

APPLICATION OF DOMINION) Docket No. 23-057-27
ENERGY UTAH TO CHANGE THE)
INFRASTRUCTURE RATE) VERIFIED APPLICATION
ADJUSTMENT)

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

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APPLICATION
AND
EXHIBITS

December 28, 2023

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- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF DOMINION)	Docket No. 23-057-27
ENERGY UTAH TO CHANGE THE)	
INFRASTRUCTURE RATE)	VERIFIED APPLICATION
ADJUSTMENT)	

Questar Gas Company dba Dominion Energy Utah (Dominion Energy or the Company) respectfully submits this Verified Application (“Application”) to the Utah Public Service Commission (Commission) and thereby seeks to modify the Infrastructure Rate Adjustment to the Distribution Non-Gas (DNG) cost portions of its Utah GS, FS, IS, TSS, TSM, TSL, TBF, MT, and NGV natural gas rate schedules, pursuant to section 2.07 of the Company’s Utah Natural Gas Tariff No. 600 (Tariff).

If the Commission grants this Application, a typical GS residential customer using 70 decatherms per year will see an increase in their yearly bills of \$1.64 (or 0.17%). The Company proposes to implement this request by charging the new rates effective February 1, 2024.

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 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 Commission. Volumes for these customers have been included in the Utah volumes.

2. Settlement Stipulation Order. In the Report and Order issued December 23, 2022 in Docket No. 22-057-03 (Rate Case Order), the Commission authorized Dominion Energy to continue the infrastructure rate adjustment tracker program (Program) and §2.07 of the Tariff sets forth procedures for recovering costs associated with replacing aging infrastructure.

3. Test Year. The test year for this Application is the 12 months ending January 31, 2025.

4. Calculation of Revenue Requirement. DEU Exhibit 1.1, pages 1 through 4 show the total amount closed to investment and in service from January 2022 through December 2023 for each of the infrastructure replacement projects. Lines 1 through 32 show the investment in both high pressure and intermediate high-pressure projects. Line 34 shows removal cost related to retired infrastructure. Line 36 shows, by month, the cumulative plant balance of high pressure and intermediate high-pressure plant. Line 37 shows the same cumulative plant balance less the \$84.7 million¹ threshold set forth in Docket No. 22-057-03 before applying for cost recovery of tracker related investment/costs.

a) DEU Exhibit 1.1, page 5, shows a calculation of the revenue requirement. Page 5, line 1, shows the net investment closed through December 2023. Line 2 reflects the removal of \$84.7 million that has already been included in base rates in Docket No. 22-057-03. *See*, Rate Case Order. Report and Order issued December 23, 2023, Docket No. 22-057-03, p. 15.

b) Lines 4 through 10 show the accumulated depreciation, accumulated deferred income tax, net replacement infrastructure, allowed pre-tax return, net depreciation expense, and net taxes other than income tax.

¹ In the Company's last general rate case, Docket No. 22-057-03, the Commission issued an order requiring the Company to defer tracking of infrastructure costs until \$84.7 million of infrastructure investment is reached. Report and Order issued December 23, 2022, Docket No. 22-057-03, p. 15.

5. Cost of Service. DEU Exhibit 1.2 shows the allocation of the revenue requirement to each class. Section 2.07 of the Tariff states that “the Surcharge will be assigned to each rate class based on the Commission-approved total pro rata share of the DNG tariff revenue ordered in the most recent general rate case.” Column A shows the DNG revenue requirement by class ordered by the Commission in Docket No. 22-057-03. Column B shows the percent of the total revenue requirement by class and column C shows the total infrastructure replacement revenue to be collected from each class.

6. Rate Design. DEU Exhibit 1.3 shows the rate design for the Infrastructure Rate Adjustment surcharge component of the DNG rates. Section 2.07 of the Company’s Tariff states that “the Surcharge assigned to each class will be collected based on a percentage change to the demand charge, if applicable, and each block of volumetric rates of the respective rate schedules.” Column E shows the current base DNG rates in effect. These rates are applied to test period volumes (Column D) to calculate projected volumetric revenue for each class in Column F. Column G shows the amount of infrastructure replacement tracker revenue that needs to be collected from each class. Column H shows the percentage change to each block and demand charge. Column I shows the proposed rates for each rate schedule, and is derived by applying the percentage changes in Column H to the current base DNG rates in Column E.

7. Change in Typical Customer’s Bill. The annualized change in rates calculated in this Application results in an increase of \$1.64 per year (or 0.17%), as shown in DEU Exhibit 1.4.

8. Legislative and Proposed Tariff Sheets. DEU Exhibit 1.5 shows the proposed Tariff rate schedules that reflect the updated infrastructure rate adjustment as explained in paragraphs 4 through 6.

9. Combined Legislative and Proposed Tariff Sheets. In addition to this Infrastructure Tracker Application, the Company is concurrently filing applications to adjust rates in the following dockets:

Pass-Through Application	23-057-25
Transportation Imbalance Charge (TIC) Application	23-057-26
Rural Expansion Rate Adjustment	23-057-28

DEU Exhibit 1.6 shows the combined Tariff rate schedules should the Commission grant and approve all applications mentioned above.

10. Exhibits. Dominion Energy submits the following exhibits in support of its request to include the infrastructure rate adjustment:

DEU Exhibit 1.1 DEU Infrastructure Replacement Project Summary & Calculation of Revenue Requirement

DEU Exhibit 1.2 Cost of Service Allocation

DEU Exhibit 1.3 Infrastructure Tracker Rate Calculation

DEU Exhibit 1.4 Effect on GS Typical Customer

DEU Exhibit 1.5 Legislative and Proposed Tariff Sheets

DEU Exhibit 1.6 Combined Legislative and Proposed Tariff Sheets

WHEREFORE, Dominion Energy respectfully requests that the Commission, in accordance with the applicable Commission orders and the Company's Tariff:

1. Enter an order authorizing Dominion Energy to change rates and charges applicable to its Utah natural gas service that reflect an adjustment to the rates for each class as more fully set forth in this Application; and

2. Authorize Dominion Energy to implement the proposed interim rates effective February 1, 2024.

DATED this 28th day of December 2023.

Respectfully submitted,

DOMINION ENERGY UTAH



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VERIFICATION

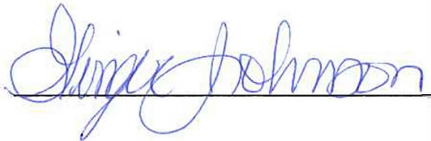
State of Utah)
) ss.
County of Salt Lake)

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. The documents attached thereto are true and correct copies of the documents they purport to be.



Kelly Mendenhall
Director, Regulatory and Pricing

Subscribed and sworn to before me this 28th day of December, 2023.





CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Verified Application was served upon the following persons by e-mail on December 28, 2023:

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