

- 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 NO. 21-057-17</u>
Application of Dominion Energy Utah for an Adjustment to the Daily Transportation Imbalance Charge	<u>DOCKET NO. 21-057-18</u>
Application of Dominion Energy Utah to Change the Infrastructure Rate Adjustment	<u>DOCKET NO. 21-057-19</u>
Application of Dominion Energy Utah to Amortize the Conservation Enabling Tariff Balancing Account	<u>DOCKET NO. 21-057-20</u>
Application of Dominion Energy Utah to Amortize the Energy Efficiency Deferred Account Balance	<u>DOCKET NO. 21-057-21</u>
Application of Dominion Energy Utah to Modify the Sustainable Transportation and Energy Plan Surcharge	<u>DOCKET NO. 21-057-22</u>
Application of Dominion Energy Utah for an Adjustment to the Low Income/ Energy Assistance Rate	<u>DOCKET NO. 21-057-23</u>
Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications	<u>DOCKET NO. 19-057-02</u>
	<u>ORDER</u>

ISSUED: October 29, 2021

SYNOPSIS

The Public Service Commission (PSC) approves the eight applications Dominion Energy Utah (DEU) filed in the referenced dockets (“Dockets”). Our approval results in a total average net increase of \$5.25 or 8.97 percent to the monthly bill of a typical GS residential customer using 80 decatherms (Dth) of natural gas per year.

The PSC approves the following applications on an interim basis (collectively, “Interim Rate Applications”), subject to audit, effective November 1, 2021:

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 2 -

- i. Pass-Through Application of DEU for an Adjustment in Rates and Charges for Natural Gas Service in Utah (Docket No. 21-057-17);
- ii. Application of DEU for an Adjustment to the Daily Transportation Imbalance Charge (Docket No. 21-057-18);
- iii. Application of DEU to Change the Infrastructure Rate Adjustment (Docket No. 21-057-19) including, without limitation, DEU's Corrected Exhibits 1.1C and 1.4C which replace the original DEU Exhibits 1.1C and 1.4C; and
- iv. Application of DEU to Amortize the Energy Efficiency Deferred Account Balance (Docket No. 21-057-21).

In addition, the PSC approves final rates and tariff modifications as requested in the following applications (collectively, "Final Rate Applications"), effective November 1, 2021:

- i. Application of DEU to Amortize the Conservation Enabling Tariff Balancing Account (Docket No. 21-057-20);
- ii. Application of Dominion Energy Utah to Implement a Sustainable Transportation and Energy Plan Surcharge (Docket No. 21-057-22) including, without limitation, DEU's Corrected Exhibit 1.03C which replaces the original DEU Exhibit 1.03C; and
- iii. Application of DEU for an Adjustment to the Low-Income Assistance/Energy Assistance Rate (Docket No. 21-057-23) including, without limitation, DEU's Corrected Exhibit 1.4C which replaces the original DEU Exhibit 1.4C.

The PSC also grants DEU's Motion to Implement Step 3 Increase in Rates in Docket No. 19-057-02 ("Step 3 Motion"), and approves the implementation of the final revenue increase pursuant to our Report and Order in the docket, issued February 25, 2020.

---

PROCEDURAL BACKGROUND

DEU filed the Interim Rate Applications, the Final Rate Applications, and the Step 3 Motion on October 1, 2021. Each application proposes discrete rate changes and modifications to DEU's PSCU Tariff No. 500 ("Tariff"), effective November 1, 2021.

On October 5, 2021, the PSC held a consolidated scheduling conference for the Dockets. On October 6, 2021, the PSC issued a Scheduling Order and Notice of Virtual Consolidated Hearing ("Scheduling Order"). On October 19, 2021, DPU filed comments and

recommendations regarding the eight applications. No other party petitioned to intervene or filed comments in any of the Dockets.

On October 25, 2021, the PSC held a consolidated hearing in the Dockets to consider each of the applications, during which DEU and DPU provided testimony.

### FACTUAL BACKGROUND

#### **Docket No. 21-057-17: 191 Account Application**

DEU's Pass-Through 191 Account Application in Docket No. 21-057-17 ("191 Account Application") proposes an increase of \$82,727,501 in DEU's Utah natural gas rates related to DEU's Account 191.1 of the Uniform System of Accounts, Unrecovered Purchased Gas Costs ("191 Account").<sup>1</sup> The 191 Account Application states DEU's request is based on projected Utah gas-related costs of approximately \$592.198 million for the forecast test year ending October 31, 2022 ("Test Year"). This represents an overall increase of approximately \$82.728 million, reflecting a projected \$84.275 million increase in commodity costs and a projected \$1.547 million decrease in supplier non-gas (SNG) costs.

---

<sup>1</sup> See DEU's Utah Natural Gas Tariff PSCU 500 at 2-1 to 2-9. As the PSC recognized in an earlier docket, "[t]he 191 Account's purpose is to allow [DEU] to recover, on a dollar-for-dollar basis, the difference between projected gas costs and the actual costs [DEU] incurs to purchase gas. In addition to commodity gas costs, the 191 Account also tracks certain 'supplier non-gas costs' . . . which are costs associated with gathering, processing, transporting[,] and storing gas." *In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah*, Docket No. 16-057-05, Order Memorializing Bench Rulings issued July 11, 2016 at 2.

