dth in any one day during the winter season.
- (3) Service is subject to a monthly basic service fee.
- (4) Service is subject to Weather Normalization Adjustment as explained in § 2.05
- (5) All sales are subject to the additional local charges and state sales tax stated in § 8.02.

- (6) The Energy Assistance rate is subject to a maximum of \$50 per month. The Energy Assistance rate and Energy Assistance credit are subject to § 8.03.

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2.03 FS RATE SCHEDULE

FS VOLUMETRIC RATES

Rates Per Dth Used Each Month
Dth = decatherm = 10 therms = 1,000,000 Btu

	Summer Rates: Apr. 1 - Oct. 31			Winter Rates: Nov. 1 - Mar. 31		
	First 200 Dth	Next 1,800 Dth	All Over 2,000 Dth	First 200 Dth	Next 1,800 Dth	All Over 2,000 Dth
Base DNG	\$0.81937	\$0.43937	\$0.03937	\$1.24572	\$0.86572	\$0.46572
Energy Assistance	0.01016	0.01016	0.01016	0.01016	0.01016	0.01016
Infrastructure Rate Adjustment	<u>0.088837974</u>	<u>0.04763276</u>	<u>0.00427383</u>	<u>0.13505212</u>	<u>0.09386842</u>	<u>0.05049453</u>
Distribution Non-Gas Rate	\$0.91836092	\$0.4974622	\$0.0538033	\$1.3909377	\$0.9697401	\$0.5263712
	7	2	6	12	4	1
Base SNG	\$0.57923	\$0.57923	\$0.57923	\$1.20155	\$1.20155	\$1.20155
SNG Amortization	<u>0.02371</u>	<u>0.02371</u>	<u>0.02371</u>	<u>0.04919</u>	<u>0.04919</u>	<u>0.04919</u>
Supplier Non-Gas Rate	\$0.60294	\$0.60294	\$0.60294	\$1.25074	\$1.25074	\$1.25074
Base Gas Cost	\$4.08676	\$4.08676	\$4.08676	\$4.08676	\$4.08676	\$4.08676
191 Amortization	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>
Commodity Rate	\$4.22228	\$4.22228	\$4.22228	\$4.22228	\$4.22228	\$4.22228
Total Rate	\$5.74358	\$5.32238	\$4.87902	\$6.86395	\$6.44276	\$5.99939
	3449	1751	858	5014	3316	423
Minimum Monthly Distribution Non-Gas Charge: (Base)				Summer		\$143.00
				Winter		\$218.00

FS FIXED CHARGES

Monthly Basic Service Fee (BSF):

Does not apply as a credit toward the minimum monthly distribution non-gas charge.

For a definition of meter categories, see § 8.03.

BSF Category 1	\$6.75
BSF Category 2	\$18.25
BSF Category 3	\$63.50
BSF Category 4	\$420.25

FS CLASSIFICATION PROVISIONS

- (1) Load factor is defined to be: Average daily usage ÷ peak winter day. (Average daily usage is equal to the last 3 years of annual usage ÷ 1,095. Peak winter day is defined in Section 11 of this tariff.) If 3 years of annual usage is not available, the Company may estimate usage or use any available actual usage. Customers with a load factor of 40% or greater qualify for the FS Rate Schedule. Customers with a load factor below 35% do not qualify for FS service. If a customer's load factor falls below 40%, but is greater than 35%, the customer may remain an FS customer for one year, after which such customer must have a load factor of 40% or greater to continue to qualify for FS service.
- (2) Usage does not exceed 2,500 Dth in any one day during the winter season.
- (3) Service is subject to a minimum monthly distribution non-gas charge and a monthly basic service fee.



DOMINION ENERGY UTAH
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- (4) Minimum annual usage of 2,100 Dth is required.
 - (5) All sales are subject to the additional local charges and state sales tax stated in § 8.02.
 - (6) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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2.04 NATURAL GAS VEHICLE RATE (NGV)
NGV VOLUMETRIC RATE

	Rate Per Dth Used
	<u>Dth = decatherm = 10 therms = 1,000,000 Btu</u>
Base DNG	\$5.42207
Energy Assistance	0.02552
Infrastructure Rate Adjustment	<u>01.0697496032</u>
Distribution Non-Gas Rate	<u>\$6.5173340791</u>
Base SNG	\$0.89024
SNG Amortization	<u>0.03645</u>
Supplier Non-Gas Rate	<u>\$0.92669</u>
Base Gas Cost	\$4.08676
Commodity Amortization	<u>0.13552</u>
Commodity Rate	<u>\$4.22228</u>
Total Rate	<u>\$11.6663055688</u>

NGV CLASSIFICATION PROVISIONS

- (1) Service is used for refueling natural gas-powered vehicles with compressed natural gas at Company-owned refueling stations.
- (2) All sales are subject to the applicable federal excise tax and the state sales tax described in § 8.02.
- (3) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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	<u>17-0818-01</u>	<u>56</u>	<u>December-March 1,</u> <u>2017</u>

2.07 INFRASTRUCTURE RATE ADJUSTMENT TRACKER

The Infrastructure Rate-Adjustment Tracker (Tracker) allows the Company to track costs that are directly associated with Replacement Infrastructure, defined below, through an incremental surcharge to the GS, FS, IS, TS, MT, FT-1 and NGV rate schedules (Surcharge). The Surcharge is designed to track and collect costs of Replacement Infrastructure between general rate cases. The Company will file its next year's annual plan and budget describing the estimated costs and schedule for the Replacement Infrastructure with the Commission no later than November 15 of each year. In April of each year the Company shall provide an updated master list of all HP pipelines and updated HP and IHP project schedules. The Company will file quarterly progress reports describing the Replacement Infrastructure program.

