APPLICATION OF DOMINION ENERGY UTAH FOR AN ADJUSTMENT TO THE LOW INCOME ASSISTANCE/ ENERGY ASSISTANCE RATE

Docket No. 23-057-21

) VERIFIED APPLICATION

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

Jenniffer N. Clark (7947) Attorney for the Applicant

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> APPLICATION AND EXHIBITS

December 1, 2023

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Attorney for Dominion Energy Utah

## **BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH COMPANY FOR AN ADJUSTMENT TO THE LOW INCOME/ ENERGY ASSISTANCE RATE

Docket No. 23-057-21

**VERIFIED APPLICATION** 

Questar Gas Company dba Dominion Energy Utah (Dominion Energy Utah or the Company) respectfully submits this Verified Application (Application) for an adjustment to the Energy Assistance Fund Rate, and a modification to the distribution non-gas (DNG) cost portions of its Utah natural gas rates, pursuant to §8.03 of the Company's Utah Natural Gas Tariff No. 600 (Tariff).

If the Utah Public Service Commission (Commission) grants this Application, typical residential customers using 70 Dth per year will see a decrease in their yearly bills of approximately \$0.12. The Company proposes to implement this request by charging the new rates effective January 1, 2024.

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 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 July 29, 2010 in Docket No. 10-057-08, approving the Application of Dominion Energy Utah Company for a Tariff Change Implementing a Low-Income Assistance Program (Order), the Commission authorized Dominion Energy Utah to establish a balancing account, Account 191.8 of the Uniform System of Accounts, in which to record the debits and credits associated with the approved Low Income / Energy Assistance Program. This filing is made under the subsection Energy Assistance Fund in section §8.03 of the Tariff, which sets forth procedures for recovering the costs associated with the Low Income / Energy Assistance Fund by means of periodic adjustments to maintain the \$1.5 million target funding level. In its approved application in Docket 10-057-08, the Company stated, "Dominion Energy Utah also respectfully requests that the dollars collected and the costs associated with the Low-Income Assistance Program to be recorded in account number 191.8, and be subject to adjustment at least annually to ensure that the target funding level of \$1.5 million is maintained." 3. <u>Adjustment of Account 191.8 Balance</u>. DEU Exhibit 1.1 is a summary of the accounting entries and monthly balances for the Low-Income Energy Assistance Program (the Assistance Program). The collections, payouts, administrative charges and interest are shown on a month by month basis in columns B through E. Through the period ending July 2023 (DEU Exhibit 1.1, Line 28) the Company has over collected \$105,332 from customers on a cumulative basis since the beginning of the program. Therefore, this over collection has been subtracted from the allowed amount of \$1,500,000 so that \$1,394,668 will be collected from customers during the test period (line 30).

In this Application, Dominion Energy Utah is proposing a credit of \$91 for participants in the Program beginning January 1, 2024. On August 29, 2023 Dominion Energy Utah met with interested parties including representatives from the Utah Division of Public Utilities and the Utah Office of Consumer Services and those in attendance determined it was appropriate to adjust the credit to \$91. The credit is calculated by using an estimated 22,499 participants., which is based on total actual HEAT qualified customers from the 2023 period. The projected payout fund funding of \$2,047,411 (Exhibit 1.1 line 35) is divided by the 22,499 customers to derive the \$91 credit available to qualifying customers.

DEU Exhibit 1.1 line 33 also shows a payout amount of \$250,000 for a contribution to the Utah Department of Workforce Services Housing and Community Development Weatherization Assistance Program (the Weatherization Program). Utah Code Ann. § 54-7-13.6 (6)(a) provides that low income funding may be utilized for "replacement of an appliance with a more efficient appliance" and/or "other energy efficiency improvements to the eligible customer's residence." The Weatherization Program provides energy-efficient replacement appliances to low-income households, as well as weatherization improvements and other energyefficiency home improvements. The Company proposes to contribute \$250,000 to the Weatherization Program within 30 days of the approval of this Application. The Company will then assess participation in the Assistance Program over the first few winter months and determine whether further contributions are appropriate. If participation in the Assistance Program is higher or lower than expected, then the Company will seek Commission approval to adjust the funding to adjust funding to the respective programs in its next filing. Over the last few years, the Company has accumulated a \$902,744 balance in the Low Income balancing account 191800 (see DEU Exhibit 1.1, column F, line 23). This contribution, as well as the ongoing credits to low-income customers' bills, will help reduce the low income account balance during the test period.