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 4 -

*The 191 Account Application Seeks an Increase of Approximately \$0.74 per Dth in the Commodity Component of Rates.*

The 191 Account Application proposes to increase DEU’s total commodity rate from \$4.20 per Dth to \$4.94 per Dth.<sup>2</sup> DEU’s proposed commodity rate represents approximately \$507.000 million of Test-Year Gas Costs compared to approximately \$420.710 million of Base Gas Costs, an increase of approximately \$84.275 million, or approximately \$0.74 per Dth of test-year sales. DEU’s proposed commodity rate also includes amortization of an under-collected commodity portion of the 191 Account balance of approximately \$57.110 million as of August 31, 2021, which DEU proposes to amortize at approximately \$0.50 per Dth. The combination of those two rate components is shown below:

	<b><u>Current Commodity Rate per Dth</u></b>	<b><u>Proposed Commodity Rate per Dth</u></b>	<b><u>Difference</u></b>
Gas Costs	\$3.71337	\$4.44217	\$0.72880
191 Amortization Rate	<u>\$0.49074</u>	<u>\$0.50038</u>	<u>\$0.00964</u>
<b>Total Commodity Rate</b>	<b>\$4.20411</b>	<b>\$4.94255</b>	<b>\$0.73844</b>

DEU states that the commodity rate increase is due to higher forecasted gas costs for the Test Year compared to base gas costs, and that the under-collected commodity balance in the 191 Account is caused entirely by high gas purchased costs DEU incurred during an extreme weather event in Texas in February of 2021. This in turn led to high demand for natural gas in Wyoming and high spot natural gas prices.

---

<sup>2</sup> 191 Account Application, Ex. 1.5, p.1.

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 5 -

*The 191 Account Application Seeks a Credit of \$0.36648 per Dth Applicable to the Natural Gas Vehicle (NGV) Commodity Rate.*

In response to our October 30, 2020 Order in Docket No. 20-057-14, DEU states it is now accounting for RIN proceeds by amortizing the proceeds and returning them to NGV customers as a credit, rather than recognizing the credit through the 191 Account commodity rate component.<sup>3</sup> DEU proposes to amortize total RIN proceeds of \$74,160 over the test period through a credit against the commodity rate for NGV customers of \$0.36648 per Dth.<sup>4</sup> The current and proposed rates are shown below:

	<b>Current NGV <u>Rate per Dth</u></b>	<b>Proposed NGV <u>Rate per Dth</u></b>	<b><u>Difference</u></b>
Gas Costs	\$3.71337	\$4.44217	\$0.72880
191 Amortization Rate	\$0.49074	\$0.50038	\$0.00964
RIN Credit	<u>\$(0.33706)</u>	<u>\$(0.36648)</u>	<u>\$0.02942</u>
<b>Total Commodity Rate</b>	<b>\$3.86705</b>	<b>\$4.57607</b>	<b>\$0.70902</b>

*The 191 Account Application Seeks a \$1.566 Million Decrease in Total Revenue Collections Tied to SNG Rates During the Test Year.*

DEU calculates total test-year SNG costs as the sum of forecast SNG costs for the Test Year and the SNG component of the current 191 Account balance. DEU forecasts SNG costs of approximately \$85.197 million, a decrease from the approximately \$86.349 million of SNG costs forecasted in Docket No. 21-057-11. DEU reports that the SNG component of the current 191 Account balance is approximately \$5.372 million, for a total of \$90.569 million in test-year SNG

---

<sup>3</sup> See *Pass-Through Application of Dominion Energy Utah for an Adjustment in Rates and Charges for Natural Gas Service in Utah*, Docket No. 20-057-14, Order, at 15, where we “encourage[d] DEU to continue to evaluate other methods to more transparently account for the NGV RIN credit in the 191 Account model.”

<sup>4</sup> See 191 Account Application, ¶ 19.

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 6 -

costs.<sup>5</sup> At current SNG rates, DEU estimates it would recover approximately \$92.135 million, plus approximately \$5.373 million of amortized SNG component of the 191 Account balance at amortization rates approved in Docket No. 20-057-07.<sup>6</sup> DEU proposes to maintain that amortization rate to keep the SNG component of the 191 Account balance within an over- and under-collected range of no more than positive or negative \$14 million.<sup>7</sup> DEU proposes the following changes to the SNG Base Rate and the SNG Amortization Rate:<sup>8</sup> DEU's forecast results in a proposed SNG cost reduction of approximately \$1.566 million, resulting in the rate changes shown below:

