- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications	DOCKET NO. 19-057-02 ORDER GRANTING PETITION FOR AGENCY REVIEW AND REHEARING OF THE PSC'S FEBRUARY ORDER

ISSUED: March 27, 2020

On July 1, 2019, Dominion Energy Utah (DEU) filed an application with the Public Service Commission (PSC) requesting authority to increase its distribution non-gas (DNG) retail rates by $19,249,740, or 5 percent ("Application") and to implement new rates, effective March 1, 2020. On February 25, 2020, the PSC issued a Report and Order on DEU's Application ("February Order"). On March 11, 2020, DEU filed a Petition for Agency Review and Rehearing of the PSC's February Order ("Petition") related to a decision concerning DEU's Infrastructure Tracker Program (ITP). No party to this docket responded to the Petition.

The February Order stated:

> DEU also proposes "[b]ased on an average 2020 test [year], any investment above $82.6 million that is put into service on or after January 1, 2019, should be included in the [ITP] .... Additionally, the effective date of an incremental surcharge related to the [ITP] should be set on or after March 1, 2020." DEU's calculation of the $82.6 million value is presented in DEU Exhibit 1.15. No party commented on this issue. We find the date of January 1, 2019 is a typographical error in DEU's application and, consistent with DEU Exhibit 1.15, should be January 1, 2020, the start of the Test Year for this case.
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> In light of our decision not to increase the ITP spending cap (except for inflation), we have updated DEU's Exhibit 1.15 to reflect that ITP investment above $80.4 million (rather than $82.6 million) that is put into service on or after January 1, 2020 should be included in the ITP. We also find that DEU's recommendation that it provide verification in an upcoming proceeding to ensure no ITP costs have been included twice is reasonable because it increases program transparency.

DEU contends that the PSC erred in determining that the effective date for the referenced Tracker surcharge for incremental investment "should be set on or after March 1, 2020" rather than DEU's proposed effective date of January 1, 2019. DEU requests the PSC (1) modify its February Order to reflect the correct date, i.e., January 1, 2019, and (2) further adjust the February Order to the extent necessary to reflect that change. To accomplish this, DEU requests the PSC delete the first paragraph from the February Order, cited above, and change the January 1, 2020 date in the second paragraph to January 1, 2019. DEU states it has met with both the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) and explained the error to them. DEU understands that the DPU and the OCS accept its approach for tracking ITP investments.

DISCUSSION, FINDINGS, AND CONCLUSIONS

DEU provides convincing evidence that our reference to a typographical error was incorrect.[1] In its Petition, DEU clarifies "[i]n its filings in this docket, [DEU] included forecasted infrastructure program ("ITP") investment for 2019 and 2020 for purposes of calculating its revenue requirement. All other prior capital investment was accounted for in actuals in the December 2018 base period included in the rate case model. As such, when the new base DNG rate took effect on March 1, 2020, it included any actual tracker spend occurring prior to January 1, 2019, as well as additional forecasted spend after January 1, 2019." According to the IT Variance report filed by DEU on April 3, 2019, DEU spent a total of $63,379,559 for its 2018 IT

[1] DEU incorporated the concept of closed investments in the method of determining the level of replacement infrastructure investment in rates above which the tracking of infrastructure replacement costs will commence.

replacement projects in 2018.[2] With DEU's clarification, and the information included in DEU's various IT variance reports and Infrastructure Rate Adjustment filings, we find that we erred in our order by modifying the date related to the Tracker. Therefore, we replace the two paragraphs in the February 2020 Order as presented, in their entirety, with the following:

> In light of our decision not to increase the ITP spending cap (except for inflation), we have updated DEU's Exhibit 1.15 to reflect that ITP investment above \$80.4 million (rather than \$82.6 million) that is put into service on or after January 1, 2019 should be included in the ITP. We also find that DEU's recommendation that it provide verification in an upcoming proceeding to ensure no ITP costs have been included twice is reasonable because it increases program transparency.

ORDER

We replace the two paragraphs cited above from the February Order, in their entirety, with the single-spaced paragraph referenced directly above.

DATED at Salt Lake City, Utah, March 27, 2020.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#312859

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[2] *See* Docket No. 17-057-25, *Dominion Energy Utah's Replacement Infrastructure 2018 Annual Plan and Budget* (April 3, 2019 Dominion Energy Utah's Corrected Replacement Infrastructure Annual Plan and Budget, Fourth Quarter Variance Report at Exhibit 1). In this filing DEU states "[t]he attached Exhibit 1 provides budgeted amounts for both HP and IHP projects to be replaced in 2018, as well as the amount spent for each replacement project through December 31, 2018."

Notice of Opportunity for Judicial Review

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 27, 2020, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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