REPLACEMENT INFRASTRUCTURE

Replacement Infrastructure is identified as new high-pressure feeder lines, and intermediate high pressure lines that are replacing aging high-pressure feeder lines and intermediate high pressure lines approved by the Commission, and as required to ensure public safety and provide reliable service. Factors considered in replacing infrastructure include, but are not limited to:

- (1) Age and performance of existing pipeline (e.g. vintage steels, seams, welds and coatings).
- (2) Reconditioned pipe (i.e. refurbished and reinstalled pipe).
- (3) Operating and maintenance history.
- (4) Pipeline safety compliance.
- (5) High Consequence Area or high population.

CALCULATION OF TOTAL SURCHARGE

The following components are included in the calculation of the Surcharge:

Replacement Infrastructure	\$X,XXX,XXX
Less: Accumulated Depreciation	XXX,XXX
Accumulated Deferred Income Tax	XXX,XXX
Net Replacement Infrastructure	\$X,XXX,XXX
Current Commission-Allowed Pre-Tax Rate of Return	10.79% 9.33%
Allowed Pre-Tax Return	\$X,XXX,XXX
Plus: Net Depreciation Expense	XXX,XXX
Net Taxes Other Than Income	XXX,XXX
Total Surcharge	\$X,XXX,XXX

ASSIGNMENT TO CLASSES

The Surcharge will be assigned to each rate class based on the Commission-approved total pro rata share of the DNG tariff revenue ordered in the most recent general rate case. The Surcharge

assigned to each class will be collected based on a percentage change to the demand charge, if applicable, and each block of volumetric rates of the respective rate schedules.

ADJUSTMENT OF SURCHARGE

The Company may file semi-annually, but will file at least annually, an application to adjust the Surcharge. The Replacement Infrastructure must be in service when the application is filed. All items included in the Tracker are subject to regulatory audit consistent with the audit procedures in the "Gas Balancing Account," Tariff § 2.06. At the time of the Company's next general rate case all prudently incurred investment and costs associated with the Surcharge will be included in base rates.

Issued by C. L. Bell, VP & General Manager	Advice No.	Section Revision No.	Effective Date
	17-0418-01	1 <u>2</u>	June <u>March</u> 1, 201 <u>7</u> 8

4.02 IS RATE SCHEDULE
IS VOLUMETRIC RATES

	Rates Per Dth Used Each Month		
	First 2,000 Dth	Next 18,000 Dth	All Over 20,000 Dth
Base DNG	\$0.43528	\$0.06573	\$0.03869
Energy Assistance	0.01096	0.01096	0.01096
Infrastructure Rate Adjustment	0.194057420	0.02930630	0.01548725
Distribution Non-Gas Rate	\$0.620444029	\$0.10299599	\$0.06513690
Supplier Non-Gas Rate	\$0.17909	\$0.17909	\$0.17909
Base Gas Cost	\$4.08676	\$4.08676	\$4.08676
191 Amortization	0.13552	0.13552	0.13552
Commodity Rate	\$4.22228	\$4.22228	\$4.22228
Total Rate	\$5.021814166	\$4.50436736	\$4.46650827
Minimum Yearly Charge	Greater of \$3,000.00 or [(Peak Winter Day x 55 days) – (Annual Historical Use)] x Distribution Non-Gas Rates		
Penalty for failure to interrupt or limit usage to contract limits when requested by the Company.	See § 3.02.		

IS FIXED CHARGES

Monthly Basic Service Fee (BSF):	BSF Category 1	\$6.75
Does not apply as a credit toward the minimum yearly charge.	BSF Category 2	\$18.25
For a definition of BSF categories, see § 8.03.	BSF Category 3	\$63.50
	BSF Category 4	\$420.25

IS CLASSIFICATION PROVISIONS

- (1) Service on an annual contract basis available to commercial and industrial customers.
- (2) Customer must maintain the ability to interrupt natural gas service.
- (3) Customer's load factor is 15% or greater where load factor is defined to be: Actual or estimated average daily usage is at least 15% of peak winter day.
(Actual or Estimated Annual Use ÷ 365 days) ÷ Peak Winter Day ≥ 15% .
- (4) Service is subject to minimum yearly charge based on a 15% load factor requirement. See § 4.01. The charge is prorated to the portion of the year gas service is available. See § 8.03.
- (5) Customer must enter into a service agreement. See § 4.01.

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- (6) Service is subject to a monthly basic service fee.
 - (7) Minimum annual usage of 7,000 Dth is required.
 - (8) All sales are subject to the additional local charges and state sales tax stated in § 8.02.
 - (9) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in §8.03.