	<b><u>Current SNG Rate per Dth</u></b>	<b><u>Proposed SNG Rate per Dth</u></b>	<b>Difference</b>
<b>GS Rate Schedule</b>			
Summer Blocks 1 and 2 <sup>9</sup>			
SNG Base Rate	\$0.37862	\$0.37355	\$(0.00507)
SNG Amortization Rate	<u>\$0.02356</u>	<u>\$0.02356</u>	<u>\$ ---</u>
<b>Total</b>	<b>\$0.40218</b>	<b>\$0.39711</b>	<b>\$(0.00507)</b>
Winter Blocks 1 and 2			
SNG Base Rate	\$0.90264	\$0.88317	\$(0.01947)
SNG Amortization Rate	<u>\$0.05618</u>	<u>\$0.05618</u>	<u>\$ ---</u>
<b>Total</b>	<b>\$0.95882</b>	<b>\$0.93935</b>	<b>\$(0.01947)</b>
<b>FS Rate Schedule</b>			
Summer Blocks 1, 2, and 3			
SNG Base Rate	\$0.69057	\$0.75994	\$0.06937
SNG Amortization Rate	<u>\$0.04298</u>	<u>\$0.04298</u>	<u>\$ ---</u>
<b>Total</b>	<b>\$0.73355</b>	<b>\$0.80292</b>	<b>\$0.06937</b>

<sup>5</sup> *Pass-Through Application of Dominion Energy Utah for an Adjustment in Rates and Charges for Natural Gas Service in Utah*, Docket No. 21-057-11, DEU Exhibit 1.5, at 2.

<sup>6</sup> *Pass-Through Application of Dominion Energy Utah for an Adjustment in Rates and Charges for Natural Gas Service in Utah*, Docket No. 20-057-07.

<sup>7</sup> This amount is changed from DEU's previous goal of maintaining the account within a range of \$20 million over- or under-collected due to changes in the definitions of SNG costs, which the PSC approved in *Application of Dominion Energy Utah for Approval of Modifications to Tariff Section 2.06*, Docket No. 19-057-T01, Order Approving Dominion Energy Utah's Modifications to Tariff Section 2.06, issued May 9, 2019.

<sup>8</sup> 191 Account Application, Ex. 1.5, p.6.

<sup>9</sup> The GS Block 1 rate is applicable to the first 45 Dth; Block 2 is applicable to usage greater than 45 Dth.

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 7 -

Winter Blocks 1, 2, and 3			
SNG Base Rate	\$0.85460	\$0.93437	\$0.07977
SNG Amortization Rate	<u>\$0.05319</u>	<u>\$0.05319</u>	\$ ---
<b>Total</b>	<b>\$0.90779</b>	<b>\$0.98756</b>	<b>\$0.07977</b>
<b>NGV Rate Schedule</b>			
SNG Base Rate	\$0.99777	\$0.96427	\$(0.03350)
SNG Amortization Rate	<u>\$0.06210</u>	<u>\$0.06210</u>	\$ ---
<b>Total</b>	<b>\$1.05987</b>	<b>\$1.02637</b>	<b>\$(0.03350)</b>
<b>IS Rate Schedule</b>			
SNG Base Rate	\$0.17957	\$0.17963 <sup>10</sup>	\$0.00006
SNG Amortization Rate	<u>not applicable</u>	<u>not applicable</u>	<u>not applicable</u>
<b>Total</b>	<b>\$0.17957</b>	<b>\$0.17963</b>	<b>\$0.00006</b>

As presented in DEU Exhibit 1.4, page 3, DEU also proposes to change the additional SNG monthly demand charge (“SNG Adder”) which allocates peak hour contract costs to transportation customers. This charge is collected from TS and TBF customers through a monthly demand charge per Dth of contracted monthly firm demand, and was approved in the PSC’s February 25, 2020 Order in Docket No. 19-057-02 (“2020 GRC Order”).<sup>11</sup> The current and proposed rates are shown below:

<sup>10</sup> See 191 Account Application, Ex. 1.5, p.3, n.1 for calculation.

<sup>11</sup> *Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications*, Docket No. 19-057-02.

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 8 -

	<b><u>Current SNG Rate per Dth</u></b>	<b><u>Proposed SNG Rate per Dth</u></b>	<b>Difference</b>
<b>TSF Rate Schedule</b>			
Base SNG Annual Dem.	\$1.90192	\$1.88962	\$(0.01230)
SNG Amortization Rate	<u>\$0.11838</u>	<u>\$0.11838</u>	\$ ---
<b>SNG Adder Annual</b>	<b>\$2.02030</b>	<b>\$2.00800</b>	<b>\$(0.01230)</b>
<b>SNG Adder Monthly</b>	<b>\$0.16836</b>	<b>\$0.16733</b>	<b>\$(0.00103)</b>
<b>TBF Rate Schedule</b>			
Base SNG Annual Dem.	\$1.18506	\$1.18324	\$(0.00182)
SNG Amortization Rate	<u>\$0.07376</u>	<u>\$0.07376</u>	\$ ---
<b>SNG Adder Annual</b>	<b>\$1.25882</b>	<b>\$1.25700</b>	<b>\$(0.00182)</b>
<b>SNG Adder Monthly</b>	<b>\$0.10490</b>	<b>\$0.10475</b>	<b>\$(0.00015)</b>

*DPU Supports the 191 Account Application, Subject to an Audit, and No Party Opposes the Application.*

DPU testified the rates proposed in the 191 Account Application are just and reasonable, and in the public interest, and recommends their approval on an interim basis, effective November 1, 2021, subject to audit and review. DPU calculates that approval of the 191 Account Application will result in an increase to the annual bill of a typical<sup>12</sup> GS residential customer of \$57.88, or 8.24 percent. No party opposes the 191 Account Application.

