

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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Dominion Energy Utah – Annual Calculation of the Third-party Billing Rate and Request for Tariff Change	<u>DOCKET NO. 18-057-T02</u>  <u>ORDER</u>
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ISSUED: March 15, 2018

BACKGROUND

On February 28, 2018, Dominion Energy Utah (“Dominion”) filed an application proposing to update the third-party billing rates set forth in Section 8.08 of its Utah Natural Gas Tariff PSCU No. 500 (“Tariff”), effective April 1, 2018 (“Application”). On March 1, 2018, the Public Service Commission (“PSC”) issued a Notice of Filing and Comment Period, requesting comments be filed no later than March 15, 2018. On March 8, 2018, the Division of Public Utilities (“DPU”) filed comments, including amended Exhibits 1.1U, 1.2U, and 1.3U, recommending approval of Dominion’s Application as amended by the DPU’s comments.

DISCUSSION

Dominion’s Application proposes to amend the third-party billing rates presented in Section 8.08 Billing for Other Entities of its Tariff, effective April 1, 2018. If approved, the third-party minimum charge per bill will increase from \$0.16062 to \$0.16219 and the third-party charge per line, above eleven lines, will increase from \$0.01460 to \$0.01474.<sup>1</sup>

The DPU explains that, as a result of the DPU’s review of the Application, Dominion revised the Wexpro pre-tax rate of return used to calculate the third-party billing rates, from 30.27 percent to 24.68 percent.<sup>2</sup> The revised pre-tax rate of return reflects changes arising out of

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<sup>1</sup> The minimum charge per bill of \$0.16449 and the charge per line, above 11 lines, of \$0.01495 initially proposed in Dominion’s Application were updated to reflect the impacts of the 2018 federal tax reform legislation. See DPU Memorandum at 2-3 and DPU Exhibits 1.1U, 1.2U, and 1.3U.

<sup>2</sup> See DPU March 8, 2018 Comments, Exhibit 1.1U, line 19.

the recent federal tax reform legislation. Dominion provided updated Exhibits 1.1U, 1.2U, and 1.3U to the DPU reflecting this change, which the DPU included with its comments. The DPU states these updated exhibits are accurate.

According to the DPU, printer maintenance costs have declined, and inserter maintenance and overhead costs have increased, resulting in a net increase of \$4,000. The DPU also notes the number of mailings to customers used to determine the third-party billing rates has decreased by 133,000. This decrease demonstrates fewer paper bills are being sent to customers and results in an increase in the fixed costs of issuing bills.

The DPU remains concerned about the stated costs and benefits of Dominion's billing for other entities and, as a result, seeks to ensure no costs, financial risk, or other burdens could be imposed on ratepayers. Nevertheless, absent identification of significant anomalies in the Application, and having adjusted the filing to reflect Wexpro's updated pre-tax rate of return, the DPU recommends the PSC approve the updated Tariff pages filed with its comments as Exhibits 1.2U and 1.3U, effective April 1, 2018.

FINDINGS AND ORDER

Based on information presented in Dominion's Application, the revised exhibits Dominion provided to the DPU and the DPU's subsequent recommendation, and there being no objection to the Application, we approve the proposed changes to Dominion's Tariff Pages 8-18 and 8-19, as amended in DPU Exhibits 1.2U and 1.3U, effective April 1, 2018.

Therefore, we order:

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Dominion shall implement a third-party minimum charge per bill of \$0.16219, and a third-party charge per line, above 11 lines, of \$0.01474, effective April 1, 2018.

DATED at Salt Lake City, Utah, March 15, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#300727

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 March 15, 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