APPLICATION OF DOMINION)	
ENERGY UTAH TO MODIFY)	
THE SUSTAINABLE)	Docket No. 23-057-0
TRANSPORTATION AND ENERGY)	APPLICATION
PLAN SURCHARGE)	

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

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> APPLICATION AND EXHIBITS

January 3, 2023

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH COMPANY TO MODIFY A SUSTAINABLE TRANSPORTATION AND ENERGY PLAN SURCHARGE Docket No. 23-057-01

APPLICATION TO MODIFY THE STEP SURCHARGE

Questar Gas Company dba Dominion Energy Utah (Dominion Energy Utah or the Company) respectfully submits this Application to modify the Sustainable Transportation and Energy Plan (STEP) surcharge to customers currently served under the Transportation Service (TS) rate schedule in order to continue cost recovery from that subset of customers at the level previously approved by the Utah Public Service Commission (Commission) in its Order dated October 29, 2021 in Docket No. 21-057-22 (Order).

The requested change is necessary due to the division of the transportation service class into three new classes: transportation service small (TSS), transportation service medium (TSM), and transportation service large (TSL), as approved by the Commission in Docket No. 22-057-03. If the Commission grants this Application, the total revenue collected from transportation service customers across the three new classes will be consistent with the total amount approved

previously. The Company proposes to implement this request by charging the new rates effective January 1, 2023, which would be reflected in January 2023 bills that would be received by transportation customers in February 2023.

In support of this Application, Dominion Energy Utah states:

- 1. <u>Dominion Energy Utah's Operations</u>. Dominion Energy Utah, 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 Company's Utah Natural Gas Tariff No. 500 (Tariff). Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves customers in the Franklin County, Idaho area. 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. <u>Background</u>. In the Report and Order dated August 31, 2020 in Docket 19-057-33, the Commission approved a Settlement Stipulation between Dominion Energy Utah Company and other parties to provide funding of \$500,000 per year to the Intermountain Industrial Assessment Center (IIAC) for a two year pilot period. Additionally, the Commission determined that in light of the Signatories' agreement at hearing that the STEP Balancing Account, carrying charge, and associated tariff changes should be resolved in a future proceeding. Order at p. 6. In Docket No. 21-057-22, the Commission approved the existing STEP surcharge rates for all classes, including the TS class. In Docket No. 22-057-03, the Commission approved the division of the TS class into three distinct classes: TSS, TSM, and TSL. The existing STEP surcharge rates, as designed, do not align with the class and block structure of the divided transportation service classes. This application restructures the STEP surcharge for TS customers in a manner that would align with

the new classes, while collecting the level of revenue from transportation service customers that was previously approved.

- 3. Calculation of the TS STEP Surcharge. DEU Exhibits 1.1 provides the calculation of the STEP surcharge for the TSS, TSM, and TSL classes. Rows 1 9 show the existing STEP surcharge as approved in Docket No. 21-057-22. In that docket, the Commission approved a collection of \$51,050 from TS customers (column D, row 9). Rows 10-32 show the re-calculated surcharge for the TSS, TSM, and TSL classes. As shown, the total collection from the three new TS classes amounts to \$51,050 approved previously for the combined TS class. This amount was divided between the TSS, TSM, and TSL classes using the volumetric distribution non-gas revenue share in Docket No. 22-057-03. The volumes in column A are from DEU Exhibit 4.17 and the "Rate Design" tab of the Company's revenue requirement model in Docket No 22-057-03. The volumetric rates used in column B are from Table 9 of the Commission's Report and Order in the same Docket.
- 4. <u>Proposed Tariff Sheets</u>. DEU Exhibit 1.2 shows the legislative and proposed Tariff sheets.
- 5. <u>Exhibits</u>. Dominion Energy Utah submits the following exhibits in support of its request to adjust the STEP surcharge to transportation service classes:

DEU Exhibit 1.1 STEP Surcharge Calculation

DEU Exhibit 1.2 Legislative and Proposed Rate Schedules

WHEREFORE, Dominion Energy Utah respectfully requests the Commission:

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

2. Authorize Dominion Energy Utah to implement its rates effective January 1, 2023. DATED this 3^{rd} day of January, 2023.

Respectfully submitted,

DOMINION ENERGY UTAH

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Application was served upon the following persons by e-mail on January 3, 2023:

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