**Docket No. 21-057-18: Daily Transportation Imbalance Charge Application**

In its application filed in Docket No. 21-057-18 (“TIC Application”), DEU proposes to increase its Daily Transportation Imbalance Charge (“TIC”) to \$0.08316 per Dth. DEU’s proposal represents a 9.8% increase over the previous TIC of \$0.07575 per Dth ordered by the PSC in Docket No. 21-057-09. The TIC applies to daily imbalance volumes outside of a five

---

<sup>12</sup> The assumption is that a typical GS residential customer uses 80 Dth per year.



percent tolerance for transportation customers<sup>13</sup> taking service under MT, TS, and FT-1 rate schedules,<sup>14</sup> calculated using historical data for the twelve months ended August 31, 2021.

The PSC approved the TIC and provided for it to be reviewed and recalculated concurrent with 191 Account pass-through filings in its November 9, 2015 order in Docket No. 14-057-31.<sup>15</sup>

DEU's proposed increase in the TIC is based on an increase in net imbalance volumes to 3,395,735 Dths from 3,394,751 Dths, and an increase in daily volumes outside of the five percent tolerance to 10,220,122 Dths from 9,128,985 Dths. DEU argues that the TIC continues to achieve its intended objective of ensuring that those who utilize SNG services pay for the cost of those services.

*DPU Supports the TIC Application on an Interim Basis, Subject to an Audit.*

DPU states the current TIC has only been in place since February 2016, and that while it appears the nominations have become more accurate since the rate was imposed, several individual customers with gas nominations still fall outside the acceptable range. DPU contends there is also a large variation in the size of customers using the transportation rate.<sup>16</sup> DPU commits it will continue to monitor the TIC and usage.

---

<sup>13</sup> DEU Tariff, Section 5.01, Transportation Service, defines "daily imbalance" as "the difference between the customer's scheduled quantities, less fuel, and the customer's actual usage on any given day."

<sup>14</sup> The FT-1 rate schedule was renamed TBF (Transportation Bypass Firm) in Docket No. 18-057-T04. In addition, the TS schedule now includes both Transportation Service Firm (TSF) and Transportation Service Interruptible (TSI) customer classes.

<sup>15</sup> See *In the Matter of the Application of Questar Gas Company to Make Tariff Modifications to Charge Transportation Customers for Use of Supplier-Non-Gas Services*, Docket No. 14-057-31, Order issued November 9, 2015.

<sup>16</sup> DPU October 19, 2021 Comments at 3.

DPU states it has reviewed the calculation and the TIC Application, but has not completed an audit of the individual entries and the credits to the 191 Account. DPU testified the requested changes are just and reasonable, and in the public interest. Accordingly, DPU recommends the proposed rate be approved on an interim basis, effective November 1, 2021. No party opposes the TIC Application.

**Docket No. 21-057-19: Infrastructure Rate Adjustment Application**

In its application filed in Docket No. 21-057-19 (“IRA Application”), DEU proposes to adjust its Infrastructure Rate Adjustment (IRA) applied to Distribution Non-Gas (DNG) portions of its GS, FS, IS, TSF, TSI, TBF, MT, and NGV rate schedules. The PSC approved the IRA in 2010 as part of the Infrastructure Tracker Pilot Program (“Infrastructure Tracker”)<sup>17</sup> to allow DEU to track and recover, through incremental natural gas rate surcharges, costs directly associated with the replacement of aging gas distribution infrastructure. DEU assigns the IRA to each rate class based on the PSC-approved total pro rata share of DNG tariff revenue ordered in the most recent general rate case.<sup>18</sup>

The PSC authorized the continuation of the Infrastructure Tracker in the 2020 GRC Order. Under the continued program, the PSC authorized a test year spending cap of \$72.2 million, adjusted each year based on the GDP Deflator Index.<sup>19</sup> The PSC also permitted any

---

<sup>17</sup> See *In the Matter of the Application of Questar Gas Company to Increase Distribution Non-Gas Rates and Charges and Make Tariff Modifications*, Docket No. 09-057-16, Report and Order issued June 3, 2010.

<sup>18</sup> See IRA Application at 2-3.

<sup>19</sup> See 2020 GRC Order, at 45.

infrastructure investment over \$80.4 million on or after January 1, 2019, to be included in the Infrastructure Tracker.<sup>20</sup>

DEU represents, consistent with Exhibit 1.1 Page 4 of the IRA Application, that approximately \$79.170 million in cumulative infrastructure investment was placed in service from August 2019 through September 2021. The IRA Application reflects an incremental revenue requirement of \$3.989 million. Under the incremental revenue requirement, DEU estimates that a typical GS residential customer using 80 Dths per year will see a total annual bill increase of \$2.68 or 0.38 percent.

In the IRA Application, DEU also presents the amount of infrastructure investments, calculations showing the revenue increase required by DEU for its tracked investments, and revised tariff sheets reflecting the proposed rate adjustments in several exhibits, which reflect DEU's calculation of the Infrastructure Tracker-related incremental revenue requirement as follows:

---

<sup>20</sup> *Id.*, at 14, and 2020 GRC Order Granting Petition for Agency Review and Rehearing of the PSC's February Order issued March 27, 2020 at 3.

