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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

Brenda Salter, Assistant Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

Date: December 15, 2023

Re: **Docket No. 23-057-22, Application of** Dominion Energy Utah to Change the Infrastructure Rate Adjustment.

Recommendation (Approve)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve the proposed new rates as requested by Dominion Energy Utah (Dominion) in its applications. After a preliminary review of the application, the Division recommends approval with an effective date of January 1, 2024. The Division recommends that the requested rate changes be approved on an interim basis to allow additional time for the Division to complete an audit of the respective accounts and submit its recommendation in an upcoming General Rate Case.

Issue

Dominion is required to file an infrastructure replacement budget by November 15 of each year. The budget covers the replacement of feeder lines (FL), belt lines (BL) (also known as Intermediate High Pressure (IHP) lines), and undisclosed future projects for the upcoming year. In this filing, Dominion provided its "annual plan and budget describing the estimated

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costs and schedule for the Replacement Infrastructure for 2023,” which complies with the Commission’s Order in Docket No. 19-057-02.

Dominion is seeking to modify the Infrastructure Rate Adjustment (Tracker) to the Distribution Non-Gas (DNG) cost portions of its Utah GS, FS, IS, TSS, TSM, TSL, TSF, TBF, MT, and NGV natural gas rate schedules, pursuant to section 2.07 of its Tariff. The requested effective date is January 1, 2024.

Background

In Dominion’s last General Rate case, Docket No. 22-057-03, the Commission authorized the Company to continue the Tracker Program. Section 2.07 of the Tariff directs the procedures for recovering costs associated with the Program.

On December 1, 2023, Dominion filed this application to adjust the Tracker collection amount. On December 4, 2023, the Commission issued its Action Request directing the Division to review the application and make recommendations on or before January 2, 2024. On that same day, the Commission issued a notice of a Virtual Consolidated Scheduling Conference to be held on December 8, 2023. As a result of that scheduling conference, the date of the Division’s Action Request Response and its initial comments became due on December 15, 2023. This is the Division’s Action Request Response, recommendation, and comments.

Discussion

As part of the 2022 general rate case, referenced above, all prior investment was included in base rates. In this filing, Dominion provides the amounts of the additional investments and dates when specific infrastructure resources were completed and placed into service. The current proposal represents a Revenue Requirement increase of \$2.121 million. As of January 2023, the tracker surcharge was set to zero at the same time base rates were adjusted. Dominion now proposes to collect in rates the revenue requirement associated with the investment amounts since the approval of base rates and the filing last fall (Docket No. 22-057-12). As part of the current filing, Dominion included the following exhibits:

1. Exhibit 1.1 provides the dollar amounts showing the infrastructure investment beginning August 2022 (when new investment in the tracker was booked) through November 2023. Exhibit 1.1 page 5 of 5 summarizes the preceding exhibit pages and shows the calculations resulting in the revised incremental revenue requirement stated above.
2. Exhibit 1.2 shows the proposed allocation of the revenue requirement to each customer class.
3. Exhibit 1.3 shows the rate design for the proposed rates for each rate schedule using the demand charge and volumetric rates to collect the proper amount from each customer class.
4. Exhibit 1.4 shows the bill impact for a typical GS customer. If approved, a typical GS customer would see an annual increase of \$1.21 per year or 0.13%.
5. Exhibit 1.5 shows the proposed legislative and rate schedule tariff sheets in the applicable classes of customers that reflect the updated infrastructure rate adjustment.

Conclusion

This application complies with past Commission orders and the proposed tariff sheets accurately reflect the proposed changes filed by Dominion. The Division recommends the Commission approve the proposed rates on an interim basis until the Division can complete its audits, at which time it will make a final recommendation to the Commission and the Commission can include all prudently incurred ITP costs in General Rates as part of the next General Rate Case.

cc: Kelly B. Mendenhall, Dominion Energy Utah
Michele Beck, Office of Consumer Services