DEU Exhibit 1.2 shows a breakdown and proposal to collect those rates by each applicable class. Column D illustrates the revenue responsibility by class. This revenue responsibility is divided by the test period volumes to calculate a rate. Pursuant to Utah Code Ann. § 54-7-13.6, those customers qualifying for program benefits are not charged the surcharge and, therefore, volumes attributable to program participants have been removed from the calculation. The rate calculation also takes into account the program and statutory requirement that no individual customer will be assessed more than \$50 per month for the program (Columns G and H). The total projected revenue by class is shown in column I.

4. <u>Proposed Tariff Sheets</u>. DEU Exhibit 1.3 shows the proposed Tariff sheets. The Assistance Program will continue to provide eligible customers with a one-time credit on their monthly bill after the Company receives notification of the customer's qualification.

5. <u>Change in Typical Customer's Bill.</u> The annualized change in rates calculated in this Application results in a \$0.12 decrease for a typical GS residential customer using 70

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decatherms per year. The projected month-by-month bills for a typical GS residential customer are shown in DEU Exhibit 1.4.

6. <u>Final Tariff Sheet</u>. In addition to this Low Income Assistance/Energy Assistance Application, the Company is also concurrently filing an application seeking approval to adjust the Conservation Enabling Tariff in Docket No. 23-057-19, an application seeking approval to adjust the Energy Efficiency Rate in Docket No. 23-057-20, and an application seeking approval to adjust the Infrastructure Tracker Rate in Docket No. 23-057-22. The Company has requested that these applications be approved effective January 1, 2024. DEU Exhibit 1.5 shows the proposed GS rate schedule that reflects the final Tariff sheet that would be effective if the Commission approved all of the applications. These proposed Tariff sheets do not constitute a violation of state law or Commission rule, and are consistent with applicable statutes, rules and orders.

7. <u>Exhibits</u>. Dominion Energy Utah submits the following Exhibits in support of its request to adjust the Low Income balancing account:

DEU Exhibit 1.1	Account 191800 UT/ID Low Income Credit/Charge
DEU Exhibit 1.2	Energy Assistance Allocation and Rate Design
DEU Exhibit 1.3	Legislative and Proposed Rate Schedules
DEU Exhibit 1.4	Effect on GS Typical Customer
DEU Exhibit 1.5	Combined Legislative and Proposed Rate Schedules

WHEREFORE, Dominion Energy Utah respectfully requests the Commission, in accordance with the Order approving the implementation of a Low-Income Assistance Program and the Company's Tariff:

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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 each rate class, as more fully described in this Application; and

Authorize Dominion Energy Utah to implement its rates effective January 1,
2024.

DATED this 1st day of December, 2023.

Respectfully submitted,

DOMINION ENERGY UTAH

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Jenniffer N. Clark (7947) Attorney for Dominion Energy Utah

## **VERIFICATION**

State of Utah ) ) ss.

County of Salt Lake )

Kelly Mendenhall, being first duly sworn upon oath, deposes and states: he is the Director, Regulatory and Pricing of Dominion Energy, Inc.; he has direct personal knowledge of the matters addressed herein; he has read the foregoing Application; and the statements made in the Application are true and correct to the best of his knowledge, information and belief.

Kelly Mendenhall Director, Regulatory and Pricing

Subscribed and sworn to before me this <u></u>day of December, 2023.

Notary Public



## **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 December 1, 2023:

Patricia E. Schmid Patrick Grecu Assistant Attorneys General 160 East 300 South P.O. Box 140857 Salt Lake City, UT 84114-0857 pschmid@agutah.gov Pgrecu@agutah.gov Counsel for the Division of Public Utilities

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