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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 REVIEW OF	)	
THE CARRYING CHARGES APPLIED TO	)	
VARIOUS DOMINION ENERGY UTAH	)	Docket No. 18-057-T03
ACCOUNT BALANCES	)	
	)	DOMINION ENERGY UTAH'S
	)	APPLICATION FOR
	)	PROPOSED TARIFF CHANGE

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Pursuant to Utah Admin Code R746-405-2, Dominion Energy Utah (Dominion Energy Utah or Company) respectfully submits the attached change to Section 8.07 of the Company's Utah Natural Gas Tariff No. 500 (Tariff) to update the Company's carrying charge to 4.09%, with an effective date of April 1, 2018. This interest charge will apply to Dominion Energy Utah accounts 182.3, 182.4, 191.1, 191.8, 191.9 and 235.1.

**I. DISCUSSION**

On February 23, 2017, the Public Service Commission of Utah (Commission) issued an order in Docket No. 17-057-T01 approving a change in the carrying charges applied to Dominion Energy Utah accounts 182.3, 182.4, 191.1, 191.8, 191.9 and 235.1, including the method for calculating the carrying charges. Section 8.07 of the Tariff explains how interest rates are calculated. Specifically, this section states:

On or before March 1 of each year, the Company shall calculate an annual carrying charge and file a letter with the Commission reflecting this rate, to be effective on April 1 of each year. This charge shall be based on the average annual Aaa and Baa Corporate interest rates for the preceding calendar year.

Accordingly, the Company has calculated an updated interest rate of 4.09%, based upon Aaa and Baa Corporate interest rates for 2017 as published in the Mergent Bond Record.

The rates provided by Mergent and the calculation are shown in the following table:

	Aaa	Bbb
<b>Jan-17</b>	3.92	4.66
<b>Feb-17</b>	3.95	4.64
<b>Mar-17</b>	4.01	4.68
<b>Apr-17</b>	3.87	4.57
<b>May-17</b>	3.85	4.55
<b>Jun-17</b>	3.68	4.37
<b>Jul-17</b>	3.70	4.39
<b>Aug-17</b>	3.63	4.31
<b>Sep-17</b>	3.63	4.30
<b>Oct-17</b>	3.60	4.32
<b>Nov-17</b>	3.57	4.27
<b>Dec-17</b>	3.51	4.22
<b>2017 Average</b>	3.74	4.44
<b>Aaa and Baa Average</b>	<b>4.09</b>	

The updated interest rate has been incorporated into the legislative and proposed Section 8.07 of the Tariff attached as Exhibit 1. This proposed Tariff change does not constitute a violation of a state law or Commission rule.

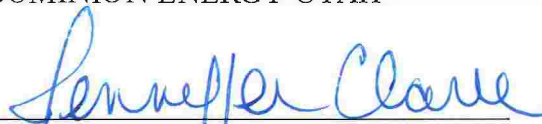
### III. CONCLUSION

The Company requests that the Commission approve the proposed Tariff change with an effective date of April 1, 2018.

DATED this 28<sup>th</sup> day of February, 2018.

Respectfully submitted,

DOMINION ENERGY UTAH

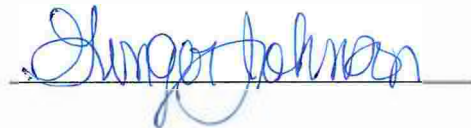


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**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing was served upon the following  
by electronic mail on February 28, 2018:

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*Jinger Johnson*