

**UAE Exhibit 1.1S**  
**Docket No. 19-057-02**

**DEU Responses to Data Requests**  
**Referenced in the**  
**Phase I Surrebuttal Testimony**  
**of Kevin C. Higgins**

P.S.C.U. Docket No. 19-057-02  
UAE Data Request No. 3.01  
Requested by Utah Association of Energy Users  
Date of DEU Response October 21, 2019

UAE 3.01: Pensions. Refer to the Direct Testimony of Jordan K. Stephenson (DEU Exhibit 3.0), lines 520-544.

a. What was the actual return on the DEU pension plan in 2018?

b. Please refer to the table below and identify each of the components of DEU's net periodic pension cost for each year from 2015-2018, as well as projections for 2019 and 2020.

Components of Net Periodic Pension Cost

	Service Cost
+	Interest Cot
-	Expected Return on Plan Assets
+	Amortization of Prior Period Service Cost
+/-	<u>Amortization of Actuarial Gains/Losses</u>
=	Annual Net Periodic Pension Cost

c. Does the DEU pension plan have any unrecognized losses? If so, please identify the amount for each year from 2015-2018, and projected amounts for 2019 and 2020.

d. What was the Funded Status of the DEU pension plan (i.e., Prepaid Pension Balance minus Unrecognized Losses) for each year 2015-2018? What is the projected Funded Status for 2019 and 2020? Please show the calculation (Prepaid Pension Balance minus Unrecognized Losses).

Answer: a. Actual return for pension plan of Dominion Energy West during 2018 is approximately 6.5%

(b) – (d), See UAE 3.01 Attachment 1.

Prepared by: Cynthia Partey, Regulatory Analyst II, Dominion Energy Utah

UAE 3.01 Attachment 1

3.01 (b) **Total Questar**

	2015	2016	2017	2018	2019	2020
Service Cost	13,426,530	11,833,068	10,157,145	15,876,410	12,910,954	13,072,360
Interest Cost	31,793,360	31,826,648	23,064,150	27,070,379	28,537,538	28,894,362
Expected Return on Assets	(47,750,335)	(48,659,952)	(66,424,969)	(66,920,546)	(66,212,454)	(70,132,071)
Amortization on PSC	132,232	10,609	131,318	871,734	868,596	871,734
Amortization of (G)/L	19,285,126	13,081,289	13,795,288	11,239,748	8,383,118	4,405,116
Net Periodic Pensions Cost	16,886,913	8,091,662	(19,277,068)	(11,862,275)	(15,512,248)	(22,888,499)
Curtailement /Settlement	16,682,789	-	9,862,887	-	6,348,476	-
Total Benefit Cost	33,569,702	8,091,662	(9,414,181)	(11,862,275)	(9,163,772)	(22,888,499)

**Questar QGC only**

Service Cost				8,185,998	6,802,140	6,938,641
Other Component				(13,631,792)	(14,776,910)	(18,695,655)
Net Periodic Pension Cost				(5,445,794)	(7,974,770)	(11,757,014)
Curtailement /Settlement				0	3,300,502	0
Total Benefit Cost				(5,445,794)	(4,674,268)	(11,757,014)

3.01 (c) **Total Questar**

	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Unrecognized losses	256,846,647	234,772,957	232,219,019	173,435,363	231,204,871	188,995,886

3.01 (d) **Total Questar**

	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020
Funded Status	(112,863,563)	(55,227,343)	(42,654,458)	92,156,911	47,121,412	99,401,775
Unrecognized losses	256,846,647	234,772,957	232,219,019	173,435,363	231,204,871	188,995,886
Unrecognized PSC	142,841	10,609	-	8,386,468	7,514,734	6,607,128
Accrued/Prepaid	144,125,925	179,556,223	189,564,561	273,978,742	285,841,017	295,004,789

P.S.C.U. Docket No. 19-057-02  
 UAE Data Request No. 4.04  
 Requested by Utah Association of Energy Users  
 Date of DEU Response October 10, 2019

UAE 4.04: *Pension*. Please refer to “19-057-02 DEU Exhibit 4.18-Summers-Rate Case Model 7-1-2019,” the “Labor Forecast” tab.

- a. Please provide the actuarial reports supporting the pension expense of (\$2,929,280) for 2018, (\$4,614,392) for 2019, and (\$5,448,127) for 2020 as shown in on this tab. Please demonstrate how these pension expense amounts were derived from the actuarial reports, including any allocation factors or other adjustments.
- b. What portion, if any, of the 2018, 2019, and 2020 pension expenses shown on the “Labor Forecast” tab is associated with the non-qualified pension plan? Please provide this amount on a Total Company and Utah Allocated basis.
- c. What amount of pension expense is included in the unadjusted 2018 base period, on a Total Company and Utah Allocated basis? If the Total Company amount differs from the (\$2,929,280) shown on the “Labor Forecast” tab, please explain any variance.
- d. After including DEU’s pension expense adjustments, what amount of pension expense is included in the proposed revenue requirement, on a Total Company and Utah Allocated basis?
- e. Does DEU agree that the adjusted Total Company pension expense included in the revenue requirement is \$2,624,864.22, as calculated in the table below?

Component	Total Company Amount	Inflation Rate
Unadjusted Base Period	-\$2,929,280.00	
2019 Inflation Adj.	\$5,343.96	-0.18%
2020 Inflation Adj.	\$100,673.26	-3.44%
Pension Adjustment	\$5,448,127.00	
<b>Adjusted Pension Expense</b>	<b>\$2,624,864.22</b>	

If the Company disagrees, please provide the calculation of the adjusted pension expense that is included in the revenue requirement as filed, including all adjustments, in Excel format on a Total Company and Utah Allocated basis.

- Answer:
- a. The amounts of \$2.9 million for 2018, \$4.6 million for 2019 and \$5.5 million for 2020 are the expense amounts. A portion of the pension is capitalized as labor overhead and this amount must be included to tie pension amounts to actuarial reports. The total pension amount is shown in MDR\_22 B.04 attach 1 line 32. As this file shows, the total pension amount is -\$5,445,794 for 2019, -\$8,386,573 for 2020 and -\$10,089,124 for 2021. UAE 4.04 attachment 1 shows the actuarial table that supports the -\$5,445,794 amount for 2019. UAE 4.04 attachment 2 shows the detailed support for the 2019 number of -\$8,386,584 and the 2020 number of -\$10,089,124.
  - b. None of the pension expense in the referenced years is for the non-qualified plan.
  - c. (\$2,929,280) is the amount included in the 2018 test period. This amount is spread to all FERC accounts based upon the labor allocated to each account so it is difficult to determine the Utah allocated amount. As a general rule of thumb, about 97% of these costs are allocated to Utah.
  - d.-e. The Amount of pension credit included in 2018, and projected in 2019 and 2020 is shown in the “Labor Forecast” tab. The Company’s pension adjustment for 2020 appropriately reduces the pension credit in 2020 to \$0. The adjustment is derived directly from the 2020 projected amount.