**Incremental Revenue Requirement Calculation<sup>21</sup>**

	<b>Revised Revenue Requirement</b>
1. Total Net Investment	\$159,569,687
2. Less: Amount currently in rates	\$(80,400,000)
3. <b>Replacement Infrastructure in Tracker</b>	<b>\$79,169,687</b>
4.     Less: Accumulated Depreciation	\$(2,488,332)
5.             Accumulated Deferred Income Tax	\$(1,030,355)
6. <b>Net Rate Base</b>	<b>\$75,651,001</b>
7.     Current PSC-Allowed Pre-Tax Rate of Return	8.90%
8. <b>Allowed Pre-Tax Return</b>	<b>\$6,732,939</b>
9.     Plus: Net Depreciation Expense	\$1,527,975
10.             Net Taxes Other Than Income	\$907,812
11. <b>Total Revenue Requirement</b>	<b>\$9,168,726</b>
12. Previous Revenue Requirement	\$5,179,524
13. <b>Incremental Revenue Requirement</b>	<b>\$3,989,202</b>

*DPU Supports the Infrastructure Rate Adjustment Application, Subject to an Audit, and No Party Opposes the Application.*

DPU testified the rates proposed in the Infrastructure Rate Adjustment Application are just and reasonable, and in the public interest, and recommends their approval on an interim basis, effective November 1, 2021, subject to audit and review. DPU calculates that approval of the Infrastructure Rate Adjustment Application will result in an increase to the annual bill of a typical GS residential customer of \$2.67, or 0.38 percent. No party opposes the Infrastructure Rate Adjustment Application.

---

<sup>21</sup> See IRA Application, Ex. 1.1 at 6, filed October 1, 2021.

**Docket No. 21-057-20: Conservation Enabling Tariff Application**

In its application in Docket No. 21-057-20 (the “CET Application”), DEU requests approval to amortize the Conservation Enabling Tariff (CET) Account balance and adjust the DNG portion of its GS rate schedule. According to DEU, as of August 2021, the CET account has an under-collected balance of \$2.876 million.<sup>22</sup> DEU proposes to amortize this balance by allocating the total CET account balance to each summer and winter block comprising GS DNG rates proportionate to estimated test-year DNG revenues for each block.<sup>23</sup> DEU states that approval of the application will result in a decrease to the annual bill of a typical GS customer using 80 Dth per year, of \$1.01 or 0.14 percent.

	<b><u>Current CET Rate per Dth</u></b>	<b><u>Proposed CET Rate per Dth</u></b>	<b><u>Difference in CET Rates per Dth</u></b>
<b>GS Rate Schedule</b>			
Summer Block 1	\$0.03319	\$0.02274	\$(0.01044)
Summer Block 2	\$0.01323	\$0.00888	\$(0.00435)
Winter Block 1	\$0.04483	\$0.03083	\$(0.01400)
Winter Block 2	\$0.02488	\$0.01697	\$(0.00791)

*DPU Supports the Proposed Conservation Enabling Tariff Rates, and No Party Opposes the Application.*

DPU agrees with DEU that approval of the CET Application will result in a decrease to the annual bill of a typical GS customer using 80 Dth per year, of \$1.01, or 0.14 percent. DPU testifies that the rates proposed in the CET Application are just and reasonable, and in the public interest, and recommends the PSC approves them as final, effective November 1, 2021. No party provided comments or testimony opposing the CET Application.

---

<sup>22</sup> CET Application at 2, ¶ 4.

<sup>23</sup> See CET Application at DEU Exhibit 1.2.

**Docket No. 21-057-21: Amortization of Energy Efficiency Account Balance Application**

In its application in Docket No. 21-057-21 (the “Energy Efficiency Application”), DEU proposes to increase the Energy Efficiency amortization rate component of the DNG Rate for all GS Rate Schedule usage blocks to \$0.27767 per Dth from the \$0.20678 per Dth rate approved in Docket No. 20-057-18.<sup>24</sup> The proposed rate reflects an August 31, 2021 Energy Efficiency Account balance of \$4,371,516 and a projected 2022 Energy Efficiency budget of approximately \$27.058 million, resulting in an increase in the amount amortized of \$7.792 million. DEU states that based on forecasted 2022 budgeted expenditures and projected volumes for the 2021-2022 test year, it will be able to collect the necessary revenue while at the same time minimizing interest expense.<sup>25</sup> DEU estimates that a residential customer using 80 Dths per year will see an annual bill increase of \$5.66 or 0.81 percent due to the increased amortization rate.

*DPU Supports the Energy Efficiency Application, Subject to an Audit, and No Party Opposes the Application.*

DPU states approval of the Energy Efficiency Application will result in an increase to the annual bill of a typical GS customer using 80 Dth per year of \$5.66 or 0.81 percent. DPU testified the rates proposed are just and reasonable for Utah customers, and approval of the changes proposed in the Energy Efficiency Application are also in the public interest. Accordingly, DPU recommends the PSC approve the requested rate change on an interim basis,

---

<sup>24</sup> See *Application of Dominion Energy Utah to Amortize the Energy Efficiency Deferred Account Balance*, Docket No. 20-057-18, Order issued October 30, 2020.