Issued by C. L. Bell, VP & General Manager	Advice No.	Section Revision No.	Effective Date
	17-08 <u>18-01</u>	56	December-March 1, <u>2018</u>

5.05 FIRM TRANSPORTATION SERVICE RATE SCHEDULE FT-1
FT-1 VOLUMETRIC RATES

	Rates Per Dth Redelivered Each Month			
	Dth = decatherm = 10 therms = 1,000,000 Btu			
	First 10,000 Dth	Next 112,500 Dth	Next 477,500 Dth	All Over 600,000 Dth
Base DNG	\$0.23673	\$0.22185	\$0.15574	\$0.03178
Energy Assistance	0.00023	0.00023	0.00023	0.00023
Infrastructure Rate Adjustment	0.045695090	0.04282770	0.03006349	0.0061383
Distribution Non-Gas Rate	\$0.28265786	\$0.26490978	\$0.18603946	\$0.0381484
Minimum Yearly Distribution Non-Gas Charge (base)				\$79,000
Daily Transportation Imbalance Charge per Dth (outside +/- 5% tolerance)				\$0.07919

FT-1 FIXED CHARGES

Monthly Basic Service Fee (BSF): (Does not apply as a credit toward the minimum yearly distribution non-gas charge) For a definition of meter categories see § 8.03.	BSF Category 1	\$6.75
	BSF Category 2	\$18.25
	BSF Category 3	\$63.50
	BSF Category 4	\$420.25
Administrative Charge (See § 5.01).	Annual	\$4,500.00
	Monthly Equivalent	\$375.00
Firm Demand Charge per Dth (see §5.02)	Base Annual	\$12.90
	Infrastructure Adder	\$2.490797745 9
	Total Annual	\$15.4068
	Monthly Equivalent	\$1.2831

FT-1 CLASSIFICATION PROVISIONS

- (1) Industrial service on a minimum one-year agreement available to end use industrial customers who acquire their own gas supply and who will maintain a load factor of at least 50% where load factor is defined as: Actual or estimated average daily usage is at least 50% of peak winter day. (Actual or Estimated Annual Usage ÷ 365 days) ÷ Peak Winter Day ≥ 50%
- (2) Volumes must be transported to the Company's system under firm transportation capacity on upstream pipelines to interconnect points approved by the Company or on alternative transportation to approved interconnect points if customer's upstream firm transportation is disrupted.
- (3) Service is subject to a minimum yearly charge, an administrative charge, and a monthly basic service fee.
- (4) If the customer's gas is not delivered to the Company's system, the Company is not obligated to deliver gas to the customer. When the customer's gas is being delivered to the Company, the balancing provisions in § 5.09 will apply.
- (5) Firm transportation service is only available to those customers who receive all of their natural gas service through the Company's facilities.
- (6) All sales are subject to the applicable local charges and state sales tax stated in § 8.02.

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- (7) Fuel reimbursement of 1.5% applies to all volumes transported; see § 5.01.
 - (8) Annual usage must be at least 350,000 Dth plus an additional 225,000 Dth for every mile away from the nearest interstate pipeline. Distance from the interstate pipeline will be measured as the most feasible route that would be determined by a reasonable and prudent natural gas utility operator. A customer with another bona fide, lawful bypass option may be included in the FT-1 rate class upon approval by the Commission.
 - (9) FT-1 customers are permitted to purchase interruptible transportation in excess of the firm demand amount to which they subscribe by paying the TS volumetric rates.
 - (10) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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5.06 MT RATE SCHEDULE
MT RATE

	Rates Per Dth Used Each Month Dth = decatherm = 10 therms = 1,000,000 Btu
MT Volumetric	\$0.65141/Dth
Energy Assistance	0.00293/Dth
Infrastructure Rate Adjustment	0.077838670/Dth
Distribution Non-Gas Rate	\$0.732174104/Dth
Daily Transportation Imbalance Charge (outside +/- 5% tolerance)	\$0.07919/Dth

MT FIXED CHARGES

Monthly Basic Service Fee (BSF): For a definition of BSF categories see § 8.03.	BSF Category 1	\$6.75
	BSF Category 2	\$18.25
	BSF Category 3	\$63.50
	BSF Category 4	\$420.25
Administrative Charge (see § 5.01).	Annual	\$4,500.00
	Monthly Equivalent	\$375.00

MT CLASSIFICATION PROVISIONS

- (1) Service is used for a municipal gas system owned and operated by a municipality as defined by Utah Code Ann. § 10-1-104(5). The customer must enter into a minimum one-year contract specifying the maximum daily contract demand. If requested, the Company will provide MT customers with its forecast of the maximum daily demand for any contract period. The Company is not obligated to provide service in excess of the maximum daily contract demand.
- (2) Annual load factor is 15% or greater, where load factor is defined to be: Actual or estimated average daily usage is at least 15% of peak winter day.

$$(\text{Actual or Estimated Annual Use} \div 365 \text{ days}) \div \text{Peak Winter Day} \geq 15\%$$
- (3) If the customer's gas is not delivered to the Company's system, the Company is not obligated to deliver gas to the customer. When the customer's gas is being delivered to the Company, the balancing provisions described in § 5.03 and § 5.09 will apply.
- (4) All sales are subject to any applicable local charges and sales tax stated in § 8.02.
- (5) Fuel reimbursement of 1.5% applies to all volumes transported. (See § 5.01).

- (6) MT service is not required if it will subject the Company to regulatory jurisdiction by anyone other than the Commission.
- (7) An MT customer will be required to notify the Company before it proposes to extend service beyond the state of Utah or into a service area designated by the Federal Energy Regulatory Commission (FERC) pursuant to 7(f) of the Natural Gas Act. Such service extension will be cause for termination of MT service by the Company, unless it is demonstrated, prior to service extension, that an order has been issued by the FERC, or any other federal, state or local entity potentially exercising regulatory jurisdiction, showing respectively that the Company will not be subject to the regulatory jurisdiction of the FERC or other federal, state or local entity, and, with respect to an order issued by the FERC, that the Company will not lose any Hinshaw status that it may have. The Company may also terminate MT service commenced upon the issuance of any such order described above if the order is stayed or if an administrative or judicial appeal of such order results in a finding that providing the MT service subjects it to the jurisdiction of the FERC, or other federal, state or local entity, or results in a loss of any Hinshaw status it may have.
- (8) Service is only available for cities where the Company does not have a franchise or an existing distribution system.
- (9) For municipal customers with usage on more than one rate schedule, the usage for different rate schedules must be separately metered and subject to the appropriate administrative charge as provided for in the Administrative Charge paragraph of § 5.01.
- (10) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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	17-08 <u>18-01</u>	5 <u>6</u>	December-March 1, 201 <u>8</u> <u>7</u>

