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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah
From: Utah Division of Public Utilities
Chris Parker, Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Bob Davis, Utility Technical Consultant
Date: January 17, 2023
Re: **Docket No. 23-057-01**, Application of Dominion Energy Utah to Modify a Sustainable Transportation and Energy Plan Surcharge

Recommendation (Approval)

The Division of Public Utilities (Division) has reviewed Dominion Energy Utah's (DEU) Sustainable Transportation and Energy Plan (STEP) Surcharge modification filing (Filing). The Division's review of DEU's Filing concludes that the proposed surcharge modification and tariff sheets comply with the Public Service Commission of Utah's (Commission) Order approving Docket No. 21-057-22 on October 29, 2021,¹ and approval of Docket No. 22-057-03 on December 23, 2022.² Based on its review, the Division concludes the proposed STEP Surcharge rate modification is just, reasonable, and in the public interest. Therefore, the Division recommends the Commission approve DEU's STEP surcharge modification and tariff sheets with an effective date of January 1, 2023.

Issue

On January 3, 2023, DEU filed its STEP Surcharge Modification and Exhibits with the Commission asking for approval to modify the Transportation Service (TS) class STEP

¹ See Commission Order, Docket No. 21-057-22, October 29, 2021, <https://pscdocs.utah.gov/gas/21docs/2105717/3209492105717,2105718,2105719,2105720,2105721,2105722,2105723,and1905702o10-29-2021.pdf>

² See Commission Order, Docket No. 22-057-03, December 23, 2022, <https://pscdocs.utah.gov/gas/22docs/2205703/3264942205703o12-23-2022.pdf>.

surcharge rates.³ On the same day, the Commission issued an action request to the Division asking it to review the application and make recommendations. The Commission asked the Division to report back by February 2, 2023. On January 4, 2023, the Commission issued its Notice of Filing and Comment Period asking any interested person to submit comments on or before January 17, 2023 and reply comments on or before January 23, 2023.

Background

The Commission's Report and Order in Docket No. 19-057-33, approved a Settlement Stipulation between DEU and other parties to provide funding of \$500,000 per year to the Intermountain Industrial Assessment Center (IIAC) for a two-year pilot period. The Commission determined that in light of the Signatories' agreement at the hearing, that the STEP balancing account, carrying charge, and associated tariff changes, should be resolved in a future proceeding.⁴ On October 30, 2020, the Commission issued its Order in Docket No. 20-057-19, approving DEU's STEP balancing account, carrying charge, and associated tariff changes.⁵

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 (Small), TSM (Medium), and TSL (Large). The existing STEP surcharge rates, as designed, do not align with the class and block structure of the divided transportation service classes requiring re-allocation of the TS class STEP surcharge.⁶

Discussion

DEU proposes to restructure the STEP surcharge from TS customers in a manner that would align with the newly approved TSS, TSM, and TSL classes in DEU's recent general

³ Dominion Energy of Utah Application, Docket No. 23-057-01, January 3, 2023, <https://pscdocs.utah.gov/gas/23docs/2305701/326540AplctnMdfySTEPSrchrq1-3-2023.pdf>.

⁴ See Commission's Order, Docket No. 19-057-33, August 31, 2020, p. 6, <https://pscdocs.utah.gov/gas/19docs/1905733/3152031905733oass8-31-2020.pdf>.

⁵ See Commission's Order, Docket No. 20-057-19, October 30, 2020, <https://pscdocs.utah.gov/gas/20docs/2005714/3161992005714,2005715,2005716,2005717,2005718,and2005719o10-30-2020.pdf>.

⁶ *Supra* n2, p. 2, Section 2.

rate case, while collecting the same level of revenue previously approved for the TS Class of \$51,050 in prior orders.⁷

The total revenue collection from the re-allocated TS group remains at roughly the same \$51,050⁸ using the volumetric distribution non-gas revenue share approved by the Commission in Docket No. 22-057-03.

The Division has reviewed DEU's Application to Modify the STEP Surcharge for TSS, TSM, and TSL customers along with Exhibits 1.1 and 1.2. The Division concludes DEU's filing complies with the Commission's Orders.

Conclusion

The Division's review of DEU's Filing concludes that its proposed STEP Surcharge modifications and tariff sheets are just, reasonable, and in the public interest and comply with the Commission's Orders in Docket Nos. 21-057-22 and 22-057-03. Based on its review, the Division recommends the Commission approve DEU's modified surcharge and tariff sheets with an effective date of January 1, 2023.

cc: Jenniffer Clark, DEU
Michele Beck, OCS

⁷ See DEU Exhibit 1.1, Docket No. 23-057-01, <https://psc.utah.gov/2023/01/03/docket-no-23-057-01/>.

⁸ DEU Exhibit 1.1, Docket No. 23-057-01, Cell K44 has a value of \$51,173.