

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Joint Application of Questar Gas Company
d/b/a Dominion Energy Utah and
Enbridge Quail Holdings, LLC for
Approval of the Proposed Sale of Fall
West Holdco, LLC to Enbridge Quail
Holdings, LLC

DOCKET NO. 23-057-16
ORDER APPROVING SETTLEMENT
STIPULATION

ISSUED: May 16, 2024

SYNOPSIS

The Public Service Commission (PSC) approves the application and the settlement stipulation filed in this docket concerning the corresponding sale of public utility Fall West Holdco, LLC ("Fall West") to Enbridge Quail Holdings, LLC ("EQH").

BACKGROUND AND PROCEDURAL HISTORY

On September 5, 2023, Dominion Energy, Inc. ("DEI") announced its intention to sell Dominion Energy Utah (DEU) and Wexpro Company to Enbridge Inc. ("Enbridge").¹

On September 8, 2023, Questar Gas Company ("Questar") d/b/a DEU and Fall West filed a Verified Joint Notice and Application for approval of a partial corporate reorganization whereby DEU, which was then a subsidiary of Dominion Energy Questar Corporation, would be transferred to Fall West, to facilitate DEI's planned sale of DEU and other DEI assets to Enbridge.² The PSC approved that application for reorganization by Order dated November 3, 2023.³

¹ See <https://news.dominionenergy.com/2023-09-05-Dominion-Energy-Advances-Business-Review-Announces-Agreements-to-Sell-Gas-Distribution-Companies-to-Enbridge>

² See *Application of Questar Gas Company d/b/a Dominion Energy Utah and Fall West Holdco LLC for Approval of a Partial Corporate Reorganization*, Docket No. 23-057-15.

³ See *id.*, Order, issued November 3, 2023.

On October 20, 2023, DEU and EQH, a subsidiary of Enbridge, filed a Joint Notice and Application in this docket seeking approval of the sale of Fall West to EQH (“Application”).⁴ The Application requests approval of the sale of all the outstanding equity interests of Fall West to EQH⁵ whereby DEU will operate as Enbridge Gas Utah (“EGU”). The Utah Association of Energy Users (UAE) and the Idaho Public Utilities Commission (“IPUC”) petitioned for, and were granted, intervention.⁶

The PSC issued a Scheduling Order, Notice of Technical Conference, Notice of Public Witness Hearing, and Notice of Hearing on November 7, 2023 (“Scheduling Order”). A technical conference was held on December 7, 2023, which addressed, among other things, specific questions previously submitted by OCS, DPU, and UAE. On February 27, 2024, DEU filed an unopposed motion to amend the Scheduling Order, which was granted by Order dated February 29, 2024. A Settlement Stipulation (“Settlement”) was filed on March 21, 2024,⁷ a copy of which is attached hereto.

The PSC held an evidentiary hearing on April 11, 2024, to consider the Settlement at which witnesses for all Parties, except the IPUC, provided testimony in

⁴ DEU and EQH are sometimes referred to as “Joint Applicants.”

⁵ EQH is a direct wholly-owned subsidiary of Genoa Holdings, LLC, which in turn, is a direct wholly-owned subsidiary of Enbridge U.S., Inc., which in turn, is an indirect wholly-owned subsidiary of Enbridge, Inc., a Canadian corporation. See Application at 4, ¶ 5.

⁶ DEU, EQH, UAE, the IPUC, the Division of Public Utilities (DPU), and the Office of Consumer Services (OCS) are sometimes referred to collectively as “Parties.”

⁷ All Parties, except the IPUC, are signatories to the Settlement which represents that the IPUC does not oppose it. See Settlement at 4-5, ¶ 1.

support and none opposing it. A public witness hearing was also noticed and held at 5:00 pm that same day.

PARTIES' TESTIMONY

The Joint Applicants submitted written direct testimony and a commitment matrix⁸ with the Application, among other things. The OCS, DPU, and UAE submitted written direct testimony, which included their respective questions, concerns, and positions relating to the Application and the Initial Commitment Matrix.

At hearing, the Parties testified the Settlement is in the public interest and will provide a net benefit to the customers. The Settlement includes as Exhibit A, a revised commitment matrix ("Revised Commitment Matrix"). DEU testified the Settlement reflects "a combination of a lot of the safeguards that were included last time when Dominion and Questar merged ... [and includes] quite a few new commitments that provide some benefits to customers."⁹ DEU also provided an overview of the Settlement and discussed each Revised Commitment Matrix item ("Commitment Item").¹⁰ DEU further testified about details relating to specific Commitment Items. For example, DEU cited Commitment Items (9)(c)(i) and (9)(c)(ii) as customer benefits, stating that the Infrastructure Replacement Tracker ("IRT") tariff will continue to be "adjusted annually for inflation, but in the next two rate cases the Company will not

⁸ See Application at Ex. 5.0 ("Initial Commitment Matrix").

⁹ April 11, 2024, Hearing Transcript at 14:1-5 ("Hearing").

