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# UTAH DEPARTMENT OF COMMERCE

## Division of Public Utilities

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## Reply Comments

**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

Matt Pernichele, Utility Analyst

**Date:** January 19, 2024

**Re:** **Docket No. 23-057-28** Application of Dominion Energy Utah to Change the Rural Expansion Rate Adjustment

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve Dominion Energy Utah's (Dominion) proposed new tariffs.

Dominion has provided additional information that categorizes each of the costs in Exhibits 1.1 and 1.2 into their respective, Commission approved projects. This has allowed the Division to confirm that none of the individual project budgets exceed the limits established in their respective dockets.

Docket #	Area	Approved Budget	Allocated in 21-057-30	Requested in 28-057-28	Total Expenditure
19-057-31	Eureka	\$22.24m	\$20.94m	\$.69m	\$21.63m
21-57-06	Goshen and Elberta	\$13.3m		\$11.95m	\$11.95m
21-057-12	Green River	\$44.3m		\$36.26m	\$36.26m

Division of Public Utilities

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The requirements set by the Commission in their order approving the first set of expenses were:

(1) a major part of the project is complete and gas is flowing to Eureka, (2) the tariff language provides customers two years to sign an agreement with DEU, and another two years to start service, so the project may not be complete for four more years, and (3) DEU typically files a general rate case every three years so there would be no benefit of having the Rural Expansion Tracker as the costs associated with the Eureka expansion project would be included in base rates.<sup>1</sup>

Dominion confirmed that there are customers in each of the areas that are currently receiving gas service. This satisfies the first requirement. The Tariff continues to have language<sup>2</sup> giving customers four years to sign up for service, which satisfies the second requirement. Nothing has changed that would alter the third requirement.

The Division recommends that the Commission require future versions of this application to clearly label expenses to associate them with their approved projects (by location name or docket number) and describe the extent to which each project is complete as defined by the Commission (see above).

The expenses for the rural expansion program, are handled in a similar way to Dominion's Infrastructure Tracker Program.<sup>3</sup> As part of Dominion's next general rate case, the expenses will be thoroughly audited, trued up as needed, and all remaining prudently incurred investments will be included in base rates.

Dominion has adequately and quickly answered the Division's questions on the issues and the Division now recommends that the Commission approve Dominion's request.

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

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<sup>1</sup> *Order*, Docket No. 21-057-30, January 28, 2022, p. 3.

<sup>2</sup> *Dominion Energy Utah Tariff for Natural Gas Service*, PSCU 600, at 9-5.

<sup>3</sup> *Id.*, at 2-15.