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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Division Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Abdinasir Abdulle, Utility Technical Consultant
Shauna Benvegna-Springer, Utility Technical Consultant
Bob Davis, Utility Technical Consultant

Date: January 20, 2023

Re: **Docket No. 22-057-03**, Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications

Recommendation (Approval)

The Division of Public Utilities (Division) has reviewed Dominion Energy Utah's (DEU) tariff revisions reflecting the rate changes and all other tariff changes (Compliance Filing) approved by the Public Service Commission of Utah (Commission) in its December 23, 2022, Order in Docket No. 22-057-03 (Order). The Division's review of DEU's Filing concludes that the proposed rate revisions and tariff sheets comply with the Commission's Order. Based on its review, the Division concludes the proposed rates and tariff sheets are just, reasonable, and in the public interest. Therefore, the Division recommends the Commission approve DEU's rate revisions and tariff sheets with an effective date of January 1, 2023.

Issue

In its report and Order, the Commission ordered DEU to file appropriate tariff revisions reflecting the rate changes and all other changes approved in the Order within 14 days after

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

the date of its Order issued on December 23, 2022.¹ On January 6, 2023, DEU complied with the Commission order. Subsequently, the Commission issued an action request to the Division asking it to review DEU's compliance filing and make recommendations. The Commission asked the Division to report back by January 20, 2023.²

Background

On May 2, 2022, DEU filed an application including supporting direct testimony and exhibits with the Commission asking for approval to increase its distribution rates and charges and make tariff modifications with an effective date of January 1, 2023.³

The Commission conducted two evidentiary hearings consisting of Phase I for the Revenue Requirement on October 21, 2022, and Phase II for Class Cost of Service/Rate Design on November 17, 2022.⁴ The Commission issued its Order for both Phases on December 23, 2022.

Discussion

DEU's tariff sheets include changes associated with Docket No. 22-057-18, Dominion Energy Utah's Application for Approval of the 2023 Year Budget for Energy Efficiency Programs and Market Transformation Initiative. In that Docket, DEU requested an effective date of January 1, 2023. However, the DEU had not received the Commission's Order at the time of this filing. DEU has nonetheless included the changes that would take effect if the Commission approved the application in Docket No. 22-057-18.

The Commission issued its Order for Docket No. 22-057-18 on January 10, 2023.⁵ The Division has reviewed the tariff sheets related to Docket No. 22-057-18. The Division compared the proposed, and legislative tariff sheets in Docket No. 22-057-03, with those of

¹ See Commission Order, Docket No. 22-057-03, December 23, 2022, p. 58, Section 9, <https://pscdocs.utah.gov/gas/22docs/2205703/3264942205703o12-23-2022.pdf>.

² Public Service Commission Action Request to Division of Public Utilities, Docket No. 22-057-03, January 6, 2023, <https://pscdocs.utah.gov/gas/22docs/2205703/326584ActnRqstJan2020231-6-2023.pdf>.

³ Dominion Energy of Utah Compliance Filing, Docket No. 22-057-03, January 6, 2023, <https://pscdocs.utah.gov/gas/22docs/2205703/326581DEUCmplncFlnq1-6-2023.pdf>.

⁴ *Supra* note 1, p. 3-4.

⁵ See Commission Order, Docket No. 22-057-18, January 10, 2023, <https://pscdocs.utah.gov/gas/22docs/2205718/3265962205718o1-10-2023.pdf>.

Docket No. 22-057-18. The tariff sheets meet the requirements approved in the Commission's order issued on January 10, 2023.

The Commission's approved revenue requirement increase is allocated to customer classes to improve alignment of revenue requirement with the cost of service of each customer class, resulting in non-uniform percentage increases to the rate schedules. The total increase for all customer classes, except for customers in the Transportation Class, will be implemented effective January 1, 2023.⁶

The Commission approved the separation of the Transportation Class (TS) into TSS (Small), TSM (Medium), and TSL (Large) transportation classes, with distinct rates for each class. To mitigate the rate impact to the new transportation classes, new rates will be implemented in a series of three steps: the first step will occur on January 1, 2023; the second step will occur on July 1, 2023; and the third step will occur on July 1, 2024.⁷

In review of DEU's proposed tariff revisions, the Division concludes that DEU has not made a statement that its revised tariff schedules comply with Utah Administrative Code R746-405-2(D)(3)(g), which requires a statement that the tariff sheets proposed do not constitute a violation of state law or Commission rule. However, the Division concludes that DEU's filing does not appear to violate statute or rule.

Conclusion

The Division has reviewed DEU's tariff revisions reflecting the rate changes and all other tariff changes and sheets approved by the Commission in its Order. The Division's review of DEU's Filing concludes that the proposed rate revisions and tariff sheets comply with the Commission's Order. Based on its review, the Division concludes the proposed rates and tariff sheets are just, reasonable, and in the public interest.

cc: Austin Summers, DEU
Jenniffer Clark, DEU
Michele Beck, OCS

⁶ *Supra* note 1, p.1, ¶ 2.

⁷ *Id.* at ¶ 3.