¹⁰ Hearing at 14:12-26:24 (discussing the Revised Commitment Matrix).

propose to increase that cap above ... normal inflation levels.”¹¹ DEU also explained that a credit of \$275,000 that applies to all customer classes will be included in its fall 2024 IRT filing.¹² DEU also discussed a credit report for Questar in which Moody’s reported a downgrade in Questar’s credit rating.¹³ DEU testified, quoting Moody’s report, that “[t]he action was not related to its expected acquisition by Enbridge. We believe that Enbridge will support the utility’s credit and that Questar Gas will benefit from Enbridge’s size, operational track record, and access to capital. And as such, Questar Gas’ rating continues to be based upon its intrinsic credit quality, which is derived mostly from the Utah regulatory environment and its stand-alone financial profile.”¹⁴ DEU stated that the report was offered for transparency, but it does not believe the downgrade impacts this docket. DEU concluded that the transaction is just and reasonable and in the public interest.

EQH witness Laszlo Varsanyi testified at hearing in support of the Application and Settlement, stating “we have the financial, the managerial, and the technical expertise to operate the utility[,] and through its affiliat[ion] with Enbridge, Questar Gas will have access to the broader pool of [the] Enbridge family of companies. ... Enbridge has the willingness, as well as the interest, to invest in the existing

¹¹ *Id.* at 18:5-8.

¹² *Id.* at 18:10-15 and 47:21-22.

¹³ See DEU Enbridge Hearing Exhibit 14.0, *Moody’s Update Following Downgrade of Questar Gas Company to Baa1* (“Moody’s Downgrade of Questar”).

¹⁴ Hearing at 28:17-25.

infrastructure of Questar Gas but also to grow that infrastructure into new communities, and all of that while ensuring the safe and reliable distribution of energy.”¹⁵ Additionally, Mr. Varsanyi highlighted what are quantifiable benefits of the sale, including: 1) the distribution of a \$4 million charitable trust fund; 2) a \$175,000 increase in charitable donations for three years; 3) the addition of \$225,000 used to promote the energy assistance fund; 4) a \$275,000 credit in the fall 2024 IRT filing; 5) the commitment to forego a non-inflationary increase in the infrastructure investment level; and 6) the commitment to limit the non-inflationary per-customer operating maintenance, and general and administrative expenses for the next two general rate cases.¹⁶

EQH witness Christopher J. Johnston testified at hearing about Moody's downgrade of Enbridge,¹⁷ commenting that Enbridge has “a strong credit rating[,]”¹⁸ and “[t]here’s still three other rating agencies that have us as a triple-B-plus [rating].”¹⁹ Mr. Johnston also testified about the responsibilities and commitments of Enbridge and EQH in the Settlement and the Revised Commitment Matrix, stating “[EQH] is a party to the [Settlement] stipulation, any successor corporation [or entity]

¹⁵ *Id.* at 45:9-18.

¹⁶ *Id.* at 47:2-48:5.

¹⁷ See DEU Enbridge Hearing Exhibit 13, *Moody's Downgrades Enbridge and Three Subsidiaries to Baa2*, (“Moody's Downgrade of Enbridge”).

¹⁸ Hearing at 59:23.

¹⁹ *Id.* at 60:10-11.

would be ... bound by those commitments. From an Enbridge Inc. perspective, we stand behind and support those commitments.”²⁰

DPU testified at hearing that the Settlement addresses the issues it raised in its direct testimony,²¹ and concluded “[t]he merger increases the likelihood of a well-run local utility while establishing adequate protections and a net positive benefit for Utah customers.”²² DPU also described ten issues, and the corresponding remedial Commitment Items,²³ that factor into its support of the Settlement, which are:

1) Commitment Item (1)(b) requires PSC notification and approval for transactions that result in the change of control of the utility outside of Enbridge;

2) Commitment Item (2) represents that EGU headquarters will remain in the greater Salt Lake City area for the foreseeable future;

3) Commitment Item (13)(c) identifies that the non-inflationary adjusted per-customer operating and maintenance cost will not increase for the period of the next two general rate cases;

4) Commitment Items (8) and (36) require a plan about communicating the change in ownership (“Communications Plan”) and establishes integration progress reporting requirements;

²⁰ *Id.* at 60:22-61:1.

²¹ *Id.* at 67:21-68:9. *Compare with* Direct Testimony of Eric Orton at lns. 151-182.

²² Hearing at 68:6-9.

²³ *Id.* at 68:16-71:4.

5) Commitment Items (9)(a), (10), (11), (12)(b), and (13) ensure that customers bear no responsibility for costs associated with the transfer of ownership;

6) Commitment Item (30) requires the capital structure range to remain between 48–55 percent;²⁴

7) Commitment Item (31) requires notification to the PSC and other regulators if a Special Bankruptcy Director²⁵ is called upon to exercise its obligations under the Settlement;

8) Commitment Item (35) requires a delineated commitment to clean energy;

9) Commitment Items (24) through (32) address the ring-fencing provisions identified by DPU;²⁶ and,

10) Commitment Items (9)(c)(ii), and (17)(a) and (b) represent net benefits to customers.

DPU further testified that it had reviewed, analyzed, and internally discussed the Moody's Downgrade of Enbridge and the Moody's Downgrade of Questar and that they did not alter DPU's recommendation to approve the Settlement. In conclusion, DPU stated the Settlement is just and reasonable and that it commits to review the

²⁴ DPU witness E. Orton initially testified that the range is between 48 and 50 percent (Hearing at 70:5–8), but later corrected his testimony to amend the range as being between 48–55 percent. Hearing at 74:18–75:4.

²⁵ Specific details concerning a Special Bankruptcy Director are provided in Commitment Item 31 of the Revised Commitment Matrix.

