

APPLICATION OF DOMINION)
ENERGY UTAH FOR AN) DOCKET No. 22-057-17
ADJUSTMENT TO THE)
DAILY TRANSPORTATION) APPLICATION
IMBALANCE CHARGE)

All communications with respect to
these documents should be served upon:

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APPLICATION
AND
EXHIBITS

September 30, 2022

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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| IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH FOR AN ADJUSTMENT TO THE DAILY TRANSPORTATION IMBALANCE CHARGE | Docket No. 22-057-17 APPLICATION FOR AN ADJUSTMENT TO THE DAILY TRANSPORTATION IMBALANCE CHARGE |
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Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Application for an adjustment to the Daily Transportation Imbalance Charge pursuant to paragraph IV.J. of the Utah Public Service Commission (Commission) Order dated November 9, 2015 in Docket No. 14-057-31 (Order) and §5.01 of the Company's Utah Natural Gas Tariff No. 500 (Tariff).

In support of this Application, Dominion Energy states:

1. Dominion Energy's Operations. Dominion Energy, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's rates, charges, and general conditions for natural gas service in Utah are set forth in the Tariff. Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves customers in Franklin County, Idaho. Under the terms of an agreement

between the Commission and the Idaho Public Utilities Commission, the rates for these Idaho customers are determined by the Utah Commission. Volumes for these customers have been included in the Utah volumes.

2. Background. On December 18, 2014, the Company filed an application with the Commission seeking approval of a supplier non-gas (SNG) reimbursement charge. The charge had two objectives: First, to charge transportation customers for the SNG services they used that were paid for by sales customers, and second, to improve the accuracy of transportation customer nomination practices. In the Order dated November 9, 2015 in Docket No. 14-057-31, the Commission agreed that both of these objectives should be addressed and approved a supplier non-gas charge to be applied to daily imbalance volumes outside of a 5 percent tolerance for transportation customers taking service under the MT, TS and FT-1 (currently TBF, MT, and TSF and TSI) rate schedules. In the order, the Commission stated that the rate will be reviewed in future 191 account pass-through filings to determine if the Daily Transportation Imbalance Charge is achieving the intended objectives and whether changes should be implemented (Docket No. 14-057-31, paragraph IV.J, page 37). The rate has subsequently been reviewed and modified concurrently with each pass-through filing from 2016-2021. A 191 account pass-through application is being filed concurrently with this application in Docket No. 22-057-16. The transportation imbalance rate continues to achieve its intended objective of ensuring that those who utilize SNG services pay for the cost of those services. Based on updated usage and cost, the Company recommends modifying the rate as further described below.

3. Updated Rates. Exhibit 1.1 shows the calculation of the rate using the methodology approved in Docket No. 14-057-31, updated with volumes for the 12 months ended August 31, 2022. The rate is calculated as shown below:

$$\frac{(1) \$0.29322 \text{ (Volumetric rates)} \times (2) 3,691,127 \text{ Dths (total net imbalance volumes)}}{(3) 11,453,815 \text{ Dths (Daily volumes outside of 5\% tolerance)}}$$

Each component of the rate is discussed in further detail below.

4. Volumetric Rates for Service Used. The Commission approved a charge to transportation customers for using the upstream services in Docket No. 14-057-31. Other than the Clay Basin Fuel Gas Reimbursement and the ACA charge, the volumetric charges related to these services have not changed since the Commission's initial approval. The Clay Basin Fuel Gas Reimbursement is being updated concurrent with the weighted average cost of gas rate in Docket 22-057-16. The ACA charge reflects the FERC ACA rate that will take effect on October 1, 2022. A table comparing the rates approved by the Commission and the current rates is shown in Exhibit 1.1.

5. Total New Imbalance Volumes. As Exhibit 1.1 shows, the net imbalance volumes are 3,691,127 (column J, line 8). This number includes actual imbalance volumes for the twelve months ended August 31, 2022. This is a 7.6% increase from the 3,429,068 Dth (column I, line 8) in Docket No. 21-057-09. The Transportation Service (TS) customers have usually been able to manage volumes through better daily nominations, notwithstanding the fact that the number of total TS customers has increased from 358 in December 2014 to 1,139 in June, 2022. The Daily Transportation Imbalance Charge has provided an appropriate economic incentive for TS Customers as they manage their daily nominations and has provided cost recovery for SNG services used.

6. Daily Volumes Outside of 5% Tolerance. As Exhibit 1.1 shows, the daily volumes outside of a 5% tolerance are 11,453,815 Dth (column J, line 10) for the twelve months ended August 31, 2022.

The proposed rate of \$0.09449 per Dth (column J, line 11) is 10% higher than the previous rate of \$0.08592 per Dth ordered by the Commission in Docket No. 22-057-09, and 6.2% higher than the \$0.08896 per Dth rate in Docket No. 14-057-31.

7. Proposed Tariff Sheets. DEU Exhibit 1.2 shows the proposed Tariff sheets associated with the Daily Transportation Imbalance Charge in Tariff Sections 5.02, 5.03, and 5.04. In addition to this filing, the Company is concurrently filing applications to adjust rates in the following dockets:

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| Pass-Through Application | 22-057-16 |
| CET Application | 21-057-15 |
| Energy Efficiency Application | 21-057-14 |
| Low-Income Application | 21-057-13 |

The Company has requested that these applications be approved with rates effective November 1, 2022. DEU Exhibit 1.3 shows the combined legislative and proposed rate schedules, which reflects the final Tariff sheets that would be effective if the Commission approves all of these applications.

8. Exhibits. Dominion Energy submits the following exhibits in support of its request to update the Daily Transportation Imbalance Charge:

- DEU Exhibit 1.1 Calculation of Daily Transportation Imbalance Charge
- DEU Exhibit 1.2 Legislative/Proposed Rate Schedules
- DEU Exhibit 1.3 Combined Legislative/Proposed Rate Schedules

WHEREFORE, Dominion Energy respectfully requests the Commission, in accordance with the Order approving the updated Daily Transportation Imbalance Charge and the Company's Tariff:

1. Enter an order authorizing Dominion Energy to implement rates and charges applicable to its Utah natural gas service that reflect an adjustment for each rate class, as more fully described in this Application; and

2. Authorize Dominion Energy to implement its rates effective November 1, 2022.

DATED this 30th day of September, 2022.

Respectfully submitted,

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 for an Adjustment to the Daily Transportation Imbalance Charge was served upon the following persons by e-mail on September 30, 2022.

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