

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Pass-Through Application of Dominion Energy Utah for an Adjustment in Rates and Charges for Natural Gas Service in Utah

Application of Dominion Energy Utah for an Adjustment to the Daily Transportation Imbalance Charge

DOCKET NOS. 19-057-18 AND 20-057-07

DOCKET NO. 20-057-08

ORDER SETTING FINAL RATES

ISSUED: September 12, 2022

BACKGROUND

Dominion Energy Utah (DEU) proposed adjustments to rates related to its Account 191.1 Pass-Through Account (“191 Account”) on August 30, 2019 in Docket No. 19-057-18 and again on May 1, 2020 in Docket No. 20-057-07.¹ The Public Service Commission (PSC) approved DEU’s proposed rates in those dockets on an interim basis, effective October 1, 2019 and June 1, 2020, respectively. On July 6, 2022, the Division of Public Utilities (DPU) filed comments stating that it has completed its final audit of the 191 Account for calendar year 2020. The PSC issued a Notice of Filing and Comment Period in each relevant docket on July 7, 2022. No party other than DPU filed comments.

The PSC’s order in Docket No. 19-057-18 approved, on an interim basis, DEU’s request to increase annualized gas cost-related rates by \$11.35 million, consisting of a \$34.25 million increase in commodity costs and a decrease of \$22.89 million in supplier non-gas (SNG) costs, for the test year 12 months ending September 30, 2020. The PSC’s order in Docket No. 20-057-07 approved, on an interim basis, DEU’s request to decrease annualized gas cost-related rates by

¹ *Pass-Through Application of Dominion Energy Utah for an Adjustment in Rates and Charges for Natural Gas Service in Utah*, Docket No. 19-057-18, Comments from the Division of Public Utilities filed July 6, 2022; and *Pass-Through Application of Dominion Energy Utah for an Adjustment in Rates and Charges for Natural Gas Service in Utah*, Docket No. 20-057-07, Comments from the Division of Public Utilities filed July 6, 2022.

\$10.49 million, consisting of a \$9.17 million decrease in commodity costs and a decrease of \$1.32 million in SNG costs, for the test year 12 months ending May 31, 2021.

DISCUSSION, FINDINGS, AND CONCLUSIONS

A. DEU Tariff PSCU No. 500

DEU Tariff PSCU No. 500, Section 2.06, provides for pass-through applications to be filed “[n]o less frequently than semi-annually.” DEU’s 191-Account applications therefore reflect overlapping test years, resulting in interim rates that are reset at least every six months. For example, the test year in Docket No. 19-057-18 includes the October 1, 2019 through September 30, 2020 period, and the test year in Docket No. 20-057-07 includes the June 1, 2020 through May 31, 2021 period. The dockets’ test years overlap beginning June 1, 2020 through September 30, 2020. This necessarily requires us to review and set final rates in the dockets for periods that are shorter than those we approved when we set interim rates. Our order here includes our decisions on final rates only for the (1) October 1, 2019 through April 30, 2020 period costs in Docket No. 19-057-18 (“Review Period A”), and (2) May 1, 2020 through September 30, 2020 period costs in Docket No. 20-057-07 (“Review Period B”).

B. The DPU’s Audits in Docket Nos. 19-057-18 and 20-057-07

DPU completed audits of the 191 Account during calendar years 2019 and 2020. DPU includes its evaluation of (i) the October through December 2019 costs in Review Period A in an October 22, 2021 DPU memorandum with attachments (“2019 Audit”);² (ii) the January through April 2020 costs in Review Period A in a July 6, 2022 DPU memorandum with attachments

² The October 22, 2021 memorandum filed in Docket No. 18-057-14 represents DPU’s completed audit of DEU’s 191-Account for calendar year (CY) 2019.

(“2020 Audit”);³ and (iii) the May through September 2020 costs in Review Period B in the 2020 Audit. The 2019 Audit and 2020 Audit include a Summary of 191-Account Audit Procedures and Results for CY 2019 and CY 2020, respectively. In addition, each audit includes confidential exhibits that detail calendar year Wexpro hydrocarbon monitor annual reports and Wexpro independent accountant monitor reports. Based on the 2019 Audit and the 2020 Audit, DPU recommends the PSC make interim rates for Review Period A and Review Period B final, without any adjustments.

The 2019 Audit and 2020 Audit present detailed reviews of the various cost elements included in the 191-Account, with the exception of those costs incurred under the Wexpro Stipulation and Agreement and the Wexpro II Agreement (collectively, “Wexpro Agreement”). The costs incurred under the Wexpro Agreement are under present practices examined and reported upon by an independent certified public accountant appointed as a monitor.

DPU provides a detailed explanation in Exhibit A of the processes it followed to evaluate the reasonableness and accuracy of the information included in DEU’s original filings. The audit procedures evaluated Utah’s allocation of net costs (costs offset by revenues) included in the 191-Account by recalculating the monthly 191-Account balances, high-level reconciliations, and accounting for adjustments. The 2019 Audit and 2020 Audit conclude the costs included in the 191-Account comply with PSC-approved calculations and are just, reasonable, and in the public interest.

³ The July 6, 2022 memorandum filed in Docket No. 20-057-07 represents DPU’s completed audit of DEU’s 191-Account for CY 2020.

We find the procedures used by DPU to evaluate DEU's records are consistent with sound regulatory accounting practices and are sufficiently rigorous. Based on our review of DEU's original filings, the 2019 Audit and the 2020 Audit, the reasons provided in DPU's comments in each of the memorandums we referenced earlier in our Order, and in the absence of any opposition, we accept and adopt DPU's recommendation. Similarly, and based on reasons described above, we find the previously-ordered interim rates for Review Period A in Docket No. 19-057-18 and for Review Period B in Docket No. 20-057-07 are just, reasonable, and in the public interest. Accordingly, we approve the interim rates for Review Period A in Docket No. 19-057-18 and the interim rates for Review Period B in Docket No. 20-057-07, as final.

C. Dockets Related to DEU's Transportation Imbalance Charge

In the order dated July 2, 2021 in Docket No. 18-057-05, the PSC states "[s]ince DPU has not completed its full audit of the 191 Account for years 2018, 2019, and 2020, the PSC finds it is both reasonable and prudent to postpone finalizing the related [Transportation Imbalance Charge (TIC)] rates until the results of DPU's audits have been filed and reviewed." Now that DPU has completed its 191 Account audits up to and inclusive of CY 2020, we find that the previously-ordered interim TIC rates in Docket No. 20-057-08 are just, reasonable, and in the public interest. Accordingly, we approve the interim TIC rates in Docket No. 20-057-08 as final.

ORDER

The interim rate changes previously ordered by the PSC for Review Period A in Docket No. 19-057-18 and for Review Period B in Docket No. 20-057-07 are final.

In addition, the interim TIC rates set in Docket No. 20-057-08 are final.

DATED at Salt Lake City, Utah, September 12, 2022.

/s/ Yvonne R. Hogle
Presiding Officer

Approved and confirmed September 12, 2022, as the order of the Public Service
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#325433

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. 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 September 12, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

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