²⁶ Hearing at 70:17–25. *Compare with* Direct Testimony of Casey Coleman at Ins. 267–282. *See also id.* at Ins. 291–293.

pending Communications Plan and notify the PSC of any concerns regarding the acquisition.²⁷

OCS testified at hearing that the sale as described in the Settlement is “just and reasonable in result and in the public interest.”²⁸ OCS further testified the Settlement addresses the issues OCS raised in its direct testimony²⁹ and now considers the totality of the sale as a net benefit to customers. Additionally, OCS committed to review the Communications Plan and notify the PSC of any concerns regarding the acquisition.³⁰

UAE supports the Settlement as in the public interest and testified at hearing that the issues raised in its direct testimony³¹ are adequately addressed in the Settlement. UAE states Commitment Items (11), (16), (12)(b), (15)(b), and (9)(c) specifically address these issues.

DISCUSSION, FINDINGS, AND CONCLUSIONS

The PSC determines that Utah Code §§ 54-4-1, -25, -28, -29, and -30 may apply in determining whether our approval of the Application is required by Utah law. The relevant legal standards for approval are that we must consider whether (1) the sale is in the public interest, meaning it must provide a net positive benefit to the

²⁷ Hearing at 73:21-23 and 75:16-76:6.

²⁸ *Id.* at 83:19-20.

²⁹ *Id.* at 83:7-18. *Compare with* Direct Testimony of Jacob Zachary at Ins. 256-276.

³⁰ Hearing at 84:21-85:9.

³¹ *Id.* at 90:5-17. *Compare with* Direct Testimony of Kevin Higgins at Ins. 58-65 and 82-88.

public; and (2) the acquiring entity has the necessary financial, managerial, and technical qualifications to operate the public utility.

In evaluating the Settlement, we apply the standards set forth in Utah Code Ann. § 54-7-1, as discussed further below.

The Settlement presents a resolution of many issues associated with the Application. The Parties agree the Settlement is in the public interest and the results are just and reasonable.³² No one opposes the Settlement.

As set forth in Utah Code Ann. § 54-7-1, settlements of matters before the PSC are encouraged at any stage of a proceeding. Pursuant to this statute, the Commission may approve a stipulation or settlement if, after consideration, it finds the settlement proposal to be in the interests of the public and other affected persons. In addition, the Commission may adopt the settlement proposal if it finds, based on the evidence of record, that the proposal is just and reasonable in result. Finally, in reviewing a settlement, the PSC may consider whether it was the result of good faith, arms-length negotiations.³³

The Settlement is the product of mutual negotiation involving numerous parties with substantial interests. We find that the Application and testimony filed and provided in this docket demonstrate the importance of the variety of interests that participated in the negotiation and execution of the Settlement. We commend the

³² See Stipulation at 4.

³³ See *Utah Dept. of Admin. Services v. Public Service Comm'n*, 658 P.2d 601, 614 n. 24 (Utah 1983).

Parties for responsibly pursuing the interests required by their roles and their stakeholders, and we find that the Parties to the Settlement have resolved many significant issues and have identified a process to continue to monitor and address issues concerning the corporate integration aspects relating to the sale.

No testimony or evidence has been presented opposing the Settlement, and we are unaware of any proper reason to preclude the underlying sale from moving forward. We find that the record evidence in this docket supports the unopposed representation of the Parties that the Settlement is in the public interest and that the results are just and reasonable.

Accordingly, based on the record evidence we find: 1) EQH has the necessary financial, managerial, and technical qualifications to operate the public utility, and 2) the proposed sale, subject to the conditions expressed in the Application as modified by the Settlement, will produce net benefits to ratepayers, is just and reasonable, and is in the public interest.

ORDER

Pursuant to the foregoing and our discussion, findings, and conclusions, we approve the Application subject to the terms and conditions presented in and as modified and supplemented by the Settlement.

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DATED at Salt Lake City, Utah, May 16, 2024.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#333785

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

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SETTLEMENT STIPULATION

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p>In the Matter of the Joint Application of Questar Gas Company dba Dominion Energy Utah and Enbridge Quail Holdings, LLC for Approval of the Proposed Sale of Fall West Holdco, LLC to Enbridge Quail Holdings, LLC.</p>	<p>Docket No. 23-057-16</p> <p>SETTLEMENT STIPULATION</p>
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Pursuant to Utah Code Ann. § 54-7-1 and rules of the Public Service Commission of Utah (“Commission”), Questar Gas Company (“Questar Gas”) dba Dominion Energy Utah and Enbridge Quail Holdings, LLC (“EQ Holdings”) (together “Applicants”); the Utah Division of Public Utilities (“Division”); the Utah Office of Consumer Services (“OCS”); and the Utah Association of Energy Users (“UAE”); (collectively “Parties” or singly “Party”) submit this

Settlement Stipulation. This Settlement Stipulation is effective upon the entry of a final order of approval by the Commission. ~~DOCKET NO. 23-057-16~~ - 14 -

PROCEDURAL HISTORY

1. On September 5, 2023, Dominion Energy, Inc. (“DEI”) and EQ Holdings entered into a Purchase and Sale Agreement by which EQ Holdings will acquire from DEI all of the outstanding equity interests of Fall West Holdco LLC (“Fall West”), the parent company of Questar Gas (the “Transaction”).

