

APPLICATION OF DOMINION) Docket No. 23-057-28
ENERGY UTAH TO CHANGE THE)
RURAL EXPANSION 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. 23-057-28
ENERGY UTAH TO CHANGE THE)	
RURAL EXPANSION 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 Rural Expansion Rate Adjustment to the Distribution Non-Gas (DNG) cost portions of its Utah GS, FS, IS, TSF and TSI, TBF, MT, and NGV natural gas rate schedules, pursuant to section 9.02 of the Company’s Utah Natural Gas Tariff No. 600 (Tariff).

If the Commission grants this Application, a typical GS residential customer using 70 dekatherms per year will see an increase in their yearly bills of \$1.69 (or 0.18%). 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. Report and Order. In the Report and Order issued August 27, 2020 in Docket No. 19-057-31 (Eureka Case), the Commission authorized Dominion Energy to begin the rural expansion rate adjustment tracker program (Program) and §9.02 of the Tariff sets forth procedures for recovering costs associated with rural expansion.

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, shows the total amount of main line closed to investment and in service in November 2023 for each of the Rural Expansion projects. Lines 1 through 30 show the investment in both high pressure and intermediate high-pressure projects. Line 31 shows, by month, the cumulative plant balance of high pressure and intermediate high-pressure plant. Line 32 shows the same cumulative plant balance less the cost of land that was purchased for the regulatory station and is not being depreciated. DEU Exhibit 1.2 shows similar information as DEU Exhibit 1.1 except it includes service lines instead of main lines. Service lines are shown separately because they are depreciated at a different rate.

a) DEU Exhibit 1.3 shows a calculation of the revenue requirement. Line 1 shows the net investment closed through November 2023.

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

c) Line 11 shows the final adjusted revenue requirement of \$2,740,393 for mains (Column B) and \$251,731 for service lines (Column C). The amount shown on line 11 will be collected from each rate schedule according to the currently allowed cost-of-service and rate design calculations as discussed below.

5. Cost of Service. DEU Exhibit 1.4 shows the allocation of the revenue requirement to each class. Section 9.02 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 step 3 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 rural expansion revenue to be collected from each class.

6. Rate Design. DEU Exhibit 1.5 shows the rate design for the Rural Expansion Rate Adjustment surcharge component of the DNG rates. Section 9.02 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 Rural Expansion 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 \$1.69 per year (or 0.18%), as shown in DEU Exhibit 1.6.

8. Legislative and Proposed Tariff Sheets. DEU Exhibit 1.7 shows the proposed Tariff rate schedules that reflect the updated infrastructure rate adjustment as explained in paragraphs 4 through 6.

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

DEU Exhibit 1.1

DEU Rural Expansion Mains Project Summary

DEU Exhibit 1.2	DEU Rural Expansion Services Project Summary
DEU Exhibit 1.3	Calculation of Revenue Requirement
DEU Exhibit 1.4	Cost of Service Allocation
DEU Exhibit 1.5	Rural Expansion Tracker Rate Calculation
DEU Exhibit 1.6	Effect on GS Typical Customer
DEU Exhibit 1.7	Legislative and Proposed Tariff Sheets
DEU Exhibit 1.8	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, 2022.

DATED this 28th day of December 2023.

Respectfully submitted,

DOMINION ENERGY UTAH

Jenniffer Nelson Clark (7947)
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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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