<sup>25</sup> Energy Efficiency Application at 3, ¶ 1.

effective November 1, 2021, subject to audit and review. No party opposes the Energy Efficiency Application.

**Docket No. 21-057-22: Sustainable Transportation and Energy Plan Surcharge Application**

In its application in Docket No. 21-057-22 (the “STEP Surcharge Application”), DEU requests approval to modify the Sustainable Transportation and Energy Plan (STEP) surcharge to reflect the Step 3 cost-of-service allocations approved by the PSC in its Order in Docket No. 19-057-02.<sup>26</sup> Under the PSC’s orders in Docket No. 19-057-33<sup>27</sup> and Docket No. 20-057-19,<sup>28</sup> DEU collects a total of \$500,000 annually through surcharges allocated to all customer classes based on the currently-approved cost-of-service allocation. The PSC approved Step 2 and Step 3 cost-of-service allocations in its December 21, 2020 order in Docket No. 19-057-02.<sup>29</sup>

DEU updated the STEP surcharge based on the Step 2 cost-of-service allocation in Docket No. 20-057-23, and now proposes to update the STEP surcharge based on the Step 3 cost-of-service allocation. DEU states that approval of the application will result in no material change to the annual bill of a typical GS customer using 80 Dth per year.

---

<sup>26</sup> DEU also committed to updating STEP surcharge allocation percentages in the fall of 2021 in its last application to increase the STEP Surcharge, *Application of Dominion Energy Utah to Implement a Sustainable Transportation and Energy Plan Surcharge*, Docket No. 20-057-19 at 3.

<sup>27</sup> *Application of Dominion Energy Utah for Approval of a Natural Gas Clean Air Project and Funding for the Intermountain Industrial Assessment Center*, Docket No. 19-057-33, Order Approving Settlement Stipulation issued August 31, 2020.

<sup>28</sup> *Application of Dominion Energy Utah to Implement a Sustainable Transportation and Energy Plan Surcharge*, Docket No. 20-057-19, Order issued October 30, 2020 at 12-13.

<sup>29</sup> *Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications*, Docket No. 19-057-02, Order issued December 21, 2020.

*DPU Supports the STEP Surcharge Application, and No Party Opposes the Application.*

DPU states that approval of the STEP Surcharge Application will result in a decrease to the annual bill of a typical GS customer using 80 Dth per year, of \$0.02. Further, DPU states that the STEP Surcharge Application complies with the PSC order. DPU states that the accompanying Tariff sheets are consistent with the STEP Surcharge Application. DPU also testified the rates proposed are just and reasonable for Utah customers, and approval of the STEP Surcharge Application is in the public interest. Accordingly, DPU recommends the PSC approve the requested rate change, effective November 1, 2021. No party opposed the STEP Surcharge Application.

**Docket No. 21-057-23: Low Income Assistance/Energy Assistance Rate Application**

In its application in Docket No. 21-057-23 (“Energy Assistance Rate Application”), DEU proposes to increase the Energy Assistance Rate to \$107, and fund the increase through incremental rate increases allocated to DNG portions of its customer rate classes.<sup>30</sup> The Energy Assistance Rate provides bill credits to qualifying low income customers under the Low-Income Assistance/Energy Assistance Program (“Energy Assistance Program”) approved by the PSC in Docket No. 10-057-08. The program is funded through allocations to the DNG rates of the GS, FS, NGV, IS, TBF, TSF, TSI, and MT rate classes and collected in the Low Income / Energy Assistance Fund balancing account, with a target balance of \$1.5 million. In the Energy Assistance Rate Application, DEU seeks an adjustment to Account 191.8 to ensure that the target funding level of \$1.5 million is maintained.

---

<sup>30</sup> Energy Assistance Rate Application, at 3.



DEU states that it under-collected \$86,375 from customers during the period ending July 2021, and on a cumulative basis since the beginning of the Energy Assistance Program. DEU proposes to collect that amount along with the \$1.5 million program allowed collection amount, for a total of \$1,586,375 during the test year. DEU estimates the \$107 Energy Assistance Rate based on that collection amount and an estimated 18,899 participants in the upcoming heating season.

On September 7, 2021, DEU met with interested parties including representatives from DPU, OCS, and AARP, and those in attendance determined the proposed Energy Assistance Rate is appropriate.

*DPU Supports the Energy Assistance Rate Application, and No Party Opposes the Application.*

In its comments and at the hearing, DPU confirmed its support for DEU's proposed change to the annual credit from \$77.00 to \$107.00 in its Energy Assistance Rate Application. Based on the information presented in the Energy Assistance Rate Application, DPU calculates that approval of the Energy Assistance Rate Application will result in a decrease to the annual bill of a typical GS residential customer using 80 Dth per year, of \$0.02. DPU testified the rates proposed are just and reasonable, and in the public interest, and recommends approval, effective November 1, 2021.