5.07 TS RATE SCHEDULE
TS VOLUMETRIC RATES

	Rates Per Dth Redelivered Each Month			
	Dth = decatherm = 10 therms = 1,000,000 Btu			
	First 200 Dth	Next 1,800 Dth	Next 98,000 Dth	All Over 100,000 Dth
Base DNG	\$0.73301	\$0.47917	\$0.19596	\$0.07253
Energy Assistance	0.00077	0.00077	0.00077	0.00077
Infrastructure Rate Adjustment	0.046465176	0.03383037	0.01384242	0.00512460
Distribution Non-Gas Rate	\$0.78554024	\$0.51377031	\$0.201057915	\$0.07842790

Penalty for failure to interrupt or limit usage when requested by the Company See § 3.02

Daily Transportation Imbalance Charge per Dth (outside +/- 5% tolerance) \$0.07919

TS FIXED CHARGES

Monthly Basic Service Fee (BSF):	BSF Category 1	\$6.75
	BSF Category 2	\$18.25
For a definition of BSF categories see § 8.03.	BSF Category 3	\$63.50
	BSF Category 4	\$420.25
Administrative Charge (see § 5.01).	Annual	\$4,500.00
	Monthly Equivalent	\$375.00
Firm Demand Charge per Dth (see §5.02).	Base Annual	\$25.81
	Infrastructure Adder	<u>\$1.822196358</u>
		<u>0</u>
	Total Annual	\$27.6344
	Monthly Equivalent	\$2.3029

TS CLASSIFICATION PROVISIONS

- (1) Service is available to end-use customers acquiring their own gas supply.
- (2) Customer must accept redelivery of all volumes received by the Company for its account. Imbalances will be subject to the provisions of § 5.09.
- (3) Service is subject to a monthly basic service fee and an administrative charge.
- (4) The interruptible portion of transportation service is provided on a reasonable-efforts basis, subject to interruption at any time after notice and as otherwise provided under Section 3.
- (5) The Customer may offer to sell, and the Company may agree to purchase, the Customer's interrupted volumes in accordance with the provisions of § 5.04.
- (6) All states are subject to the additional local charges and state sales tax stated in § 8.02.

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- (7) Fuel reimbursement of 1.5% applies to all volumes transported; see § 5.01.
- (8) The Energy Assistance rate is subject to a maximum of \$50 per month and other conditions as specified in §8.03.
- (9) Customer meter must be a rotary or turbine meter or AL800 or larger diaphragm meter. If meter needs to be replaced it will be replaced at customers expense.

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2.02 GS RATE SCHEDULE

GS VOLUMETRIC RATES

	Rates Per Dth Used Each Month			
	Dth = decatherm = 10 therms = 1,000,000 Btu			
	Summer Rates: Apr. 1 - Oct. 31		Winter Rates: Nov. 1 - Mar. 31	
	First 45 Dth	All Over 45 Dth	First 45 Dth	All Over 45 Dth
Base DNG	\$1.72670	\$0.72670	\$2.34949	\$1.34949
CET Amortization	0.00000	0.00000	0.00000	0.00000
DSM Amortization	0.20370	0.20370	0.20370	0.20370
Energy Assistance	0.01310	0.01310	0.01310	0.01310
Infrastructure Rate Adjustment	<u>0.16661</u>	<u>0.07012</u>	<u>0.22671</u>	<u>0.13021</u>
Distribution Non-Gas Rate	\$2.11011	\$1.01362	\$2.79300	\$1.69650
Base SNG	\$0.57923	\$0.57923	\$1.23368	\$1.23368
SNG Amortization	<u>0.02371</u>	<u>0.02371</u>	<u>0.05050</u>	<u>0.05050</u>
Supplier Non-Gas Rate	\$0.60294	\$0.60294	\$1.28418	\$1.28418
Base Gas Cost	\$4.08676	\$4.08676	\$4.08676	\$4.08676
191 Amortization	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>
Commodity Rate	\$4.22228	\$4.22228	\$4.22228	\$4.22228
Total Rate	\$6.93533	\$5.83884	\$8.29946	\$7.20296

GS FIXED CHARGES

Monthly Basic Service Fee (BSF) :
For a definition of meter categories see § 8.03.

BSF Category 1	\$6.75
BSF Category 2	\$18.25
BSF Category 3	\$63.50
BSF Category 4	\$420.25

Annual Energy Assistance credit for qualified low income customers:

\$72.50

For a description of the Low Income Program see § 8.03 – Energy Assistance Fund.

GS CLASSIFICATION PROVISIONS

- (1) Service is used for purposes such as space heating, air conditioning, water heating, clothes drying, cooking or other similar uses.
- (2) Usage does not exceed 1,250 Dth in any one day during the winter season.
- (3) Service is subject to a monthly basic service fee.
- (4) Service is subject to Weather Normalization Adjustment as explained in § 2.05
- (5) All sales are subject to the additional local charges and state sales tax stated in § 8.02.

