

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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Dominion Energy Utah's Proposed Tariff Revisions to Section 2.07, Infrastructure Rate Adjustment Tracker, and Associated Refund	<u>DOCKET NO. 18-057-T01</u>
	<u>ORDER</u>

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ISSUED: February 21, 2018

BACKGROUND

On January 31, 2018, Dominion Energy Utah (Dominion) filed an application to decrease the revenue requirement for the infrastructure rate adjustment component of distribution non-gas rates by approximately \$2.5 million to reflect the recently approved federal corporate income tax rate of 21% (Tariff Filing). If approved, Dominion's Tariff Filing will result in an annual decrease of \$1.93, or approximately 0.27%, for a typical residential customer using 80 decatherms of natural gas per year. Dominion's Tariff Filing also proposes modifications to Section 2.07, Page 2-15 of its Utah Natural Gas Tariff PSCU 500 to memorialize the current pre-tax rate of return resulting from the federal legislation.

On February 1, 2018, the Public Service Commission of Utah (PSC) issued a Notice of Filing and Comment Period, allowing interested parties to submit comments on Dominion's Tariff Filing on or before February 14, 2018. On February 14, 2018, the Division of Public Utilities (DPU) filed comments in this docket. The DPU recommends the PSC approve the proposed tariff revisions in Dominion's Tariff Filing effective March 1, 2018. The DPU notes the current Infrastructure Rate Adjustment Tracker (Tracker) rates became effective on December 1, 2017 in Docket No. 17-057-23, when the corporate federal income tax rate used in calculating the Tracker rates was 35%. On December 22, 2017, the corporate federal income tax rate decreased from 35% to 21%, thus affecting the calculation of the Tracker's revenue

requirement and associated rates. Accordingly, Dominion submitted its Tariff Filing, along with revised tariff sheets, to adjust the Tracker method and rates given the amended corporate federal income tax rate.

The DPU further notes that Dominion's request for approval of a Tracker revenue requirement of \$22.105 million represents a reduction of \$2.518 million from the Tracker rates since the rates were approved in Docket No. 17-057-23. In addition, the DPU notes Dominion's Tariff Filing is supported by six exhibits, four of which are revised from Docket No. 17-057-23, as summarized below:

- Exhibit 1.3R shows the proposed allocation of the \$22.105 million Tracker revenue requirement among Dominion's customer classes.
- Exhibit 1.4R shows how the proposed Tracker rates are calculated for the different rate schedules.
- Exhibit 1.5R shows the monthly change to a typical GS customer's bill, representing an annual decrease of \$1.93 or 0.27%, if the Tariff Filing is approved.
- Exhibit 1.6R shows the legislative and final proposed tariff sheets pertinent to the Tariff Filing.
- Exhibit 1.7 shows the effect of the amended corporate income tax rate on the Tracker revenue requirement calculation; line 7 shows a 1.46 percentage point reduction in the pre-tax rate of return, resulting in the \$2.518 million revenue requirement reduction.

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• Exhibit 1.8 shows an updated calculation of Dominion's pre-tax rate of return reflecting the 21% corporate income tax rate.

The DPU concludes the methods used by Dominion to determine the updated Tracker rates are reasonable and that the Tariff Filing and the accompanying tariff sheets accurately reflect Dominion's proposed changes.

No other party filed comments or otherwise opposed Dominion's Tariff Filing, and the time for doing so elapsed on February 14, 2018.

ORDER

Based on Dominion's Tariff Filing, the DPU's comments, and there being no opposition, the PSC approves the rates proposed in this docket, effective March 1, 2018.

Therefore, we order the following:

1. We approve the rates proposed in this docket, effective March 1, 2018.
2. We approve the proposed revisions to Dominion Energy Utah, Utah Natural Gas Tariff, PSCU 500 Section 2.02 GS Rate Schedule, Section 2.03 FS Rate Schedule, Section 2.04 Natural Gas Vehicle Rate (NGV), Section 2.07 Infrastructure Rate Adjustment Tracker, Section 4.02 IS Rate Schedule, Section 5.05 Firm Transportation Service Rate Schedule FT-1, Section 5.06 MT Rate Schedule, and Section 5.07 TS Rate Schedule, as filed.

DATED at Salt Lake City, Utah, February 21, 2018.

/s/ Melanie A. Reif  
Presiding Officer

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Approved and confirmed February 21, 2018, as the Order of the Public Service  
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#300253

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 February 21, 2018, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

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Administrative Assistant