

- 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

DOCKET NOS. 21-057-28, 22-057-08, AND 22-057-16

Application of Dominion Energy Utah for an Adjustment to the Daily Transportation Imbalance Charge

DOCKET NOS. 21-057-29, 22-057-09, AND 22-057-17

ORDER SETTING FINAL RATES

ISSUED: May 22, 2024

BACKGROUND

Dominion Energy Utah (DEU) proposed adjustments to rates related to its Account 191.1 Pass-Through Account (“191-Account”) on December 1, 2021, in Docket No. 21-057-28; on June 1, 2022, in Docket No. 22-057-08; and on September 30, 2022, in Docket No. 22-057-16. The Public Service Commission (PSC) approved DEU’s proposed rates in those dockets on an interim basis, effective December 27, 2021, July 28, 2022,¹ and October 31, 2022, respectively. These interim rates were in effect during part or all of calendar year 2022 (“CY2022”).

On March 13, 2024, the Division of Public Utilities (DPU) filed a memorandum reflecting its Audit of Dominion Energy Utah’s 191-Account for CY2022 (“Audit”).² On March 14, 2024, the PSC issued a Notice of Filing and Comment Period concerning the Audit. No comments or reply comments were filed.

¹ An Erratum Order was issued August 2, 2022.

² By memorandum dated May 16, 2024, and in response to an Action Request by the PSC, DPU stated that its reference to docket 22-057-21 in its March 13, 2024, memorandum was in error and identified the correct docket reference as 21-057-29.

The PSC's order in Docket No. 21-057-28 approved, on an interim basis, DEU's request to increase annualized gas cost-related rates by \$28.885 million, consisting of a \$28.315 million increase in commodity costs and an increase of \$0.570 million in supplier non-gas (SNG) costs, for the test year 12 months ending December 31, 2022.

The PSC's order in Docket No. 22-057-08 approved, on an interim basis, DEU's request to increase annualized gas cost-related rates by \$93.837 million, consisting of a \$94.044 million increase in commodity costs and a decrease of \$0.206 million in SNG costs, for the test year 12 months ending July 31, 2023.

The PSC's order in Docket No. 22-057-16 approved, on an interim basis, DEU's request to increase annualized gas cost-related rates by \$128.167 million, consisting of a \$128.046 million increase in commodity costs and an increase of \$0.121 million in SNG costs, for the test year 12 months ending October 31, 2023.

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 dockets³ that are related to the 191-Account dockets that are the subject of this order.

³ See Docket Nos. 21-057-29, 22-057-09, and 22-057-17 filed simultaneously with the 191-Account Docket Nos. 21-057-28, 22-057-08, and 22-057-16.

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.”⁴ 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. 21-057-28 includes the January 1, 2022 through December 31, 2022 period, the test year in Docket No. 22-057-08 includes the August 1, 2022 through July 31, 2023 period, and the test year in Docket No. 22-057-16 includes the November 1, 2022 through October 31, 2023 period. Because the referenced dockets’ test years overlap, as explained below, we set final rates in the referenced 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) January 1, 2022 through July 31, 2022, period in Docket Nos. 21-057-28 and -29 (“Review Period A”); (2) August 1, 2022 through October 31, 2022, period in Docket Nos. 22-057-08 and -09 (“Review Period B”); and (3) November 1, 2022 through December 31, 2022, period in Docket Nos. 22-057-16 and -17 (“Review Period C”).

⁴ Dominion Energy Utah, Natural Gas Tariff PSCU 600 at 2-12.

B. The DPU's Audit in Docket Nos. 21-057-28, 22-057-08, and 22-057-16

The Audit includes a memorandum and three exhibits including: 1) a Summary of Audit Procedures and Results for Dominion Energy Utah's Account 191 for Calendar Year 2022 ("Summary"), 2) the confidential Wexpro Hydrocarbon Monitor Report 2022 ("Exhibit B"), and 3) the confidential Wexpro Accounting Monitor Report 2022 ("Exhibit C").

The Audit examines the various cost elements included in the 191-Account, except for those costs incurred under the Wexpro Stipulation and Agreement and the Wexpro II Agreement (collectively, "Wexpro Agreement"). An independent certified public accountant appointed as a monitor under the Wexpro Agreement provides reports on such costs, as set forth in Exhibits B and C of the Audit.

DPU provides a detailed explanation in the Summary of the processes it followed to evaluate the accuracy of the information included in DEU's original 191-Account filings. Using these procedures, DPU 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. Based on the Audit, DPU concludes "that [the] costs in the 191 Account comply with Commission approved calculations and are just, reasonable, and in the public

interest.”⁵ DPU recommends the PSC make rates final in Docket Nos. 21-057-28, 22-057-08, and 22-057-16.

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, DPU's memorandum and Audit findings, 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. 21-057-28, for Review Period B in Docket No. 22-057-08, and for Review Period C in Docket No. 22-057-16, are just, reasonable, and in the public interest. Accordingly, we approve the interim rates for Review Period A in Docket No. 21-057-28, for Review Period B in Docket No. 22-057-08, and for Review Period C in Docket No. 22-057-16, as final.

C. Dockets Related to DEU's TIC

DPU states that during its audit of the 191-Account for CY2022, it also reviewed the relevant TIC portion and states “the TIC rates for 2022 [in Docket Nos. 21-057-29,⁶ 22-057-09, and 22-057-17] can now be finalized.”⁷

Based on our review of DEU's original TIC filings, the Audit findings, and in the absence of any opposition, we accept and adopt DPU's recommendation. Accordingly,

⁵ Audit at 3.

⁶ See n.2, *supra*.

⁷ Audit at 3.

DOCKET NOS. 21-057-28, 22-057-08, 22-057-16, 21-057-29, 22-057-09, and 22-057-17

- 6 -

we approve the interim TIC rates for Review Period A in Docket No. 21-057-29, for Review Period B in Docket No. 22-057-09, and for Review Period C in Docket No. 22-057-17, as final.

ORDER

The 191-Account interim rate changes previously ordered by the PSC for Review Period A in Docket No. 21-057-28, for Review Period B in Docket No. 22-057-08, and for Review Period C in Docket No. 22-057-16, are final.

In addition, the interim TIC rates previously ordered by the PSC for Review Period A in Docket No. 21-057-29, for Review Period B in Docket No. 22-057-09, and for Review Period C in Docket No. 22-057-17, are final.

DATED at Salt Lake City, Utah, May 22, 2024.

/s/ John E. Delaney
Presiding Officer

Approved and confirmed May 22, 2024, as the order of the Public Service Commission of Utah.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

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

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#333863

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 May 22, 2024, a true and correct copy of the foregoing was served upon the following as indicated below:

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