**Docket No. 19-057-02: Tariff Modification (Step 3) Motion**

In its Step 3 Motion, DEU proposes to implement the Step 3 revenue requirement approved by the PSC in the 2020 GRC Order.<sup>31</sup> DEU states that the proposed Step 3 revenue requirement results in changes to the base DNG rates of the GS, FS, NGV, TBF, and TSF/TSI rate classes and changes to the CET monthly allowed revenue amounts as both changes were set forth in the 2020 GRC Order. DEU further states that the Step 3 Motion results in an annualized consolidated rate decrease of 0.31 percent, or a decrease of \$2.15 per year for a typical GS residential customer using 80 Dths per year.

*DPU Does Not Oppose the Step 3 Motion.*

DPU states that approval of the Step 3 Motion will result in a decrease to the annual bill of a typical GS residential customer using 80 Dth per year of \$2.15, or 0.31 percent. DPU also states that the Step 3 Motion is in line with the 2020 GRC Order, and recommends approval, effective November 1, 2021.

**Summary of the Combined Net Rate Change, Assuming Approval of All Applications.**

Approval of the combined requested rate changes consistent with their corresponding applications, will result in an increase to the monthly bill of a typical GS residential customer using 80 Dth per year, of \$5.25 or 8.97 percent:

---

<sup>31</sup> *Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications*, Docket No. 19-057-02, Report and Order at 45-46.

191 Account Application:	\$57.88 increase or 8.24%
Transportation Imbalance Charge Application:	— <i>Not Applicable</i> —
Infrastructure Rate Adjustment Application:	\$2.67 increase, or 0.38%
Conservation Enabling Tariff Application:	\$1.01 decrease, or (0.14)%
Energy Efficiency Application:	\$5.66 increase, or 0.81%
STEP Application:	\$0.02 decrease, or (0.00)%
Low Income/Energy Assistance Application:	\$0.02 decrease, or (0.00)%
Step 3 Application	<u>\$2.15 decrease or (0.31)%</u> \$63.04 <sup>32</sup> increase/12
<b><i>Combined Impact (average monthly bill):</i></b>	<b><i>\$5.25 increase or 8.97%</i></b>

### **FINDINGS, CONCLUSION, AND ORDER**

#### A. The Interim Rate Applications.

##### 1. *Evidentiary Support for Proposed Interim Rate Changes*

In the Interim Rate Applications and at a hearing before the PSC, DEU offered sworn testimony and accompanying documentation that included detailed accountings of historical costs and revenues and cost and revenue projections, and detailed calculation models and supporting explanations describing the costs it seeks to recover, the rates it seeks to implement, and its methods of allocating costs and revenues to rate classes. DPU's pre-filed comments represented, and DPU testified at a hearing before the PSC, that it conducted a preliminary review of the Interim Rate Applications including an analysis of DEU's proposals and supporting documentation. DPU testified that based on this review, the rates proposed in the Interim Rate Applications are reasonable and in the public interest, and recommends that we

---

<sup>32</sup> DEU's calculation on the combined annual impact of \$63.04 differed from DPU's calculated combined annual impact of \$63.01. However, calculated on a monthly basis, the combined impact is the same under DEU's and DPU's calculations.

approve them on an interim basis. No party offered evidence opposing the Interim Rate Applications, DEU's testimony, or DPU's testimony and recommendation.

Accordingly, we find substantial evidence supports the conclusion that the rate changes requested by DEU in the Interim Rate Applications are more likely to reflect DEU's actual costs than current base rates, and accordingly are just, reasonable, and in the public interest. Though DPU's preliminary review shows that the proposed rates are just, reasonable, and in the public interest, DPU states that it has not yet conducted a final audit. We approve the proposed rates on an interim basis to ensure that the rates may be "trued-up" after DPU completes its final audit, such that DEU recovers no more or less from customers than the costs it actually incurs.

B. Applications for Final Rates.

In the Final Rate Applications and at a hearing before the PSC, DEU offered sworn testimony and accompanying documentation that included detailed accountings of historical costs and revenues and cost and revenue projections, and detailed calculation models and supporting explanations describing the costs it seeks to recover, the rates it seeks to implement, and its methods of allocating costs and revenues to rate classes. DPU's pre-filed comments represented, and DPU testified at a hearing before the PSC, that it reviewed the Final Rate Applications including an analysis of DEU's proposals and supporting documentation. DPU testified that, based on its review, the rates proposed in the Final Rate Applications are reasonable and in the public interest, and recommends approval. No party offered evidence

opposing the Final Rate Applications, DEU's testimony, or DPU's testimony and recommendation.

Accordingly, we find substantial evidence supports the conclusion that the rate changes requested by DEU in the Final Rate Applications<sup>33</sup> are just, reasonable, and in the public interest.

C. Step 3 Motion

In the Step 3 Motion, DEU submitted tariff sheets ("Step 3 Tariff Sheets") that are consistent with the rates approved in the 2020 GRC Order. In DPU's pre-filed comments, DPU states that the rates and charges described in the Step 3 Tariff Sheets match the rates and charges approved in the 2020 GRC Order and accurately reflect the PSC's directives. Based on its review and those comments, DPU recommends the PSC approve the Step 3 Tariff Sheets.

