



## Monthly Energy Update

August 2022

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**D**ominion Energy Utah (DEU) filed an application for a rate increase with the Utah Public Service Commission (Commission) on May 2, 2022. In its application, DEU is seeking an increase in rates of \$70.5 million, effective January 1, 2023, based on an increase in Return on Equity (ROE) from 9.5% to 10.3%. The revenue requirement increase is \$504 million. A major part of the increase is the ongoing investment tracker to replace high pressure mains. In 2019 DEU asked for \$72 million annually for the tracker, but the Commission denied the request.

The Company is also proposing to use declining block rates in each of the transportation classes, as well as dividing the TS classes into three groups: small, medium and large. The non-gas increases for these three groups can be seen below:

	Small TS Customer	Medium TS Customer	Large TS Customer
	Less than 25,000 Dth	25,000-250,000 Dth	Greater than 250,000 Dth
Total Dth	6,785,564	15,474,253	23,893,524
% of Total Dth	15%	34%	52%
# of Customers	826	225	30
Proposed DNG Rate Impact	-10.68%	22.30%	65.50%

In filings made on August 26, 2022, in Phase I of the rate case, the Utah Association of Energy Users (UAE), Division of Public Utilities (DPU), and the Office of Consumer Services (OCS), all filed testimony recommending decreases in DEU's revenue requirement, as well as changes to DEU's ROE, infrastructure tracker, pension expense, LNG plant, O&M, as well as other items.

In revenue requirement testimony sponsored by Kevin Higgins, UAE recommends reducing DEU's revenue requirement by a total of \$39.8 million, based on a 9.5% ROE placeholder. UAE also recommends that if the Commission approves continuance of the Infrastructure Tracker, it caps expenditures at \$77.4 million without future adjustments for inflation as requested by DEU. Higgins also recommends a pension adjustment reduction of \$23.9 million.

Overall, UAE's proposed adjustments reduce DEU's revenue requirement increase to \$30.6 million.

In testimony provided by the DPU, the agency is recommending a revenue requirement increase of \$49.6 million, based on a 9.30% ROE.

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