2. On October 20, 2023, the Applicants filed a Joint Notice and Application of Questar Gas and EQ Holdings requesting Commission approval of the Transaction in Docket No. 23-057-16 (“Joint Notice and Application”). Applicants also filed a Joint Application seeking approval of the Transaction before the Wyoming Public Service Commission (“Wyoming Commission”) in Docket No. 30010-218-GA-23 (“Wyoming Joint Application”). Both the Joint Notice and Application and the Wyoming Joint Application were accompanied by pre-filed direct testimonies of Michele Harradence, Christopher Johnston, James Sanders, and Judd Cook, along with substantial supporting exhibits and information.

3. On October 20, 2023, Questar Gas also provided a notice of the Transaction along with copies of the Joint Notice and Application and related documents filed with the Commission to the Idaho Public Utilities Commission (the “Idaho Commission”), which opened Case No. QST-G-23-01 to review the Transaction as it relates to Questar’s Idaho customers.

4. On November 7, 2023, the Commission issued a Scheduling Order, Notice of Technical Conference, Notice of Public Witness Hearing, and Notice of Hearing setting dates for filing testimony and hearings.

5. Since that time, the ~~DOCKET NO. 23-057-16~~ ^{DOCKET NO. 23-057-16} intervened: UAE and the Idaho Commission. In August 1990, due to the small number of Idaho customers being served by Mountain Fuel Supply Company (predecessor to Questar Gas), the Idaho Commission approved a “Contract for Regulatory Services” with the Commission (pursuant to Idaho Code Section 61-505) agreeing that “the rates, charges and service regulations adopted by the [Utah PSC] will also apply to similarly situated customers served by Mountain Fuel Supply in Idaho.” In 2016, when DEI purchased Questar Gas, the Idaho Commission signed on to the Utah approval pursuant to an updated Contract for Regulatory Services entered under Idaho law which permits regulatory agencies of neighboring states to hold hearings and set rates and charges for customers in Idaho located in or nearby border communities served by utilities principally located in states other than Idaho. *See* Order No. 33628, Case No. QST-G-16-01.

6. On December 7, 2023, a technical conference was held to discuss and provide information related to the Transaction to the Division, the OCS, interested parties, and the Commission and its staff.

7. On February 5, 2024, the Division filed the Direct Testimony of Casey Coleman and Eric Orton, with an accompanying exhibit. On February 5, 2024, the OCS filed the Direct Testimony of Jacob Zachary. On February 5, 2024, UAE filed the Direct Testimony of Kevin Higgins.

8. On February 27, 2024, Questar Gas filed a Motion to Amend the Scheduling Order, Notice of Technical Conference, Notice of Public Witness Hearing, and Notice of Hearing to allow the Parties additional time to reach a settlement in this docket.

9. On February 29, 2024, ~~DOCKET NO. 23-057-16~~ ^{DOCKET NO. 23-057-16} an Order Granting in Part Motion to Amend Scheduling Order, Notice of Technical Conference, Notice of Public Witness Hearing, and Notice of Hearing establishing an amended schedule in this docket.

10. The Division, OCS, UAE, Idaho Commission, Wyoming Office of Consumer Advocate, and Wyoming Commission Staff have asked, and Applicants have responded to, numerous data requests and inquiries.

11. During January and February of 2024, the Parties met to discuss settlement of the matters raised herein. Through arm's length negotiations, the Parties have reached agreement as set forth below.

TERMS AND CONDITIONS

The Parties agree for purposes of settlement that the Joint Notice and Application should be granted and approved, subject to the following commitments as set forth in the Joint Notice and Application filed with the Commission on October 20, 2023, in Docket No. 23-057-16, and as modified and supplemented by the Commitment Matrix attached hereto and incorporated by reference herein as **Exhibit A** with **Attachment 1**, and should be imposed upon the Applicants as agreed by the Parties and as a condition of the Commission's approval of the Transaction.

The Parties agree that the effect of this Settlement Stipulation, if approved by the Commission, should result in an Order that, effective upon the closing of the Transaction, supersedes and replaces the obligations set forth in the Order approving the merger in Docket No. 16-057-01.

GENERAL

1. The Parties agree that settlement of those issues identified above is in the public interest and that the results are just and reasonable. The Parties are authorized to represent that the

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intervenor in this Docket that have not filed a Settlement Stipulation do not oppose this Settlement Stipulation.

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2. The Parties agree that no part of this Settlement Stipulation or the formulae or methods used in developing the same, or a Commission order approving the same, shall in any manner be argued or considered as precedential in any future case. This Settlement Stipulation does not resolve, does not provide any inferences regarding, and the Parties are free to take any position with respect to, any issues not specifically identified and settled herein. All negotiations related to this Settlement Stipulation are confidential and subject to applicable Utah Rules of Evidence, including Rule 408, and no Party shall be bound by any position asserted in negotiations not specifically identified and settled herein. Neither the execution of this Settlement Stipulation nor an order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Settlement Stipulation.

3. Questar Gas, EQ Holdings, the Division, and the OCS each will make one or more witnesses available to explain and support this Settlement Stipulation to the Commission. Such witnesses will be available for examination. As applied to the Division and the OCS, the explanation and support shall be consistent with their statutory authorities and responsibilities. So that the record in this docket is complete, the Parties agree to recommend that all Parties' filed testimony, exhibits, and the Joint Notice and Application and its exhibits that have been filed in this docket shall be admitted as evidence.

