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Department of Commerce Division of Public Utilities

FRANCINE GIANI CHRIS PARKER
Executive Director Director, Division of Public Utilities

Technical Conference Questions

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Brenda Salter, Utility Technical Consultant

Date: July 31, 2019

Re: **Docket No. 19-057-02.** In the Matter of the Application of Dominion Energy Utah to Increase Distribution Rates and Charges and make Tariff Modifications

1. Please provide a general overview of the rate case including major drivers, load studies, base/test year, cost of capital, and rate base.
2. Is the Company proposing any change to the Tracker Annual Inflation Amount (Global Insights GDP Inflation vs CPI inflation rates)? If so please describe the reason for the proposed change and the effect it may have on the annual amount of the Tracker.
3. With regards to Exhibit 1.10, please compare the Tracker Spend over the same time compared to Other Pipe Replacement (not as a result of new customer growth) rather than Total Capital Spend.
4. Please provide a table similar to exhibit 1.11 comparing of the current spending variance method in the Tracker (over and under budget) and the proposed method.
5. What effect will increasing the annual Tracker number from its current projected 2020 estimate of \$72 million to the proposed \$80 million number have on the estimated completion date?
6. Please illustrate how the settlement agreement regarding the most recent depreciation docket (Docket No. 19-057-03) has been incorporated into the current rate case, specifically the impact on revenue requirement and return on capital.
7. Please explain how the change from a 30 year average HDD to an average 20 year HDD changes the revenue requirement. Please identify the amount of the change.

8. Incentive Compensation, Section D, Page 11

Please explain the calculated amounts in Exhibit 3.21. The Division would like to understand the amounts starting with “Total Payout” and “Allocated.” Also, demonstrate where the adjusted total is applied in other 2020 worksheet calculations.

9. Non-Plant Related EDIT balance, Section L, Page18

Please provide further explanation and clarification to the EDIT balance as calculated and attributed to Non-Plant items, including Pension Expense. Confirm the amount of ADIT and EDIT attributable to pension included in rate base; include a summary explanation of Exhibit 3.28.

10. Pension Removal, Section N, Page 19

Please provide further details and justification for DEU’s proposed changes in the treatment of Pension Expense when calculating the revenue requirement. Provide an overview and details on the amounts calculated in Exhibit 3.30.

11. MDR 22 D.23 Attachment 1

Please provide an overview and further clarification of MDR 22 D.23 Attachment 1, including the rationale for not including reductions related to the 2019 VRP. How would the addition of the 2019 recipients change the calculations? Would it change by the 87 participants listed in MDR 22 D.22 Attach 3?

12. MDR 22 D.20 Attachment 1

Please provide clarification and the calculations used to forecast row 5 “Incentive”