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Recommendation

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Shauna Benvegna-Springer, Utility Technical Consultant
Savannah Torman, Utility Analyst

Date: November 25, 2025

Re: **Docket No. 23-057-20**, Application of Enbridge Gas Utah to Amortize the Energy Efficiency Deferred Account Balance – 2023 Audit Report.

Recommendation (Approval)

The Division of Public Utilities (“Division”) conducted a comprehensive audit¹ of Enbridge Gas Utah’s (“Enbridge” or “Company”, formerly Dominion Energy Utah) actual energy efficiency program activity from September 2022 through September 2023. The Division recommends that the Public Service Commission of Utah (“Commission”) approve the Company’s energy efficiency amortization rate of \$0.15907 per Dekatherm (“Dth”) as final.

Issue

On December 1, 2023, the Company filed an application with the Commission to increase the energy efficiency amortization rate to \$0.15907 per Dth. On the same day, the Commission issued an action request to the Division, requesting a review of the application with recommendations due by January 2, 2024. On December 4, 2023, the Commission issued a Notice of Virtual Consolidated Scheduling Conference consolidating a scheduling conference for four dockets,² including this docket. The Commission issued a Scheduling

¹ In using the term “Audit,” the Division notes that it did not conduct an independent audit as defined and conducted under Generally Accepted Auditing Standards as promulgated under the Auditing Standards Board of the American Institute of Certified Public Accountants. In this instance, “Audit” means compliance review.

² Docket Nos 23-057-19, 23-057-20, 23-057-21, and 23-057-22.



Division of Public Utilities

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Order and Notice of a Virtual Consolidated Hearing, requesting that initial comments be filed with the Commission by December 15, 2023, with a hearing for December 19, 2023. On December 15, 2023, the Division issued a response to the Commission's scheduling order, recommending that the Commission grant an interim amortization rate of \$0.15907 until the Division had an adequate opportunity to review and audit the entries to ensure proper accounting for the dollars spent. After the hearing on December 19, 2023, the Commission issued an order on December 21, 2023, approving the requested interim amortization rate for the energy efficiency programs, effective January 1, 2024. A recent review found that the 2023 rate audit was not completed. This memo represents the Division's review and audit of the 2022-2023 Demand Side Management ("DSM") deferred account.

Background

Enbridge provides natural gas to customers in Utah, Wyoming, and parts of Idaho. In Utah, the Commission regulates the Company's activities, including rates, charges, and general conditions approved in its tariffs. On October 5, 2006, in Docket No. 05-057-T01, the Commission authorized the Company to establish a demand side management ("DSM") deferred account (182.4) to record revenue and costs associated with the approved energy efficiency programs. This deferred account records the related expenses and revenue through periodic rate adjustments, accruals, and amortization.

Discussion

An audit was conducted to verify actual expenditures for the energy efficiency program for the twelve months ended September 30, 2023. The audit reviewed existing expenditure invoices for chosen expenditure types under various energy efficiency projects. The expenditure types were identified from the Company's *Energy Efficiency Program Expenditure Report* (EGU Exhibit 1.2) submitted on December 1, 2023. Projects in the energy efficiency program include:

- ThermWise® Home Energy Plan
- ThermWise® Builder Rebates
- ThermWise® Appliance Rebates
- ThermWise® Business Rebates

- Market Transformation
- Low Income Efficiency
- ThermWise® Weatherization
- ThermWise® Energy Comparison Report.

Audit

The Division gathered information through the data request process. The review covered the energy efficiency program from September 2022 through September 2023.

The audit was conducted to verify a sample of actual amounts listed on the *Energy Efficiency Program Expenditure Report*. In DPU Data Request 1.1, Enbridge provided the Division with a report detailing all expenses in each energy efficiency program for the twelve months ending September 30, 2023. The Division reviewed this report and, for each energy efficiency program, requested a sample of invoices and supporting documentation. Enbridge supplied copies of applicable documentation, invoices, and schedules to support the transactions reviewed.

The Division's audit sampled fifty (50) energy efficiency expenditures for the twelve months ending September 30, 2023. There were between one (1) and fifteen (15) transactions for each project. The documentation was verified and reconciled to the amounts presented on EGU Exhibit 1.2, Page 2 of 2, filed with the Company's application. The Company has followed the Commission's rules for the transactions represented. No errors, corrections, or findings were discovered. The Division reviewed the tariffs for the energy efficiency program to ensure that the incentives provided matched the payments distributed. No errors were found or discovered.

The Division acknowledges and values the Company's transparency and customer service in addressing customers' questions regarding the program. The Division did not receive any informal complaints regarding the ThermWise® energy efficiency program during the time frame under review. EGU stated that 80% of rebates are processed without any questions to the company, 10% were rejected for not meeting the requirements, and the remaining 10% require additional resolution via phone calls, letters, and emails. These issues involve incomplete applications, incorrect equipment, or finding the status of their rebate.

Conclusion

The actual energy efficiency revenue and costs from September 2022 through September 2023, as presented in Enbridge's Docket No. 23-057-20, Exhibit 1.2, Page 2 of 2, appear to be correct. The Division recommends that the Commission finalize the amortization rate for energy efficiency at \$0.15907 per Dth.

cc: Austin Summers, Enbridge Gas Utah
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Michele Beck, Office of Consumer Services
Service List