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4. The Parties agree that the Commission's approval of this Settlement Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Settlement Stipulation, each Party will use its best efforts to support the terms and conditions of the Settlement Stipulation. As applied to the Division and the OCS, the phrase "use its best efforts" means that they shall do so in a manner consistent with their statutory authorities and responsibilities. In the event any person seeks judicial review of a Commission order approving this Settlement Stipulation, no Party shall take a position in that judicial review opposed to the Settlement Stipulation.

5. Except with regard to the obligations of the Parties under Paragraphs 2, 3 and 4, of this Settlement Stipulation, this Settlement Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission. This Settlement Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Settlement Stipulation or imposes any material change or condition on approval of this Settlement Stipulation, or if the Commission's approval of this Settlement Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Settlement Stipulation consistent with the order. No Party shall withdraw from the Settlement Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Settlement Stipulation, the remaining Parties retain the right to seek additional procedures before the Commission, including presentation of

testimony and cross-examination of witnesses, and the Parties shall be bound or prejudiced by the terms and conditions of the Settlement Stipulation. -

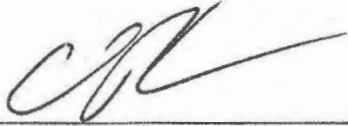
6. This Settlement Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

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RELIEF REQUESTED

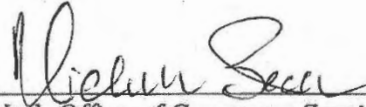
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Based on the foregoing, the Parties request that the Commission issue an order approving this Settlement Stipulation and adopting its terms and conditions.

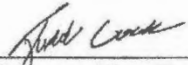
RESPECTFULLY SUBMITTED: March 19, 2024.



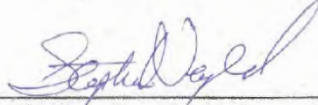
Utah Division of Public Utilities



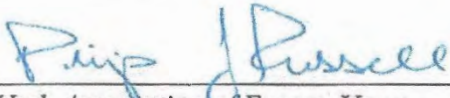
Utah Office of Consumer Services



Questar Gas Company
dba Dominion Energy Utah



Enbridge Quail Holdings, LLC



Utah Association of Energy Users

EQ Holdings and Questar Gas
Commitments Matrix

No.	Commitment
	Corporate Structure; Local Presence; Local Management
1	<p>a. At the closing of the Transaction, Fall West will become a direct subsidiary of EQ Holdings, and Questar Gas and Wexpro each will remain direct subsidiaries of Fall West and each will continue to exist as separate legal entities. Questar Gas Inc. will remain its legal name and will be rebranded to “Enbridge Gas Utah”.</p> <p>b. Thereafter, Questar Gas d/b/a Enbridge Gas Utah will: (i) seek approval from the Utah Public Service Commission (the “Commission”) prior to any transaction which, regardless of the means by which it is accomplished, results in a change of control of Questar Gas; provided, however, that any internal reorganization or any other transaction after which affiliates controlled by Enbridge Inc. (“Enbridge”) continue to control Questar Gas shall not be deemed to be a change of control of Questar Gas; (ii) notify the Commission within 30 days after completing any transaction in which 10% or more of the common stock of Questar Gas or 10% or more of the voting interest of any direct or indirect subsidiary of Enbridge Genoa U.S. Holdings, LLC that directly or indirectly owns 10% or more of the common stock or other voting interest of Questar Gas is transferred to an entity that is not controlled by Enbridge; and (iii) comply with all provisions of the Utah Code, rules promulgated by the Commission, and Commission orders.</p>
2	<p>Upon completion of the Transaction, Questar Gas will be operated as a separate legal entity and its headquarters will, for the foreseeable future, remain located in the greater Salt Lake City, Utah area.</p>
3	<p>a. Questar Gas will continue to be locally managed by a seasoned team of executives with expertise in the retail natural gas utility industry who will have responsibility for implementing policies and practices to achieve the objectives of customer satisfaction, reliable service, public and employee safety, environmental stewardship, and collaborative and productive relationships with customers, regulators, governmental entities, and other interested stakeholders.</p> <p>b. In support of the foregoing, EQ Holdings commits that Questar Gas will be provided with access to the resources of the larger Enbridge group of companies and shared services provided by Enbridge and its affiliates.</p>

- 22 - Regulatory; Jurisdiction of the Commission; Compliance with Law	
4	<ul style="list-style-type: none">a. EQ Holdings and Questar Gas acknowledge that Questar Gas is and will remain subject to full regulation by the Commission¹ as prescribed by the Utah Code, rules promulgated by the Commission, and Commission orders.b. The Transaction will in no way diminish the authority of the Commission to regulate the service quality and rates charged to Questar Gas customers. Neither EQ Holdings nor Questar Gas will assert in any forum or proceeding that the authority of the Commission to regulate Questar Gas has been or will be diminished by reason of the Transaction.c. EQ Holdings and Questar Gas commit to honor existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following completion of the Transaction.
5	<ul style="list-style-type: none">a. EQ Holdings and Questar Gas commit that senior officers and management responsible for determining policies applicable to the Enbridge group of companies will, with reasonable notice, be available to testify before the Commission and provide relevant information related to matters within the jurisdiction of the Commission, including any such information required to be provided in response to discovery or requests about Enbridge or any of its subsidiaries.b. EQ Holdings and Questar Gas commit to maintain access to books and records requested pursuant to Commitment 5(a) in Salt Lake City, Utah.
6	<p>Upon request, EQ Holdings and its affiliates will provide the Commission, the Utah Division of Public Utilities (the “Division”), the Utah Office of Consumer Services (the “OCS”) and intervenors, including their auditors and authorized agents, in Utah rate and other regulatory proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Questar Gas.</p>

¹ Questar Gas and EQ Holdings have made filings in each of the three states in which Questar Gas provides retail natural gas service: Utah, Wyoming, and Idaho.

