

- 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	<u>DOCKET NOS. 20-057-14, 21-057-11, AND 21-057-17</u>
Application of Dominion Energy Utah for an Adjustment to the Daily Transportation Imbalance Charge	<u>DOCKET NOS. 20-057-15, 21-057-09, AND 21-057-18</u>
	<u>ORDER SETTING FINAL RATES</u>

ISSUED: September 13, 2023

BACKGROUND

Dominion Energy Utah (DEU) proposed adjustments to rates related to its Account 191.1 Pass-Through Account (“191-Account”) on September 30, 2020, in Docket No. 20-057-14, on April 30, 2021, in Docket No. 21-057-11, and on October 1, 2021, in Docket No. 21-057-17. The Public Service Commission (PSC) approved DEU’s proposed rates in those dockets on an interim basis, effective November 1, 2020, June 1, 2021, and November 1, 2021, respectively.

On April 24, 2023, the Division of Public Utilities (DPU) filed comments stating that it has completed its final audit of the 191-Account for calendar year 2021. On April 25, 2023, the PSC issued a Notice of Filing and Comment Period concerning that audit as to each relevant 191-Account docket. No comments were filed.

The PSC’s order in Docket No. 20-057-14 approved, on an interim basis, DEU’s request to increase annualized gas cost-related rates by \$39.56 million, consisting of a \$41.47 million increase in commodity costs and a decrease of \$1.91 million in supplier non-gas (SNG) costs, for the test year 12 months ending October 31, 2021.

The PSC's order in Docket No. 21-057-11 approved, on an interim basis, DEU's request to increase annualized gas cost-related rates by \$43.02 million, consisting of a \$37.36 million increase in commodity costs and an increase of \$5.67 million in SNG costs, for the test year 12 months ending May 31, 2022. The PSC's order in Docket No. 21-057-17 approved, on an interim basis, DEU's request to increase annualized gas cost-related rates by \$82.73 million, consisting of a \$84.27 million increase in commodity costs and a decrease of \$1.53 million in SNG costs, for the test year 12 months ending October 31, 2022.

DEU's filings for proposed adjustments to the 191-Account implicate the Transportation Imbalance Charge ("TIC"). Applications for adjustments to the TIC are filed concurrently with the 191-Account filings, and the TIC rate is thus reviewed with each 191-Account docket. As discussed below, DPU has reviewed the TIC dockets¹ that are related to 191-Account dockets that are the subject of this order.

DISCUSSION, FINDINGS, AND CONCLUSIONS

A. DEU Tariff PSCU No. 600

DEU Tariff PSCU No. 600, 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. 20-057-14 includes

¹ Docket Nos. 20-057-15, 21-057-09, and 21-057-18. On July 25, 2023, the PSC issued a Notice of Filing and Comment Period concerning each relevant TIC docket. No comments were filed.

the November 1, 2020 through October 31, 2021 period, the test year in Docket No. 21-057-11 includes the June 1, 2021 through May 31, 2022 period, and the test year in Docket No. 21-057-17 includes the November 1, 2021 through October 31, 2022 period. These dockets' test years thus overlap. 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 decisions on final rates only for the (1) November 1, 2020 through May 31, 2021, period in Docket No. 20-057-14 ("Review Period A"), (2) June 1, 2021 through October 31, 2021, period in Docket No. 21-057-11 ("Review Period B"), and (3) November 1, 2021 through December 31, 2021, period in Docket No. 21-057-17 ("Review Period C").

B. The DPU's Audits in Docket Nos. 20-057-14, 21-057-11, and 21-057-17

DPU completed audits of the 191-Account during calendar years 2020 and 2021. DPU includes its evaluation of (i) the November through December 2020 costs in Review Period A in a July 6, 2022 DPU memorandum with attachments ("2020 Audit");² (ii) the January through May 2021 costs in Review Period A in an April 24, 2023 DPU memorandum with attachments ("2021 Audit");³ (iii) the June through October 2021 costs in Review Period B in the 2021 Audit; and (iv) the November through December

² The July 6, 2022, memorandum filed in Docket No. 20-057-07 represents DPU's completed audit of DEU's 191-Account for calendar year (CY) 2020.

³ The April 24, 2023 memorandum filed in Docket No. 20-057-14 represents DPU's completed audit of DEU's 191-Account for CY 2021.

2021 costs in Review Period C in the 2021 Audit. The 2020 Audit and 2021 Audit include a Summary of 191-Account Audit Procedures and Results for CY 2020 and CY 2021, 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 2020 Audit and the 2021 Audit, DPU recommends the PSC make interim rates for Review Period A, Review Period B, and Review Period C final, without any adjustments.

The 2020 Audit and 2021 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 2020 Audit and 2021 Audit conclude the costs included in the 191-Account comply with PSC-approved calculations and are just, reasonable, and in the public interest.

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 2020 Audit and the 2021 Audit, the reasons provided in DPU's comments in memoranda we reference earlier in this 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. 20-057-14, for Review Period B in Docket No. 21-057-11, and for Review Period C in Docket No. 21-057-17 are just, reasonable, and in the public interest. Accordingly, we approve the interim rates for Review Period A in Docket No. 20-057-14, for Review Period B in Docket No. 21-057-11, and for Review Period C in Docket No. 21-057-17, as final.

C. Dockets Related to DEU's Transportation Imbalance Charge (TIC)

DPU states that during its audit of the 191-Account for CY 2021, it also reviewed the relevant TIC portion and found no issues or concerns that would justify changing the previously approved interim TIC rates.⁴ DPU further states that the TIC rates previously approved in Docket Nos. 20-057-15, 21-057-09, and 21-057-18 are just and reasonable, and recommends the PSC order the interim rates as final.⁵ Based on our review of DEU's original filings, the 2020 Audit and the 2021 Audit, the reasons provided in DPU's comments, and in the absence of any opposition, we accept and

⁴ See DPU Comments filed on June 30, 2023 in Docket No. 21-057-18 at 3.

⁵ *Id.*

adopt DPU's recommendation. Accordingly, we approve the interim TIC rates for Review Period A in Docket No. 20-057-15, for Review Period B in Docket No. 21-057-09, and for Review Period C in Docket No. 21-057-18, as final.

ORDER

The interim rate changes previously ordered by the PSC for Review Period A in Docket No. 20-057-14, for Review Period B in Docket No. 21-057-11, and for Review Period C in Docket No. 21-057-17 are final.

In addition, the interim TIC rates previously ordered by the PSC for Review Period A in Docket No. 20-057-15, for Review Period B in Docket No. 21-057-09, and for Review Period C in Docket No. 21-057-18 are final.

DATED at Salt Lake City, Utah, September 13, 2023.

/s/ John E. Delaney
Presiding Officer

Approved and confirmed September 13, 2023, as the order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#329819

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 13, 2023, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

Jenniffer Nelson Clark (jenniffer.clark@dominionenergy.com)
Kelly Mendenhall (kelly.mendenhall@dominionenergy.com)
Austin Summers (austin.summers@dominionenergy.com)
Dominion Energy Utah

Patricia Schmid (pschmid@agutah.gov)
Patrick Grecu (pgrecu@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Assistant Utah Attorneys General

Madison Galt (mgalt@utah.gov)
Division of Public Utilities

Alyson Anderson (akanderson@utah.gov)
Bela Vastag (bvastag@utah.gov)
Alex Ware (aware@utah.gov)
Jacob Zachary (jzachary@utah.gov)
(ocs@utah.gov)
Office of Consumer Services

Administrative Assistant