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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR A SUBSCRIPTION-BASED CARBON OFFSET PROGRAM	Docket No. 21-057-14  APPLICATION
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Pursuant to Utah Code Ann. §§ 54-4-1 and 54-3-3 (2020), and Utah Administrative Code §§ R746-1-101 *et seq.* and R746-405-1 (2020) *et seq.*, Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Application to the Utah Public Service Commission (Commission) and requests approval of changes to its Utah Natural Gas Tariff No. 500 (Tariff) necessary to implement a voluntary Carbon Offset program in Utah (Program). Under the proposed voluntary Program, Dominion Energy’s customers would have the opportunity to pay a surcharge on their monthly bill that would fund the purchase of various carbon mitigating

activities to offset the carbon emissions from their natural gas usage. The Company further requests approval of the accounting orders necessary for the implementation of the Program.

At a time when carbon offset offerings are available across North America, and as customer interest in such programs is growing, the proposed Program offers an opportunity for interested Utah customers to contribute to environmentally sustainable programs. As described more fully in the Direct Testimony of Jordan K. Stephenson, attached as DEU Exhibit 1.0, the Program would provide benefits to Utah customers, and to the environment. These benefits include satisfying customer demand for carbon neutral option, and advancing the improvement of environmental conditions.

Participation in the Program would be completely voluntary, and customers could enter and exit it as described more fully in the testimony of Jordan K. Stephenson. Funds from customer surcharges would be used to purchase Carbon Offsets (as defined in DEU Exhibit 1.0), and to cover the Program's administrative costs. The Program is expected to be self-sustaining, meaning that non-participating customers would not bear any cost burden related to the Program.

The Company has discussed its plans with interested stakeholders to develop the Program and plans to continue to collaborate as the details of the Program are communicated to customers. The Company has selected an accounting methodology for the Program that will confirm both that participating customers can be assured that the Company has purchased and effectively retired quality carbon offsets, and that the Program's costs are fully covered.

The Company has provided the pre-filed Direct Testimony of Jordan K. Stephenson and accompanying exhibits to support this Application and incorporates that testimony and exhibits herein by reference.

Based upon the foregoing, approval the proposed changes to the Company's Utah Natural Gas Tariff No. 500 (Tariff) and accounting orders is just, reasonable and in the public interest.

WHEREFORE, Dominion Energy Utah respectfully requests that the Commission enter an Order authorizing Dominion Energy to:

- 1) Approve the implementation of the Program and described above and in the direct testimony of Mr. Stephenson;
- 2) Implement the proposed Tariff Section 8.10 and the proposed changes to Tariff Sections 8.07 and the Tariff's glossary, in accordance with its rules and procedures, and the Company's Tariff;
- 3) Record as a regulatory asset the costs incurred for the Program as discussed in this Application, which include:
  - i. Customer contributions
  - ii. Marketing and administrative costs
  - iii. Interest expense
  - iv. Expenses associated with the purchase of carbon offsets
  - v. Expenses associated with funding of qualifying initiatives; and
- 4) Issue a deferred accounting order allowing the Company to establish Carbon Offset Account 191.5.

RESPECTFULLY SUBMITTED this 30<sup>th</sup> day of June, 2021.

DOMINION ENERGY UTAH



Jenniffer Nelson Clark  
*Attorney for Dominion Energy Utah*

## CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Application was served upon  
the following persons by e-mail on June 30, 2021:

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