Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

Date: April 26, 2021

Re: **Docket Nos. 16-057-06; 16-057-14; 17-057-08; 17-057-21; 18-057-05; 18-057-13; 19-057-05; 19-057-19; 20-057-08; and 20-057-15.** Questar Gas Company/Dominion Energy Utah Transportation Imbalance Charge

Recommendation (Approve)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve Dominion Energy Utah's (Dominion) requested rate changes to the Transportation Imbalance Charge (TIC) and make those rates final in all the above listed dockets.

Issue

The TIC filing is a request to adjust the imbalance charge calculation first approved in Docket No. 14-057-31. Consistent with that authorizing docket, the transportation imbalance charge began in February 2016 and is recalculated twice each year as part of the 191 pass-through (191) filings. Each filing, the proposed rates are calculated based on the historical imbalance volumes for the previous 12 months. The most recent filing included actual volumes through August 31, 2020.[1] In each of these filings the Division requested Commission approval on an interim basis. On April 7, 2021 the Commission directed the Division to "Please provide DPU's plans and anticipated schedule to complete its reviews and make recommendations for setting final rates in each of the Transportation Imbalance Charge dockets listed above" with a due date of May 7, 2021. This is the Division's response to that Action Request.

Background

In Docket No. 14-057-31, the Commission approved a supplier non-gas charge per dekatherm (Dth) applied to the daily imbalance volumes that were outside of a 5% daily tolerance threshold. This new rate applied to transportation customers that were taking service under MT, TS, and FT-1 rate schedules and any amount collected in the rate was to be credited to GS customers through the 191 account. This rate is intended to charge transportation customers for SNG services that are being used and was implemented in part to improve the daily accuracy of the gas nomination process. The Commission's order specified that this rate must be reviewed with each pass-through docket and, at the time, in the next general rate case.

The accuracy of the nomination process and the impact of transportation customers on Dominion's distribution system continues to be a priority to the Division. While it does appear the nominations have become more accurate since this rate was imposed, a number of individual customers with gas nominations often fall outside the acceptable range and as a result incur the TIC. The rate has the potential to affect transportation customers but it is unlikely that the effect will be the same for each customer as this rate applies to a transportation customer only when its individual daily gas nominations are outside the ±5% tolerance limits. The imbalance charge may apply to some customers on a regular basis while others may only occasionally be affected, and still some may never be impacted by it, depending on the accuracy of the customer's daily nomination process.

[1] Docket No. 20-057-15

Discussion

Since 2016 following each TIC filing, the Division has reviewed the calculation and the information provided by Dominion but has recommended approval of the rates only on an interim basis until the completion of our review of the calculation and the other information provided. The reason for that recommendation states that "Since these credits flow through the 191 account, the Division believes that it is appropriate to approve the change to this rate on an interim basis until an audit of the 191 account has been completed."

Dominion files the TIC semi-annually with the 191 filing so the charges collected from these transportation customers are credited to the Supplier Non-Gas (SNG) portion of the 191 filing. These amounts, which the Division reviews with each 191 Account audit, have a very minor impact on the balance of the over or under collection in the 191 account for GS customers. Potential adjustments to any of these amounts would be done in the 191 Account as opposed to retroactively changing the TIC rate.

For each of the above listed filings, the Division has reviewed the calculations and the information provided by Dominion. The Division has completed the audit of the 191 account for 2016 and 2017 and the interim TIC rates for those years can be made final. The Division has also completed its review of the entries and the credits to the 191 account for 2018, 2019, and 2020. Even though these credits flow through the 191 account, the Division now believes that it is appropriate to approve the filed changes to this rate on a final basis independent of the ongoing audit of the 191 account.

After a review of all the above listed applications, the Division finds the proposed rates to be reasonable and recommends the Commission approve the rates as proposed by Dominion as the Division has found no discrepancies. Additionally, the calculation of the rate by Dominion and its impact on the 191 filing are no longer issues that Division needs additional time to investigate.

Conclusion

The Division has competed the audits of the 191 account for 2016 and 2017 and reviewed the TIC calculations in dockets 16-057-06, 16-057-14, 17-057-08, and 17-057-21. The Division recommends the TIC rates for these dockets be made final. In addition, the Division has reviewed the calculation and the monthly TIC entries into the 191 account and has found no reason to continue to request that the TIC rates be approved on an interim basis. Therefore the Division recommends that the approved interim rates for dockets 18-057-05, 18-057-13, 19-057-05, 19-057-19, 20-057-08, and 20-057-15 become final. The Division will continue to review the TIC entries in its 191 Account audit and report any discovered issues to the Commission. Potential adjustments to these entries would be made in the 191 Account as opposed to retroactively adjusting the TIC rate.

Cc: Kelly Mendenhall, Dominion Energy Utah
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