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7	<p>a. All Wexpro agreements, stipulations, and associated guideline letters will be honored, and all such agreements, stipulations and associated guideline letters will be posted on a publicly available website.</p> <p>b. In the 2024 Integrated Resource Plan (IRP), Questar Gas will provide historical information specifying the volumes and the location(s) of its gas supply purchases for the prior three IRP years. In each IRP thereafter, Questar Gas will update such information by including comparable information for the next succeeding year. Questar Gas will, to the extent known to Questar Gas, provide information on the origin of gas purchased at each identified purchase point and the location of Wexpro Production utilized during each year.</p>
8	<p>EQ Holdings will develop and provide to the Division and the OCS a plan identifying how it intends to communicate the change in ownership of Questar Gas from Dominion Energy to EQ Holdings. Upon approval of the Application in this matter and until such communications plan concludes, Questar Gas will periodically meet with the OCS and the Division to share details, and receive feedback, about the communications plan.</p>

- 24 - Ratemaking; Accounting	
9	<p>Contingent upon the consummation of the Transaction, Questar Gas commits that:</p> <ul style="list-style-type: none">a. No changes will be made to Questar Gas’s existing filed rates, rules, regulations, and classifications under its existing Utah Tariff as a result of the Transaction except, promptly following closing of the Transaction, Questar Gas will file a revised Utah Tariff to:<ul style="list-style-type: none">i. Change the name of under which the operating entity will do business in the States of Utah and Idaho; andii. Modify the Energy Assistance Fund language in section 8.03 of its Utah tariff to exclude Idaho customers.b. Except as contemplated by Commitment No. 9(a), to the extent necessary, changes to the Utah Tariff following closing of the Transaction will be made in the ordinary course of business.c. Questar Gas’s current Infrastructure Replacement tracker was approved by the Commission in Questar Gas’s last general rate case in Docket No.22-057-03 and provides for Questar Gas to recover costs for the replacement of aging infrastructure through a surcharge on Customers’ monthly bills between general rate cases. Questar Gas agrees that:<ul style="list-style-type: none">i. Questar Gas will not propose an increase to the current Commission approved Infrastructure Replacement Investment level of \$84.7 million, adjusted annually based on the GDP deflator index, for Questar Gas’s next two general rate cases.ii. In Questar Gas’s next Infrastructure Replacement tracker rate adjustment filing with the Commission in 2024, Questar Gas will apply a \$275,000 credit to the revenue requirement calculation, effectively reducing the revenue collection from Questar Gas’s Customers through the surcharge by such amount for one year, as calculated pursuant to Questar Gas’s Tariff PSCU 600, Section 2.07.
10	<p>Questar Gas will not seek recovery on any acquisition premium (goodwill) cost associated with the Transaction from its customers and no goodwill costs will be recorded on Questar Gas's books, and Questar Gas will make the required accounting entries associated with the Transaction on that basis.</p>

- 25 -	
11	Transaction costs associated with the Transaction will not be recovered through the rates of Questar Gas or recovered through charges from affiliated companies of Enbridge or EQ Holdings to Questar Gas. Transaction costs are defined as: (i) legal, consulting, or other professional advisor costs to initiate, prepare, consummate, and implement Transaction, including obtaining regulatory approvals; (ii) rebranding costs, including websites, advertising, vehicles, signage, printing, and stationary; (iii) executive change in control costs (severance payments and accelerated vesting of share-based compensation); and (iv) financing cost related to the Transaction, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Transaction approval.
12	<ul style="list-style-type: none">a. For regulatory purposes, Questar Gas’s accounting will continue to reflect assets at historical costs, approved depreciation rates and deferred income taxes based on original cost in accordance with the Uniform System of Accounts.b. EQ Holdings and Questar Gas commit that Questar Gas’s customers will be held harmless for any changes in income taxes and/or accumulated deferred income taxes as a result of the Transaction to the extent recovery would otherwise be obtained in Questar Gas’s rates in accordance with tax normalization rules.

