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Division of Public Utilities
UTAH DEPARTMENT OF COMMERCE

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Memorandum

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Doug Wheelwright, Utility Technical Consultant Supervisor
Jeremy Hirschi, Utility Analyst
Trevor Jones, Utility Technical Consultant

Date: May 12, 2025

Re: **Docket Nos. 22-057-16 and 23-057-03,** Division of Public Utilities' Audit of Dominion Energy Utah's 191 Account for Calendar Year 2023.

Recommendation (Approval)

The Division of Public Utilities ("Division") has completed its review of Enbridge Gas Utah ("EGU") Account No. 191.1 of the Uniform System of Accounts ("191 Account") for the 2023 calendar year. EGU acquired Dominion Energy Utah ("DEU") in June 2024. EGU was previously known as Mountain Fuel and Questar Gas Company ("QGC") prior to the merger with Dominion Energy in September 2016. The Division recommends the Public Service Commission of Utah ("Commission") make rates final in Docket No. 22-057-16 for applicable months of 2023 (January and February) and Docket No. 23-057-03 for applicable months of 2023 (March through December). The completion of the 191 audit also allows for the finalization of the Transportation Imbalance Charge ("TIC") rates for the year 2023. Docket No. 22-057-17 for applicable months of 2023 (January and February) and Docket No. 23-057-04 for applicable months of 2023 (March through December) were also approved with interim rates and can now be approved for final rates.

Issue

In Docket Nos. 22-057-16 and 23-057-03, the Commission ordered approval of rates on an interim basis until such time the Division completed an audit of the 191 Account. The objective of the audit is to determine whether the costs included for recovery in the 191 Account are materially correct, appropriate, and comply with previous orders[1] issued by the Commission; in short, whether the costs were prudently incurred, leading to just and reasonable rates. The Division's audit[2] includes a detailed review of the various cost elements included in the 191 Account, except for those costs incurred under the Wexpro Stipulation and Agreement ("Wexpro Agreement"), and the Wexpro II Stipulation and Agreement ("Wexpro II Agreement"). The costs incurred under the two Wexpro Agreements are currently examined and reported upon by an independent certified public accounting firm appointed as the accounting monitor.

This memorandum presents the results of the Division's audit of the 191 Account for the 2023 calendar year. The more comprehensive Audit Report 2023 is attached as Exhibit A. In addition to Exhibit A, the following confidential third-party monitoring reports are attached as Exhibits B and C: Exhibit B – Wexpro HydroCarbon Monitor Report 2023 (CONF) and Exhibit C – Wexpro Accounting Monitor Report 2023 (CONF), which helped to form the basis of the Division's conclusion and recommendation.

Background

In Docket No. 78-057-13, the Commission authorized Mountain Fuel Supply Company (now EGU) to implement a purchase gas balancing account through Account 191. The 191 Account provides for pass-through recovery of natural gas and related costs in which the risk of changes in costs is borne by ratepayers.

The 191 Account consists of two components: a gas commodity cost and a Supplier Non-Gas Cost. Gas commodity costs include purchase gas costs offset by other revenues and Wexpro related costs and revenues associated with Company-owned gas. Supplier Non-Gas Costs include transportation, gathering, and storage.

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[1] Commission's previous orders regarding the 191 Account are described in the "Background" section of this memorandum.

[2] In using the term "Audit" the Division notes that it did not conduct an independent audit as defined and conducted under Generally Accepted Auditing Standards as promulgated under the Auditing Standards Board of the American Institute of Certified Public Accountants. In this instance, "audit" means compliance review.

In addition, the 191 Account contains other gas-related expenses as ordered by the Commission. Other gas-related expenses currently allowed recovery through the 191 Account include gas supply litigation costs (Docket No. 95-057-21), the carrying cost of working storage gas (Docket Nos. 93-057-01 and 01-057-14), hedging costs (Docket Nos. 00-57-08 and 00-057-10), and bad debts related to commodity and supplier non-gas costs (Docket No. 01-057-14).

Discussion

The Division conducted an audit of the 191 Account for the calendar year of 2023. During the audit, the Division reviewed pass-through filings and the applicable interim rates. The applicable interim rates applied during 2023 were filed in pass-through Docket Nos. 22-057-16 and 23-057-03. The Division finds that costs in the 191 Account comply with Commission approved calculations and are just, reasonable, and in the public interest. The Division recommends finalizing the applicable rates.

The Division also reviews the TIC each year. Docket Nos. 22-057-17 and 23-057-04, linked to the TIC, can also be approved for final rates following the completion of the 191 audit.

Conclusion

The Division finds that costs in the 191 Account are just, reasonable, and in the public interest. The Division recommends the Commission make rates final in Docket No. 22-057-16 (for the applicable period of January to February 2023) and Docket No. 23-057-03 (for the applicable period of March to December 2023). In addition, the Division also recommends that the Commission make the TIC rates final in Docket No. 22-057-16 (for the applicable period of January to February 2023) and Docket No. 23-057-04 (for the applicable period of March to December 2023).

cc: Kelly Mendenhall, Enbridge Gas Utah
Michele Beck, Office of Consumer Services