

IN THE MATTER OF THE
APPLICATION OF DOMINION
ENERGY UTAH FOR
AUTHORITY TO CHANGE ITS
DEPRECIATION RATES

Docket No. 19-057-03
APPLICATION

All communications with respect to
These documents should be served upon:

Jennifer Nelson Clark (7947)
Dominion Energy Utah
333 S. State Street
P.O. Box 45433
Salt Lake City, Utah 84145-0433
(801) 324-5392
(801) 324-5935 (fax)
Jennifer.Clark@dominionenergy.com

Attorney for Dominion Energy Utah

APPLICATION
AND
EXHIBITS

February 4, 2018

Jennifer Nelson Clark (7947)
Dominion Energy Utah
333 South State Street
P.O. Box 45433
Salt Lake City, Utah 84145-0433
(801) 324-5392
(801) 324-5935 (fax)
Jennifer.Clark@dominionenergy.com

Attorney for Dominion Energy Utah

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR AUTHORITY TO CHANGE ITS DEPRECIATION RATES	Docket No. 19-057-03 APPLICATION
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Pursuant to Utah Code Ann. §54-4-1 and 54-4-24, and the Settlement Stipulation in Docket No. 07-057-13, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Application to the Utah Public Service Commission (Commission) and requests approval for an order authorizing the Company to change depreciation rates. Dominion Energy seeks Commission approval of the depreciation rates and reserve amortization amounts set forth herein, and order that the same be used in calculating the revenue requirement in the Company's next general rate case.

In support of this Application, Dominion Energy states as follows:

1. Dominion Energy is a corporation organized and existing under the laws of the state of Utah, with its principal business office located at 333 South State Street, Salt Lake City, Utah. The Company is engaged in the business of providing natural gas as a

local distribution company. Dominion Energy currently distributes natural gas to approximately 1.03 million customers throughout the state of Utah and in Franklin County in southeast Idaho subject to the ratemaking jurisdiction of the Commission. In addition, the Company distributes gas to communities and rural areas in southwest Wyoming under the jurisdiction of the Wyoming Public Service Commission.

2. This Application is filed pursuant to Utah Code Annotated §§ 54-4-1 and 54-4-24, which authorizes the Commission to prescribe the rates of depreciation to be used by Dominion Energy, subject to the Commission's jurisdiction.

3. This Application is also filed pursuant to the Settlement Stipulation filed in Docket No. 07-057-13. In that docket, the parties agreed that "Pursuant to the stipulation and order approving settlement in Docket No. 05-057-T01, the Company will perform a depreciation study by the end of 2008. The Company agrees to perform a new depreciation study every five years on a going-forward basis."

4. In Docket No. 05-057-T01, Questar Gas filed for the approval of new depreciation rates that were calculated based upon its first depreciation study. In Docket No. 09-057-16, the Company introduced the results of its second depreciation study based upon 2007 investment balances. In the Revenue Requirement Stipulation in Docket No. 07-057-13, the Company agreed to perform a new depreciation study every five years on a going-forward basis. In Docket No. 13-057-19, the Company sought Commission approval for new depreciation rates and on June 6, 2014, the Commission approved new depreciation rates. Since the last depreciation study was based upon 2012 investment balances, the Company was required to perform the next study based upon the 2017 investment.

5. In November of 2017 the Company retained Gannet Fleming to conduct a depreciation study based upon this 2017 investment.

6. The Company offers the direct testimony of Jordan K. Stephenson in support of this Application (DEU Exhibit 1.0). In that testimony, Mr. Stephenson provides historical background about the depreciation rates, introduces the depreciation study that was recently performed by Gannett Fleming, and summarizes the impact that the proposed rate changes will have on the Company's annual depreciation accrual.

7. WHEREFORE, by this Application, Dominion Energy respectfully requests that the Commission promptly set a date for a Scheduling Conference, technical conferences, and a hearing in this matter; and issue an Order:


a. Finding the Depreciation Study recommendations regarding depreciation and reserve amortization rates are proper and adequate rates for the Company;

b. Finding that adopting the Depreciation Study's recommendations into Utah natural gas rates will result in just and reasonable rates; and

c. Ordering that the Depreciation Study's recommended depreciation rates and accompanying reserve amortization amounts should be used in calculating the revenue requirement in the Company's next general rate case.

RESPECTFULLY SUBMITTED this 4th day of February, 2019.

DOMINION ENERGY UTAH


Jennifer Nelson Clark
Attorney for Dominion Energy Utah

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Application was served upon the following persons by e-mail on February 4, 2019:

Patricia E. Schmid
Justin C. Jetter
Assistant Attorney Generals
160 East 300 South
P.O. Box 140857
Salt Lake City, UT 84114-0857
pschmid@agutah.gov
jjetter@agutah.gov
Counsel for the Division of Public Utilities

Chris Parker
William Powell
Utah Division of Public Utilities
160 East 300 South
PO Box 146751
Salt Lake City, Utah 84114-6751
cparker@utah.gov
wpowell@utah.gov

Robert J. Moore
Steven Snarr
Assistant Attorney General
160 East 300 South
P.O. Box 140857
Salt Lake City, UT 84114-0857
rmoore@agutah.gov
ssnar@agutah.gov
Counsel for the Office of Consumer Services

Michele Beck
Director
Office of Consumer Services
160 East 300 South
PO Box 146782
Salt Lake City, UT 84114-6782
mbeck@utah.gov

Gary Dodge
Phillip J. Russell
10 West Broadway, Suite 400
Salt Lake City, UT 84101
gdodge@hjdllaw.com
prussell@hjdllaw.com
Counsel for Utah Association of Energy Users