- 26 - Shared Services; Affiliate Transactions	
13	<p>a. At closing of the Transaction, Questar Gas will enter into a Master Transition Services Agreement (TSA) with Dominion Energy pursuant to which it will receive certain corporate services that it currently receives from Dominion Energy and affiliates of Dominion Energy on terms and at rates previously approved by the Commission. The purpose of the TSA is to ensure that service quality, safety, and reliability will not be adversely affected by the Transaction.</p> <p>b. Questar Gas will not seek recovery in its retail rates for any “administrative fees” paid to Dominion Energy or any affiliate of Dominion Energy under or pursuant to Section 2 or Section 3 of Schedule 2.1 of the TSA.²</p> <p>c. Questar Gas will not seek recovery in its next two general rate cases for any increase in the aggregate total inflation adjusted Operating, Maintenance, Administrative, and General Expenses (excluding energy efficiency, bad debt, and pension costs) cost per customer over the cost per customer for such items for the 12 months ended December 2023, unless Questar Gas can demonstrate that such increase was not caused by the Transaction (for example supply chain cost increases or cost increases caused by changes in accounting policy or legal and regulatory requirements). The amount for such items per customer for the 12 months ended December 2023 was \$125.89 (2023 Baseline Cost Per Customer), as calculated in Attachment 1 to this Commitment Matrix. Questar Gas will increase the 2023 Baseline Cost Per Customer annually (as increased at the end of each year, the Adjusted Baseline Cost Per Customer) for inflation, if positive over the prior year, by the inflation factor of the U.S. Consumer Price Index – All Urban Consumers and compare the Adjusted Baseline Cost Per Customer to Questar Gas’s actual per customer cost for Operating, Maintenance, Administrative, and General Expenses (excluding energy efficiency, bad debt, and pension costs) in the Integration Progress Report referred to in Commitment No. 36.</p>
14	<p>Questar Gas commits to continue to file its affiliate transaction report with the Commission on an annual basis.</p>

² An “administrative fee” surcharge on top of all charges under the TSA of 10%, beginning no earlier than one year after the closing date and increasing to 20% no earlier than two years after the closing date, will be imposed under the terms of the TSA until termination of the TSA.

15	<p style="text-align: center;">- 27 -</p> <p>a. Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Enbridge. An audit trail will be maintained so that allocable costs can be specifically identified.</p> <p>b. Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.</p>
16	<p>Questar Gas will have the burden of proof to show that prices for goods and services provided by Enbridge or its other subsidiaries are just and reasonable and priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff.</p>
	Community
17	<p>a. Questar Gas’s charitable contributions were \$1,445,602 in 2022. In addition, Questar Gas disbursed \$217,500 to various arts and education organizations through a trust. Commencing in the first calendar year in which the closing occurs, EQ Holdings will increase Questar Gas’s charitable contributions by \$175,000 per year for three years. The continuation of these contributions, with the incremental support, will benefit the local communities by helping to ensure continuity in efforts to support local charitable causes. Also, after the closing, the arts and education trust will be liquidated and the assets in the trust (approximately \$3 million) will be given to the various arts and education organizations.</p> <p>b. Commencing in the first calendar year in which the closing occurs, for a period of three (3) years, EQ Holdings agrees to spend \$225,000 in aggregate to promote the Energy Assistance Fund.</p> <p>c. In the calendar year in which the closing occurs, EQ Holdings will make a charitable contribution of \$2000 to a charitable organization in Idaho, such charitable organization to be selected in consultation with local management of Questar Gas.</p>
	Operations
18	<p>EQ Holdings and Questar Gas commit that Questar Gas will continue to install, upgrade, and maintain Questar Gas’s infrastructure as necessary for safe and reliable operations and, in the absence of material unforeseen or unanticipated circumstances, as contemplated by Questar Gas’s planned capital expenditure program.</p>

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19	EQ Holdings commits to implement Enbridge’s Integrated Management System (which includes safety and risk management programs, processes, and procedures) at Questar Gas and will seek to do so within two years following closing of the Transaction. EQ Holdings and Questar Gas shall include a report on the status of such implementation in each Integration Progress Report referred to in Commitment No. 36 until such implementation is complete.
20	Questar Gas will continue to file an IRP on an annual basis.
21	Questar Gas will maintain the established gas-supply interchangeability Wobbe indices for Questar Gas receipt points and remain in compliance with the Commission’s requirements.
22	Questar Gas agrees to retain the thermwise.com website and maintain it under local control so long as there are any energy efficiency programs in its Utah tariff to ensure Utah customer access to comprehensive and up-to-date information about those programs.
	Customer Satisfaction
23	<p>d. Following closing of the Transaction, Questar Gas will work with the Division and the OCS on a collaborative basis and update the Customer Satisfaction Standards, taking into account recent historical results.</p> <p>e. Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue through completion of the second general rate case filing following closing of the Transaction. If service levels fall short of the agreed “goals” identified in the updated Customer Satisfaction Standards, Questar Gas will file a remediation plan with the Commission explaining the undertakings Questar Gas will implement to improve and restore service to meet these goals.</p>
	Financial and Ring-Fencing
24	EQ Holdings commits to support the financial strength and integrity of Questar Gas, including by: (i) maintaining Questar Gas as a separate legal entity with clearly understood management and reporting lines; (ii) facilitating operational enhancements; (iii) ensuring that Questar Gas has access to the resources, funding, and credit needed to support its operations and growth; and (iv) establishing and implementing thoughtfully tailored ring-fencing structures adapted to the needs of Questar Gas given the overall policies and practices of the Enbridge group of companies and with due respect for the needs of Questar Gas’s customers and the evolving important priorities confronting Questar Gas.