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- (6) The Energy Assistance rate is subject to a maximum of \$50 per month. The Energy Assistance rate and Energy Assistance credit are subject to § 8.03.

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2.03 FS RATE SCHEDULE

FS VOLUMETRIC RATES

Rates Per Dth Used Each Month
Dth = decatherm = 10 therms = 1,000,000 Btu

	Summer Rates: Apr. 1 - Oct. 31			Winter Rates: Nov. 1 - Mar. 31		
	First 200 Dth	Next 1,800 Dth	All Over 2,000 Dth	First 200 Dth	Next 1,800 Dth	All Over 2,000 Dth
Base DNG	\$0.81937	\$0.43937	\$0.03937	\$1.24572	\$0.86572	\$0.46572
Energy Assistance	0.01016	0.01016	0.01016	0.01016	0.01016	0.01016
Infrastructure Rate Adjustment	<u>0.07974</u>	<u>0.04276</u>	<u>0.00383</u>	<u>0.12124</u>	<u>0.08426</u>	<u>0.04533</u>
Distribution Non-Gas Rate	\$0.90927	\$0.49229	\$0.05336	\$1.37712	\$0.96014	\$0.52121
Base SNG	\$0.57923	\$0.57923	\$0.57923	\$1.20155	\$1.20155	\$1.20155
SNG Amortization	<u>0.02371</u>	<u>0.02371</u>	<u>0.02371</u>	<u>0.04919</u>	<u>0.04919</u>	<u>0.04919</u>
Supplier Non-Gas Rate	\$0.60294	\$0.60294	\$0.60294	\$1.25074	\$1.25074	\$1.25074
Base Gas Cost	\$4.08676	\$4.08676	\$4.08676	\$4.08676	\$4.08676	\$4.08676
191 Amortization	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>
Commodity Rate	\$4.22228	\$4.22228	\$4.22228	\$4.22228	\$4.22228	\$4.22228
Total Rate	\$5.73449	\$5.31751	\$4.87858	\$6.85014	\$6.43316	\$5.99423
Minimum Monthly Distribution Non-Gas Charge: (Base)				Summer	\$143.00	
				Winter	\$218.00	

FS FIXED CHARGES

Monthly Basic Service Fee (BSF):

Does not apply as a credit toward the minimum monthly distribution non-gas charge.

For a definition of meter categories, see § 8.03.

BSF Category 1	\$6.75
BSF Category 2	\$18.25
BSF Category 3	\$63.50
BSF Category 4	\$420.25

FS CLASSIFICATION PROVISIONS

- (1) Load factor is defined to be: Average daily usage ÷ peak winter day. (Average daily usage is equal to the last 3 years of annual usage ÷ 1,095. Peak winter day is defined in Section 11 of this tariff.) If 3 years of annual usage is not available, the Company may estimate usage or use any available actual usage. Customers with a load factor of 40% or greater qualify for the FS Rate Schedule. Customers with a load factor below 35% do not qualify for FS service. If a customer's load factor falls below 40%, but is greater than 35%, the customer may remain an FS customer for one year, after which such customer must have a load factor of 40% or greater to continue to qualify for FS service.
- (2) Usage does not exceed 2,500 Dth in any one day during the winter season.
- (3) Service is subject to a minimum monthly distribution non-gas charge and a monthly basic service fee.
- (4) Minimum annual usage of 2,100 Dth is required.



DOMINION ENERGY UTAH
UTAH NATURAL GAS TARIFF
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- (5) All sales are subject to the additional local charges and state sales tax stated in § 8.02.
- (6) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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2.04 NATURAL GAS VEHICLE RATE (NGV)
NGV VOLUMETRIC RATE

	Rate Per Dth Used
	<u>Dth = decatherm = 10 therms = 1,000,000 Btu</u>
Base DNG	\$5.42207
Energy Assistance	0.02552
Infrastructure Rate Adjustment	<u>0.96032</u>
Distribution Non-Gas Rate	\$6.40791
Base SNG	\$0.89024
SNG Amortization	<u>0.03645</u>
Supplier Non-Gas Rate	\$0.92669
Base Gas Cost	\$4.08676
Commodity Amortization	<u>0.13552</u>
Commodity Rate	\$4.22228
Total Rate	\$11.55688

NGV CLASSIFICATION PROVISIONS

- (1) Service is used for refueling natural gas-powered vehicles with compressed natural gas at Company-owned refueling stations.
- (2) All sales are subject to the applicable federal excise tax and the state sales tax described in § 8.02.
- (3) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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2.07 INFRASTRUCTURE RATE ADJUSTMENT TRACKER

The Infrastructure Rate-Adjustment Tracker (Tracker) allows the Company to track costs that are directly associated with Replacement Infrastructure, defined below, through an incremental surcharge to the GS, FS, IS, TS, MT, FT-1 and NGV rate schedules (Surcharge). The Surcharge is designed to track and collect costs of Replacement Infrastructure between general rate cases. The Company will file its next year's annual plan and budget describing the estimated costs and schedule for the Replacement Infrastructure with the Commission no later than November 15 of each year. In April of each year the Company shall provide an updated master list of all HP pipelines and updated HP and IHP project schedules. The Company will file quarterly progress reports describing the Replacement Infrastructure program.

REPLACEMENT INFRASTRUCTURE

Replacement Infrastructure is identified as new high-pressure feeder lines, and intermediate high pressure lines that are replacing aging high-pressure feeder lines and intermediate high pressure lines approved by the Commission, and as required to ensure public safety and provide reliable service. Factors considered in replacing infrastructure include, but are not limited to:

- (1) Age and performance of existing pipeline (e.g. vintage steels, seams, welds and coatings).
- (2) Reconditioned pipe (i.e. refurbished and reinstalled pipe).
- (3) Operating and maintenance history.
- (4) Pipeline safety compliance.
- (5) High Consequence Area or high population.

