

APPLICATION OF DOMINION)
ENERGY UTAH FOR AN) DOCKET No. 19-057-05
ADJUSTMENT TO THE)
DAILY TRANSPORTATION) APPLICATION
IMBALANCE CHARGE)

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

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APPLICATION
AND
EXHIBITS

March 1, 2019

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR AN ADJUSTMENT TO THE DAILY TRANSPORTATION IMBALANCE CHARGE	Docket No. 19-057-05 APPLICATION FOR AN ADJUSTMENT TO THE DAILY TRANSPORTATION IMBALANCE CHARGE
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Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Application for an adjustment to the Daily Transportation Imbalance Charge pursuant to paragraph IV.J. of the Utah Public Service Commission (Commission) Order dated November 9, 2015 in Docket No. 14-057-31 (Order) and §5.01 of the Company's Utah Natural Gas Tariff No. 500 (Tariff).

In support of this Application, Dominion Energy states:

1. Dominion Energy's Operations. Dominion Energy, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's rates, charges, and general conditions for natural gas service in Utah are set forth in the Tariff. Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves

customers in Franklin County, Idaho. Under the terms of an agreement between the Commission and the Idaho Public Utilities Commission, the rates for these Idaho customers are determined by the Utah Commission. Volumes for these customers have been included in the Utah volumes.

2. Background. On December 18, 2014, the Company filed an application with the Commission seeking approval of a supplier non-gas (SNG) reimbursement charge. The charge had two objectives: First, to charge transportation customers for the SNG services they used that were currently being paid for by sales customers, and second, to improve the accuracy of transportation customer nomination practices. In the Order dated November 9, 2015 in Docket No. 14-057-31, the Commission agreed that both of these objectives should be addressed and approved a supplier non-gas charge of \$0.08896 per dekatherm (Dth) applied to daily imbalance volumes outside of a 5 percent tolerance for transportation customers taking service under the MT, TS and FT-1 rate schedules. In the order, the Commission stated that “This rate will be reviewed and evaluated in Questar’s upcoming 2016 general rate case as well as in future 191 account pass-through filings to determine if the Daily Transportation Imbalance Charge is achieving the intended objectives and whether changes should be implemented” (Docket No. 14-057-31, paragraph IV.J, page 37). A 191 account pass-through application is being filed concurrently with this application in Docket No. 19-057-04.

3. Updated rates. Exhibit 1.1 shows the calculation of the rate using the methodology approved in Docket No. 14-057-31, updated with volumes for the twelve months ended January 31, 2019. The rate is calculated as shown below:

$$\frac{(1) \$0.22589 \text{ (Volumetric rates)} \times (2) 3,173,267 \text{ Dths (total net imbalance volumes)}}{(3) 8,611,888 \text{ Dths (Daily volumes outside of 5\% tolerance)}}$$

Each component of the rate is discussed in further detail below.

4. Volumetric rates for service used. The Commission approved a charge to transportation customers for using the upstream services in Docket No. 14-057-31. Other than the Clay Basin Fuel Gas Reimbursement and the ACA charge, the volumetric charges related to these services have not changed since the Commission's initial approval. The Clay Basin Fuel Gas Reimbursement is being updated concurrent with the weighted average cost of gas rate of \$3.21635 in Docket 19-057-04. The ACA charge reflects the FERC ACA rate that will be effective October 1, 2018. A table comparing the rates approved by the Commission and the current rates is shown in Exhibit 1.1.

5. Total new imbalance volumes. As Exhibit 1.1 shows, the net imbalance volumes are 3,173,267 (column I, line 8). This number includes actual imbalance volumes for the twelve months ended January 31, 2019. This is a 4.8% decrease from the imbalance volumes of 3,333,731 Dth (column B, line 8) approved by the Commission in Docket No. 14-057-31 and a 7.6% increase from the 2,949,097 Dth (column H, line 8) in Docket No. 18-057-13. The Transportation Service (TS) customers have been able to reduce their imbalance volumes through better daily nominations, notwithstanding the fact that the number of total TS customers has increased from 358 in December 2014 to 948 in December 2018. The Daily Transportation Imbalance Charge has provided an economic incentive for TS Customers to improve their daily nominations and, as a result, these customers are using the services less.

6. Daily volumes outside of 5% tolerance. As Exhibit 1.1 shows, the daily volumes outside of a 5% tolerance are 8,611,888 Dth (column I, line 10) for the twelve months ended January 31, 2019, which are lower than the 9,128,985 Dth in column B

line 10, and higher than the 8,347,547 Dth in column H line 10. Amounts have increased above the previous period because of the increasing number of TS customers.

The proposed rate of \$0.08323 per Dth (column I, line 11) is 2.5% higher than the previous rate of \$0.08122 per Dth ordered by the Commission in Docket No. 18-057-13, and 6.4% lower than the \$0.08896 per Dth rate in Docket No. 14-057-31.

7. Proposed Tariff Sheets. Exhibit 1.2 shows the proposed Tariff sheets associated with the Daily Transportation Imbalance Charge in Tariff Sections 5.02, 5.03, and 5.04. In addition to this filing, the Company is also concurrently filing a Pass-Through Application (Docket No. 19-057-04), and a Conservation Enabling Tariff Balancing Account Application (Docket No. 19-057-06). The Company has requested that these Applications be approved with rates effective April 1, 2019. Exhibit 1.3 shows the legislative and proposed rate schedules, which reflects the final tariff sheets that would be effective if the Commission approves all of these applications.

8. Exhibits. Dominion Energy submits the following exhibits in support of its request to update the Daily Transportation Imbalance Charge:

Exhibit 1.1 Calculation of updated Daily Transportation Imbalance Charge

Exhibit 1.2 Legislative/Proposed Rate Schedules

Exhibit 1.3 Combined Legislative/Proposed Rate Schedules

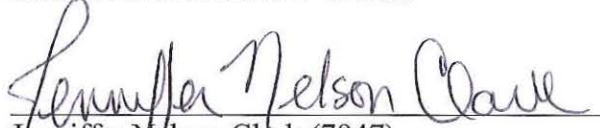
WHEREFORE, Dominion Energy respectfully requests the Commission, in accordance with the Order approving the updated Daily Transportation Imbalance Charge and the Company's Tariff:

1. Enter an order authorizing Dominion Energy to implement rates and charges applicable to its Utah natural gas service that reflect an adjustment for each rate class, as more fully described in this Application; and
2. Authorize Dominion Energy to implement its rates effective April 1, 2019.

DATED this 1st day of March, 2019.

Respectfully submitted,

DOMINION ENERGY UTAH

A handwritten signature in cursive script that reads "Jennifer Nelson Clark". The signature is written in black ink and is positioned above the printed name and title.

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