Based on the PSC's review of the Step 3 Tariff Sheets and on DPU's comments and recommendations, we find that the rates and charges described in the Step 3 Tariff sheets are consistent with the 2020 GRC Order, reflect prudently-incurred costs, and are just, reasonable, and in the public interest.

---

<sup>33</sup> The proposed rates and modifications related to the CET Application, the Energy Assistance Rate Application, and the STEP Surcharge Application do not require an audit.

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 22 -

ORDER

Therefore, we order:

1. The rates proposed in Docket Nos. 21-057-17, 21-057-18, 21-057-19, and 21-057-21 are approved on an interim basis, effective November 1, 2021, pending the results of DPU's forthcoming audits;
2. The rates proposed in Docket Nos. 21-057-20, 21-057-22, and 21-057-23 are approved as final, effective November 1, 2021;
3. The revenue increase proposed in the Step 3 Motion in Docket No. 19-057-02 is approved, effective November 1, 2021; and
4. The proposed tariff modifications in the eight applications described above (as corrected in Docket Nos. 21-057-19, 21-057-22, and 21-057-23) are approved, effective November 1, 2021.

DATED at Salt Lake City, Utah, October 29, 2021.

/s/ Yvonne R. Hogle  
Presiding Officer

Approved and confirmed October 29, 2021, as the Order of the Public Service  
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#320949

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 23 -

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. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 24 -

CERTIFICATE OF SERVICE

I CERTIFY that on October 29, 2021, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

Cameron L. Sabin ([cameron.sabin@stoel.com](mailto:cameron.sabin@stoel.com))  
Stoel Rives, LLP

Jenniffer Nelson Clark ([jenniffer.clark@dominionenergy.com](mailto:jenniffer.clark@dominionenergy.com))  
Austin Summers ([austin.summers@dominionenergy.com](mailto:austin.summers@dominionenergy.com))  
Travis Willey ([travis.willey@dominionenergy.com](mailto:travis.willey@dominionenergy.com))  
Dominion Energy Utah

Damon E. Xenopoulos ([dex@smxblaw.com](mailto:dex@smxblaw.com))  
Stone Mattheis Xenopoulos & Brew, PC  
Jeremy R. Cook ([jcook@cohnekinghorn.com](mailto:jcook@cohnekinghorn.com))  
Cohne Kinghorn  
*Representing Nucor Steel-Utah, a Division of Nucor Corporation*

Gary A. Dodge ([gdodge@hjdllaw.com](mailto:gdodge@hjdllaw.com))  
Phillip J. Russell ([prussell@hjdllaw.com](mailto:prussell@hjdllaw.com))  
Hatch, James & Dodge, P.C.  
*Representing the Utah Association of Energy Users*

Stephen F. Mecham ([sfmecham@gmail.com](mailto:sfmecham@gmail.com))  
Stephen F. Mecham Law, PLLC  
Curtis Chisholm ([cchisholm@ie-cos.com](mailto:cchisholm@ie-cos.com))  
*American Natural Gas Council, Inc.*

Gary A. Dodge ([gdodge@hjdllaw.com](mailto:gdodge@hjdllaw.com))  
Phillip J. Russell ([prussell@hjdllaw.com](mailto:prussell@hjdllaw.com))  
Roger Swenson ([roger.swenson@prodigy.net](mailto:roger.swenson@prodigy.net))  
*Representing US Magnesium, LLC*

Maj Scott L. Kirk ([scott.kirk.2@us.af.mil](mailto:scott.kirk.2@us.af.mil))  
Capt Robert J. Friedman ([robert.friedman.5@us.af.mil](mailto:robert.friedman.5@us.af.mil))  
Thomas A. Jernigan ([thomas.jernigan.3@us.af.mil](mailto:thomas.jernigan.3@us.af.mil))  
TSgt Arnold Braxton ([arnold.braxton@us.af.mil](mailto:arnold.braxton@us.af.mil))  
Ebony M. Payton ([ebony.payton.ctr@us.af.mil](mailto:ebony.payton.ctr@us.af.mil))  
*Federal Executive Agencies*



DOCKET NOS. 21-057-17, 21-057-18, 21-057-19, 21-057-20, 21-057-21,  
21-057-22, 21-057-23, and 19-057-02

- 25 -

Patricia Schmid ([pschmid@agutah.gov](mailto:pschmid@agutah.gov))  
Justin Jetter ([jjetter@agutah.gov](mailto:jjetter@agutah.gov))  
Robert Moore ([rmoore@agutah.gov](mailto:rmoore@agutah.gov))  
Steven Snarr ([stevensnarr@agutah.gov](mailto:stevensnarr@agutah.gov))  
Assistant Utah Attorneys General

Madison Galt ([mgalt@utah.gov](mailto:mgalt@utah.gov))  
Division of Public Utilities

Alyson Anderson ([akanderson@utah.gov](mailto:akanderson@utah.gov))  
Bela Vastag ([bvastag@utah.gov](mailto:bvastag@utah.gov))  
Alex Ware ([aware@utah.gov](mailto:aware@utah.gov))  
([ocs@utah.gov](mailto:ocs@utah.gov))  
Office of Consumer Services

---

Administrative Assistant