CALCULATION OF TOTAL SURCHARGE

The following components are included in the calculation of the Surcharge:

Replacement Infrastructure	\$X,XXX,XXX
Less: Accumulated Depreciation	XXX,XXX
Accumulated Deferred Income Tax	XXX,XXX
Net Replacement Infrastructure	\$X,XXX,XXX
Current Commission-Allowed Pre-Tax Rate of Return	9.33%
Allowed Pre-Tax Return	\$X,XXX,XXX
Plus: Net Depreciation Expense	XXX,XXX
Net Taxes Other Than Income	XXX,XXX
Total Surcharge	\$X,XXX,XXX

ASSIGNMENT TO CLASSES

The Surcharge will be assigned to each rate class based on the Commission-approved total pro rata share of the DNG tariff revenue ordered in the most recent general rate case. The Surcharge

assigned to each class will be collected based on a percentage change to the demand charge, if applicable, and each block of volumetric rates of the respective rate schedules.

ADJUSTMENT OF SURCHARGE

The Company may file semi-annually, but will file at least annually, an application to adjust the Surcharge. The Replacement Infrastructure must be in service when the application is filed. All items included in the Tracker are subject to regulatory audit consistent with the audit procedures in the "Gas Balancing Account," Tariff § 2.06. At the time of the Company's next general rate case all prudently incurred investment and costs associated with the Surcharge will be included in base rates.

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4.02 IS RATE SCHEDULE

IS VOLUMETRIC RATES

	Rates Per Dth Used Each Month		
	First 2,000 Dth	Next 18,000 Dth	All Over 20,000 Dth
Base DNG	\$0.43528	\$0.06573	\$0.03869
Energy Assistance	0.01096	0.01096	0.01096
Infrastructure Rate Adjustment	0.17420	0.02630	0.01548
Distribution Non-Gas Rate	\$0.62044	\$0.10299	\$0.06513
Supplier Non-Gas Rate	\$0.17909	\$0.17909	\$0.17909
Base Gas Cost	\$4.08676	\$4.08676	\$4.08676
191 Amortization	<u>0.13552</u>	<u>0.13552</u>	<u>0.13552</u>
Commodity Rate	\$4.22228	\$4.22228	\$4.22228
Total Rate	\$5.02181	\$4.50436	\$4.46650
Minimum Yearly Charge	Greater of \$3,000.00 or [(Peak Winter Day x 55 days) – (Annual Historical Use)] x Distribution Non-Gas Rates		
Penalty for failure to interrupt or limit usage to contract limits when requested by the Company.	See § 3.02.		

IS FIXED CHARGES

Monthly Basic Service Fee (BSF):	BSF Category 1	\$6.75
Does not apply as a credit toward the minimum yearly charge.	BSF Category 2	\$18.25
For a definition of BSF categories, see § 8.03.	BSF Category 3	\$63.50
	BSF Category 4	\$420.25

IS CLASSIFICATION PROVISIONS

- (1) Service on an annual contract basis available to commercial and industrial customers.
- (2) Customer must maintain the ability to interrupt natural gas service.
- (3) Customer's load factor is 15% or greater where load factor is defined to be: Actual or estimated average daily usage is at least 15% of peak winter day.
(Actual or Estimated Annual Use ÷ 365 days) ÷ Peak Winter Day ≥ 15% .
- (4) Service is subject to minimum yearly charge based on a 15% load factor requirement. See § 4.01. The charge is prorated to the portion of the year gas service is available. See § 8.03.
- (5) Customer must enter into a service agreement. See § 4.01.

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- (6) Service is subject to a monthly basic service fee.
 - (7) Minimum annual usage of 7,000 Dth is required.
 - (8) All sales are subject to the additional local charges and state sales tax stated in § 8.02.
 - (9) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in §8.03.

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	18-01	6	March 1, 2018

5.05 FIRM TRANSPORTATION SERVICE RATE SCHEDULE FT-1
FT-1 VOLUMETRIC RATES

	Rates Per Dth Redelivered Each Month			
	Dth = decatherm = 10 therms = 1,000,000 Btu			
	First 10,000 Dth	Next 112,500 Dth	Next 477,500 Dth	All Over 600,000 Dth
Base DNG	\$0.23673	\$0.22185	\$0.15574	\$0.03178
Energy Assistance	0.00023	0.00023	0.00023	0.00023
Infrastructure Rate Adjustment	0.04569	0.04282	0.03006	0.00613
Distribution Non-Gas Rate	\$0.28265	\$0.26490	\$0.18603	\$0.03814
Minimum Yearly Distribution Non-Gas Charge (base)				\$79,000
Daily Transportation Imbalance Charge per Dth (outside +/- 5% tolerance)				\$0.07919

FT-1 FIXED CHARGES

Monthly Basic Service Fee (BSF): (Does not apply as a credit toward the minimum yearly distribution non-gas charge) For a definition of meter categories see § 8.03.	BSF Category 1	\$6.75
	BSF Category 2	\$18.25
	BSF Category 3	\$63.50
	BSF Category 4	\$420.25
Administrative Charge (See § 5.01).	Annual	\$4,500.00
	Monthly Equivalent	\$375.00
Firm Demand Charge per Dth (see §5.02)	Base Annual	\$12.90
	Infrastructure Adder	\$2.49079
	Total Annual	\$15.40
	Monthly Equivalent	\$1.28

