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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
Bob Davis, Utility Technical Consultant

Date: August 16, 2024

Re: **Docket No. 24-057-11**, Application of Enbridge Gas Utah to Change the Sustainable Transportation and Energy Plan (STEP) Rate

Recommendation (Approval)

The Division of Public Utilities (Division) has reviewed Enbridge Gas Utah's (EGU) application to change the STEP surcharge rate (Filing). Based on its review, the Division concludes the proposed STEP surcharge amortization refund for the 12-month period ending August 30, 2025, and associated tariff Sheets are just, reasonable, and in the public interest. Therefore, the Division recommends the Commission approve EGU's revised tariff Sheets with an effective date of September 1, 2024.

Issue

On August 1, 2024, EGU filed its Sustainable Transportation and Energy Plan (STEP) Rate Change Application and Exhibits (Application) with the Commission asking for approval of an amortization of the STEP balance, and adjustment to the distribution non-gas portion of its Utah GS, FS, IS, TSS, TSM, TSL, TBF, and NGV natural gas rate schedules.¹ On the same day, the Commission asked the Division to review the application, make recommendations, and report back by August 15, 2024. On August 2, 2024, the

¹ Docket No. 24-057-11, *Enbridge Gas Utah's Verified Application*, August 1, 2024, <https://pscdocs.utah.gov/gas/24docs/2405711/334914Application8-1-2024.pdf>.

Commission issued its Notice of Filing and Comment Period asking any interested party to submit comments before August 16, 2024.

Background

The Commission's Report and Order in Docket No. 19-057-33, approved a Settlement Stipulation between Dominion Energy Utah, now EGU, and other parties to provide funding of \$500,000 per year to the Intermountain Industrial Assessment Center (IIAC) for a two-year pilot period. On October 30, 2020, the Commission issued its Order in Docket No. 20-057-19, approving Dominion's STEP balancing account, carrying charge, and associated tariff changes, which became effective on November 1, 2020.²

As a result of the COVID-19 pandemic, Dominion and the IIAC initially experienced difficulties and setbacks related to performing the assessments contemplated in the Stipulation. Consequently, Dominion sought, and the Commission approved, an adjusted IIAC program year of March 1, 2021, through February 28, 2023.³

The Division supported the Parties' proposal to modify the term of the IIAC assessment program, which concluded on February 28, 2023, for an additional year beginning March 1, 2023, and ending on February 28, 2024, with the same terms and conditions approved by the Commission in its original Order.⁴

Discussion

The IIAC Program ended July 1, 2024, after final disbursements were made to IIAC. This resulted in an ending balance of \$567,593 to be refunded to EGU's customers taking service under GS, FS, IS, TSS, TSM, TSL, TBF, and NGV natural gas rate schedules beginning September 1, 2024, pending Commission approval. This refund will result in an annual reduction to a typical customer's bill by \$0.62 over the refund period.⁵

² Docket No. 20-057-19, *Order*, October 30, 2020, <https://pscdocs.utah.gov/gas/20docs/2005714/3161992005714,2005715,2005716,2005717,2005718,and2005719o10-30-2020.pdf>.

³ Docket No. 19-057-33, *Acknowledgement Letter from the Public Service Commission*, April 2, 2021, <https://pscdocs.utah.gov/gas/19docs/1905733/318057AckLtrfromPSC4-2-2021.pdf>.

⁴ Docket No. 22-057-24, *Order Approving Settlement Stipulation*, February 6, 2023, <https://pscdocs.utah.gov/gas/22docs/2205724/3269292205724oass2-6-2023.pdf>.

⁵ Docket No. 24-057-11, *Supra* note 1, *EGU Exhibit 1.04*.

The Division reviewed EGU's Filing, including Exhibits 1.01 through 1.06, and found no items of concern. The Division asked EGU in data request DPU DR1, to provide the account balance calculations in Excel format with intact formulae and resources used to determine the \$567,593 balance including the carrying charge calculation. EGU collected a total of \$1,998,696 through the STEP surcharges included in the various customer rate schedules mentioned above. These collections offset the expenses and carrying charges of the STEP program from inception through the first six months of 2024 resulting in the \$567,593 to be refunded. This amount will be refunded to customers over the 12-month period ending August 30, 2025.⁶

Utah Administrative Code R746-405-2(D)(3)(g) requires utilities to contain a statement in its filing that the proposed tariff sheets do not constitute a violation of state law or Commission rules. The Division concludes that EGU has filed its tariff revisions in good faith that they do not violate state law or Commission rules.

Conclusion

The Division's review of EGU's Filing concludes that its proposed STEP amortization refund of surcharges and associated customer tariff Sheets are just, reasonable, and in the public interest. The Division recommends the Commission approve EGU's tariff Sheets with an effective date of September 1, 2024.

cc: Jenniffer Clark, DEU
Michele Beck, OCS

⁶ *Id.*, EGU Exhibit 1.01.