UTAH DEPARTMENT OF COMMERCE
Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

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Date: June 30, 2023

Re: **Docket No(s). 20-057-15, 21-057-09, 21-057-18,** Dominion Energy Utah Transportation Imbalance Charge.

Recommendation (Approve)

The Division of Public Utilities ("Division"/'DPU") recommends the Public Service Commission of Utah ("Commission") order final approval of Dominion Energy Utah's ("DEU") requested rate changes to the Transportation Imbalance Charge ("TIC") and make those rates final in 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 this initial docket, the transportation imbalance charge began in February 2016 and is recalculated at least twice each year. The imbalance charge paid by TS customers flows through the 191 pass-through account ("191 account") as a credit to ratepayers. The proposed rates in each filing are calculated based on the historical imbalance volumes for the previous rolling 12 months. For example, Docket No 21-057-18 is based on actual volumes for the twelve month period ending August 31, 2021.[1] In each of the above filings, the Commission granted approval on an interim basis

[1] Application of Dominion Energy Utah for an adjustment to the Daily Transportation Imbalance Charge, Docket No. 21-057-18

subject to the completion of DPU's review of the entries in the 191 account for the period ending December 31, 2021. On June 20, 2023, 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 July 7, 2023. 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 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. The TIC was implemented to improve the daily accuracy of the transportation class gas nominations. It is intended to charge DEU transportation customers for the additional SNG services incurred on their behalf when nominations fall outside the given tolerance. The Commission's order specified the TIC rate must be reviewed with each 191 account pass-through docket and in the relevant general rate case.

The accuracy of the nomination process and the impact of transportation customers on DEU's distribution system continues to be a priority for the Division. While it does appear the nominations have become more accurate since the TIC was imposed, typically several transportation customer nominations fall outside the acceptable tolerance range and as a result incur the TIC.

Discussion

The Division reviewed the calculation and the information provided by DEU in each TIC filing and recommended approval of the rates only on an interim basis pending completion of its review of the 191 pass-through account, including verification the TIC are properly included.

DEU files the TIC at least semi-annually concurrent with the 191 filing and 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 total balance of the over or under collection in the 191 account passed through to GS customers. Potential adjustments to any of these amounts would be made directly to the 191-account rather than retroactively changing the TIC rate.

The rate applied for in Docket No. 20-057-15 was ordered effective on November 1,2020. The next TIC rate adjustment was applied for in Docket No. 21-057-09 and was ordered effective on June 1, 2021, followed by the TIC rate adjustment applied for in Docket No. 21-057-18. The rates in all three dockets were approved on an interim basis.

For each of the above listed filings, the Division reviewed the calculations and the information provided by DEU. The Division completed the audit of the 191 account for the year ended December 31, 2021, which encompasses the applicable time included in Docket No. 20-057-15 from November 1, 2020 through May 31, 2021; the period covered by Docket No. 21-057-09 of June 1, 2021 through October 31, 2021; and the period covered by Docket No. 21-057-18 from November 1, 2020 through December 31, 2021. DEU filed a third TIC docket (Docket No. 21-057-29) seeking a rate change effective January 1, 2022. The Division will seek final approval of Docket No. 21-057-29 rates upon the completion of the CY 2022 191 pass-through account audit, which is currently in process. No issues came to the attention of the Division during its review of the relevant TIC portion of its audit of the 191 account warranting a change to the interim TIC rates presented by DEU.

Conclusion

The Division concludes the TIC rates presented by DEU in Docket Nos. 20-057-15, 21-057-09, and 21-057-18 are just and reasonable. During the review of these dockets and the completion of its audit of the 191 account for the year ending December 31, 2021, the Division found no evidence warranting an adjustment to the TIC amounts previously approved on an interim basis. The Division therefore recommends the Commission order the interim rates in the above listed Dockets as final.

cc: Kelly Mendenhall, Dominion Energy Utah
Michele Beck, Office of Consumer Services