FT-1 CLASSIFICATION PROVISIONS

- (1) Industrial service on a minimum one-year agreement available to end use industrial customers who acquire their own gas supply and who will maintain a load factor of at least 50% where load factor is defined as: Actual or estimated average daily usage is at least 50% of peak winter day. (Actual or Estimated Annual Usage ÷ 365 days) ÷ Peak Winter Day ≥ 50%
- (2) Volumes must be transported to the Company's system under firm transportation capacity on upstream pipelines to interconnect points approved by the Company or on alternative transportation to approved interconnect points if customer's upstream firm transportation is disrupted.
- (3) Service is subject to a minimum yearly charge, an administrative charge, and a monthly basic service fee.
- (4) If the customer's gas is not delivered to the Company's system, the Company is not obligated to deliver gas to the customer. When the customer's gas is being delivered to the Company, the balancing provisions in § 5.09 will apply.
- (5) Firm transportation service is only available to those customers who receive all of their natural gas service through the Company's facilities.
- (6) All sales are subject to the applicable local charges and state sales tax stated in § 8.02.

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- (7) Fuel reimbursement of 1.5% applies to all volumes transported; see § 5.01.
 - (8) Annual usage must be at least 350,000 Dth plus an additional 225,000 Dth for every mile away from the nearest interstate pipeline. Distance from the interstate pipeline will be measured as the most feasible route that would be determined by a reasonable and prudent natural gas utility operator. A customer with another bona fide, lawful bypass option may be included in the FT-1 rate class upon approval by the Commission.
 - (9) FT-1 customers are permitted to purchase interruptible transportation in excess of the firm demand amount to which they subscribe by paying the TS volumetric rates.
 - (10) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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	18-01	6	March 1, 2018

5.06 MT RATE SCHEDULE
MT RATE

	Rates Per Dth Used Each Month Dth = decatherm = 10 therms = 1,000,000 Btu
MT Volumetric	\$0.65141/Dth
Energy Assistance	0.00293/Dth
Infrastructure Rate Adjustment	0.07783/Dth
Distribution Non-Gas Rate	\$0.73217/Dth
Daily Transportation Imbalance Charge (outside +/- 5% tolerance)	\$0.07919/Dth

MT FIXED CHARGES

Monthly Basic Service Fee (BSF): For a definition of BSF categories see § 8.03.	BSF Category 1	\$6.75
	BSF Category 2	\$18.25
	BSF Category 3	\$63.50
	BSF Category 4	\$420.25
Administrative Charge (see § 5.01).	Annual	\$4,500.00
	Monthly Equivalent	\$375.00

MT CLASSIFICATION PROVISIONS

- (1) Service is used for a municipal gas system owned and operated by a municipality as defined by Utah Code Ann. § 10-1-104(5). The customer must enter into a minimum one-year contract specifying the maximum daily contract demand. If requested, the Company will provide MT customers with its forecast of the maximum daily demand for any contract period. The Company is not obligated to provide service in excess of the maximum daily contract demand.
- (2) Annual load factor is 15% or greater, where load factor is defined to be: Actual or estimated average daily usage is at least 15% of peak winter day.
(Actual or Estimated Annual Use ÷ 365 days) ÷ Peak Winter Day ≥ 15%
- (3) If the customer's gas is not delivered to the Company's system, the Company is not obligated to deliver gas to the customer. When the customer's gas is being delivered to the Company, the balancing provisions described in § 5.03 and § 5.09 will apply.
- (4) All sales are subject to any applicable local charges and sales tax stated in § 8.02.
- (5) Fuel reimbursement of 1.5% applies to all volumes transported. (See § 5.01).

- (6) MT service is not required if it will subject the Company to regulatory jurisdiction by anyone other than the Commission.
- (7) An MT customer will be required to notify the Company before it proposes to extend service beyond the state of Utah or into a service area designated by the Federal Energy Regulatory Commission (FERC) pursuant to 7(f) of the Natural Gas Act. Such service extension will be cause for termination of MT service by the Company, unless it is demonstrated, prior to service extension, that an order has been issued by the FERC, or any other federal, state or local entity potentially exercising regulatory jurisdiction, showing respectively that the Company will not be subject to the regulatory jurisdiction of the FERC or other federal, state or local entity, and, with respect to an order issued by the FERC, that the Company will not lose any Hinshaw status that it may have. The Company may also terminate MT service commenced upon the issuance of any such order described above if the order is stayed or if an administrative or judicial appeal of such order results in a finding that providing the MT service subjects it to the jurisdiction of the FERC, or other federal, state or local entity, or results in a loss of any Hinshaw status it may have.
- (8) Service is only available for cities where the Company does not have a franchise or an existing distribution system.
- (9) For municipal customers with usage on more than one rate schedule, the usage for different rate schedules must be separately metered and subject to the appropriate administrative charge as provided for in the Administrative Charge paragraph of § 5.01.
- (10) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

Issued by C. L. Bell, VP & General Manager	Advice No.	Section Revision No.	Effective Date
	18-01	6	March 1, 2018

5.07 TS RATE SCHEDULE
TS VOLUMETRIC RATES

	Rates Per Dth Redelivered Each Month			
	Dth = decatherm = 10 therms = 1,000,000 Btu			
	First 200 Dth	Next 1,800 Dth	Next 98,000 Dth	All Over 100,000 Dth
Base DNG	\$0.73301	\$0.47917	\$0.19596	\$0.07253
Energy Assistance	0.00077	0.00077	0.00077	0.00077
Infrastructure Rate Adjustment	0.04646	0.03037	0.01242	0.00460
Distribution Non-Gas Rate	\$0.78024	\$0.51031	\$0.21915	\$0.07790