25	<p style="text-align: center;">- 29 -</p> <p>None of EQ Holdings, Questar Gas, or Wexpro will incur any new indebtedness or liability for any acquisition debt incurred to finance the Transaction, and Questar Gas will not seek recovery in its rates for transaction costs related to the Transaction. Questar Gas's obligations with respect to its existing indebtedness will continue in connection with the Transaction.</p>
26	<ul style="list-style-type: none"> a. Questar Gas will be supported with funding consistent with past practice and with the intention of maintaining investment grade credit ratings. b. Questar Gas will be provided with funding to meet its ongoing operational needs consistent with past practice and as necessary to provide safe and reliable service to all its customers. c. Any debt used to capitalize Questar Gas will be kept within the regulated utility. d. Without Commission approval, neither Enbridge nor any of its affiliates will make any loan to Questar Gas that bears interest at rates that are greater than the lower of: (i) rates being paid at the time of such loan by Enbridge or such other affiliate on its own debt; or (ii) rates available, at the time of such loan, on similar loans to Questar Gas from the market.
27	<p>Questar Gas will be provided with the same access to short-term debt, commercial paper, and other liquidity as per past practices.</p>
28	<p>Questar Gas will maintain separate long-term debt with its own debt rating supplied by at least two nationally recognized debt rating agencies.</p>
29	<p>Questar Gas will continue to maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities.</p>
30	<ul style="list-style-type: none"> a. To the extent that any future dividends are offered, EQ Holdings intends to continue Questar Gas' practice of setting its dividend rates at levels that maintain Questar Gas's capital structure between 48% and 55%. b. Questar Gas will provide notification to the Commission of any such dividends paid and include in such notice an associated projection of cash flows.

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31	<p>The Joint Applicants commit to provide for and effect the appointment of a “Special Bankruptcy Director” to serve as a member of the Board of Directors of Questar Gas. Said Director shall be nominated by and retained from an independent entity, such as CT Corporation, (at shareholder expense) and shall not be employed by or otherwise affiliated with EQ Holdings or any affiliate of EQ Holdings. Said Director shall not participate in ordinary and routine activities of the Questar Gas Board and shall have no voting rights except in the event of a vote by the Questar Gas Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director prior to the meeting at which the Questar Gas Board holds a vote to consider said voluntary bankruptcy petition, and no voluntary bankruptcy petition on behalf of Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility’s customers, and the financial health and public service obligations of Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Questar Gas will provide confidential notice to the Commission, Division, and the OCS.</p>
32	<p>EQ Holdings or Questar Gas will provide prompt notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Enbridge or any of its material subsidiaries to be declared bankrupt.</p>
Employees	
33	<p>For 24 months after closing, Questar Gas employees will have: (i) base pay and target annual cash bonuses that are no less than the employee’s base pay and target annual cash bonus in effect prior to closing; and (ii) benefit plans that, in the aggregate, are equivalent to the employee’s various benefits prior to closing.</p>
34	<ol style="list-style-type: none"> a. Questar Gas employees will be offered opportunities to learn from and share experiences, including with respect to enhanced safety practices and protocols, with other Enbridge company employees and thereby share best practices for improving their experiences and customer experiences. b. Questar Gas will offer employee training and opportunities for career development, including due and fair consideration for other employment and promotion opportunities within the larger Enbridge organization, both inside and outside of Utah.

	- 31 - Clean Energy
35	EQ Holdings, as a member of the Enbridge family, is committed to conducting its business operations in an environmentally friendly and responsible manner. Consequently, EQ Holdings has embraced carbon reduction as a component of its sustainability goals and will, in its capacity as the owner of Questar Gas, seek to have Questar Gas operate and conduct the business of Questar Gas in accordance with this corporate philosophy. Consistent with this effort, EQ Holdings will explore the possibilities for implementing clean energy projects and undertake and explore possibilities for implementing clean energy projects within Questar Gas’s service area with respect to renewable natural gas, hydrogen, and compressed natural gas. Such exploration will include assessment of Federal funding eligibility of any such projects under the U.S. Inflation Reduction Act. These efforts are intended to benefit consumers by helping to reduce combustion-related and methane emissions and helping to reduce the carbon intensity of the energy delivered to customers.
	Integration Progress Report
36	Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities related to the Transaction. The report will also identify and include Transaction costs. Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2025, for the period ending December 2024 and will provide updates quarterly thereafter until the conclusion of the second general rate case.

EXHIBIT A

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SETTLEMENT STIPULATION

Docket No. 23-057-16

Commitment Matrix

Questar Gas Company

12 Months Ended Dec 2023 O&M and A&G per customer

	(A)	(B)
1 Production		-\$685,362
2 Distribution		87,097,588
3 Customer Accounts (Excl. Bad Debt)		12,188,678
4 Customer Service/Information (Excl. EE)		3,559,291
5 Administrative & General (Excl. Pension Credit)		46,701,164
6 Bad Debt		6,219,365
7 Energy Efficiency		24,648,570
8 Pension Credit		-12,588,204
9 Total O&M and A&G		\$167,141,090
10 LESS Bad Debt		-\$6,219,365
11 LESS Energy Efficiency		-\$24,648,570
12 LESS Pension Credit		\$12,588,204
13 Adjusted O&M and A&G		\$148,861,359
14 12-Month Avg Customer Count Dec 2023		1,182,438
15 O&M and A&G/Customer (Line 13 divided by 14)		\$125.89

NOTICE OF SERVICE
DOCKET NO. 23-057-16

I hereby certify that a true and correct copy of Settlement Stipulation in Docket No. 23-

057-16 was served upon the following persons by email on March 21st, 2024:

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CERTIFICATE OF SERVICE

I CERTIFY that on May 16, 2024, a true and correct copy of the foregoing was served upon the following as indicated below:

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