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Division of Public Utilities

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## Action Request Response

**To:** Utah Public Service Commission

**From:** Utah Division of Public Utilities

Chris Parker, Director  
Artie Powell, Manager  
Douglas D. Wheelwright, Utility Technical Consultant Supervisor  
Jeff Einfeldt, Utility Technical Consultant

**Date:** May 18, 2020

**Re:** **Docket No. 20-057-06, Application of Dominion Energy Utah to Account for the EDIT Amortization between January 2019 – March 2020.**

### RECOMMENDATION (Approve)

The Division of Public Utilities (“Division”) recommends the Utah Public Service Commission (“Commission”) approve Dominion Energy Utah’s (“DEU”) proposed changes to Utah Natural Gas tariff 500, Sections 2.02, 2.03, 2.04, 4.02, 5.02, 5.03, and 5.04 to implement the rate adjustment to Tax Surcredit 3 refunding the amortization of Excess Deferred Income Tax (“EDIT”) to ratepayers for the period January 1, 2019 to March 1, 2020 and to correct the amount refunded for the 2018 year.

### DISCUSSION

On May 1, 2020 DEU filed its Application to Account for the protected EDIT Amortization between January 2019 and March 2020 including revised tariff sheets to implement the refund to ratepayers. The EDIT refund to ratepayers is due to the Federal Income Tax law change passed by Congress in December 2017 titled “An act to provide for reconciliation pursuant to titles II

and V of the concurrent resolution of the budget for fiscal year 2018 or Tax Cuts and Jobs Act” (“TCJA”). EDIT for 2018 was refunded to ratepayers through Tax Surcredit 3 previously approved by the Commission in Docket No. 17-057-26.<sup>1</sup> DEU seeks to extend the current Tax Surcredit 3 through May 31, 2021 and revise the tariff amount to properly refund ratepayers the protected EDIT amount incurred between January 1, 2019 and March 1, 2020. The current adjustment also reflects a correction for overpayment of EDIT to ratepayers of \$1,097,748 related to the 2018 refund. The Tax Surcredit 3 revised adjustment will begin June 1, 2020 and remain in effect until May 31, 2021 when the protected EDIT related to the period January 1, 2018 to March 1, 2020 is anticipated to be fully refunded to ratepayers. EDIT due ratepayers accruing subsequent to March 1, 2020 has been incorporated into the current rate base established in the most recent rate case with those rates having become effective March 1, 2020.<sup>2</sup>

The Division reviewed the EDIT calculations and spoke with DEU employees regarding the calculations and methods used in this docket and in the recently completed general rate case.

## **CONCLUSION**

Based on the Division’s investigation, the Division believes the subject tariff adjustments are just, reasonable, and in the public interest. The Division recommends the Commission approve the revised Utah Natural Gas tariff 500, Sections 2.02, 2.03, 2.04, 4.02, 5.02, 5.03, and 5.04 reflecting the adjustment to Tax Surcredit 3 with an effective date of June 1, 2020 extending to May 31, 2021 to properly refund the protected EDIT incurred from January 1, 2018 to March 1, 2020 to ratepayers. The proposed adjustments will result in annual savings of \$2.56 to a typical GS residential customer using 80 decatherms per year.

cc: Michelle Beck, Office of Consumer Services  
Jenniffer Nelson Clark, Esq., Dominion Energy Utah  
Kelly Mendenhall, Dominion Energy Utah

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<sup>1</sup> Docket No. 17-057-26, Settlement Stipulation dated April 23, 2019.

<sup>2</sup> Docket No. 19-057-02; DEU General Rate Case Order, page 24.