Penalty for failure to interrupt or limit usage when requested by the Company See § 3.02

Daily Transportation Imbalance Charge per Dth (outside +/- 5% tolerance) \$0.07919

TS FIXED CHARGES

Monthly Basic Service Fee (BSF):	BSF Category 1	\$6.75
	BSF Category 2	\$18.25
For a definition of BSF categories see § 8.03.	BSF Category 3	\$63.50
	BSF Category 4	\$420.25
Administrative Charge (see § 5.01).	Annual	\$4,500.00
	Monthly Equivalent	\$375.00
Firm Demand Charge per Dth (see §5.02).	Base Annual	\$25.81
	Infrastructure Adder	\$1.63580
	Total Annual	\$27.44
	Monthly Equivalent	\$2.29

TS CLASSIFICATION PROVISIONS

- (1) Service is available to end-use customers acquiring their own gas supply.
- (2) Customer must accept redelivery of all volumes received by the Company for its account. Imbalances will be subject to the provisions of § 5.09.
- (3) Service is subject to a monthly basic service fee and an administrative charge.
- (4) The interruptible portion of transportation service is provided on a reasonable-efforts basis, subject to interruption at any time after notice and as otherwise provided under Section 3.
- (5) The Customer may offer to sell, and the Company may agree to purchase, the Customer's interrupted volumes in accordance with the provisions of § 5.04.
- (6) All states are subject to the additional local charges and state sales tax stated in § 8.02.

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- (7) Fuel reimbursement of 1.5% applies to all volumes transported; see § 5.01.
 - (8) The Energy Assistance rate is subject to a maximum of \$50 per month and other conditions as specified in §8.03.
 - (9) Customer meter must be a rotary or turbine meter or AL800 or larger diaphragm meter. If meter needs to be replaced it will be replaced at customers expense.

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Calculation of Revenue Requirement

A	B	C	D
	Original Calculated Revenue Requirement	Tax Update Revenue Requirement	Difference
1 Total Net Investment	\$303,423,327	\$303,423,327	-
2 Less: Amount currently in rates	(\$84,000,000)	(\$84,000,000)	-
3 Replacement Infrastructure in Tracker	\$219,423,327	\$219,423,327	-
4 Less: Accumulated Depreciation	(\$6,669,014)	(\$6,669,014)	-
5 Accumulated Deferred Income Tax	(40,598,735)	(40,598,735)	-
6 Net Rate Base	<u>\$172,155,577</u>	<u>\$172,155,577</u>	-
7 Current Commission-Allowed Pre-Tax Rate of Return	10.79%	9.33% ^{1/}	-1.46%
8 Allowed Pre-Tax Return (Line 6 x Line 7)	\$18,575,587	\$16,056,959	(2,518,628)
9 Plus: Net Depreciation Expense	\$4,695,659	\$4,695,659	-
10 Net Taxes Other Than Income (1.2% x Line 6)	\$2,065,867	\$2,065,867	-
11 Total Revenue Requirement	<u>\$25,337,113</u>	<u>\$22,818,485</u>	(2,518,628)
12 Reduction for Interruptible Penalty	(\$655,756)	(\$655,756)	-
13 Corrections to Rate Base Items in Docket No. 17-057-18	(\$57,574)	(\$57,574)	-
14 Remaining Revenue Requirement	<u>\$24,623,783</u>	<u>\$22,105,155</u>	(2,518,628)

^{1/} Current Commission allowed pretax return, adjusted for the updated federal income tax rate. See Exhibit 1.8.

Pre Tax Rate of Return Calculation

	A	B	C	D	E
CAPITAL COMPONENT	Actual Weight	Cost	Approved 13-057-19 Weighted Cost (A X B)	Tax Update Weighted Cost (A X B)	Change (D - C)
1 Long Term Debt	47.93%	5.25%	2.51%	2.51%	0.00%
2 Common Equity	52.07%	9.85%	5.13%	5.13%	0.00%
3 Weighted Cost of Capital	100.00%		7.64%	7.64%	0.00%

PRE TAX RATE OF RETURN

CAPITAL COMPONENT	Approved 13-057-19 Weighted Cost	Tax Update Weighted Cost	Change (D - C)
4 Common Equity (Column D, Line 2)	5.13%	5.13%	0.00%
5 Effective Tax Rate (See calculation in footnote)	38.06% 1/	24.72% 2/	-13.34%
6 Pre-Tax Equity Return (Line 4/(1-Line 5))	8.28%	6.81%	-1.47%
7 Long Term Debt	2.51%	2.51%	0.00%
8 Total Pre-tax Rate of Return (Line 6+Line 7)	10.79%	9.33%	-1.47%

1/ Approved Effective tax rate in Docket No. 13-057-19 is equal to:

Federal Tax Rate	35.00%
X (1 LESS State Rate of 4.70846%)	<u>95.29%</u>
	33.35%
+ State Rate	<u>4.71%</u>
= Effective Tax Rate	38.06%

2/ Updated Effective tax rate as result of tax law change is equal to:

Federal Tax Rate	21.00%
X (1 LESS State Rate of 4.70846%)	<u>95.29%</u>
	20.01%
+ State Rate	<u>4.71%</u>
= Effective Tax Rate	24.72%