- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Questar Gas Company d/b/a Dominion Energy Utah's Integrated Resource Plan (IRP) for Plan Year: June 1, 2024 to May 31, 2025	DOCKET NO. 24-057-04 ORDER

ISSUED: November 6, 2024

On June 14, 2024, Dominion Energy Utah, now Enbridge Gas Utah (EGU),[1] filed its Integrated Resource Plan for the June 1, 2024 through May 31, 2025 plan year ("2024 IRP") with the Public Service Commission (PSC).[2] A scheduling order was issued on June 27, 2024. Pursuant to that order, the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) filed comments on August 22, 2024, and EGU filed reply comments on September 26, 2024. There were no additional comments filed. Technical conferences were held on February 15, 2024; March 19, 2024; April 23, 2024; May 1, 2024; and July 8, 2024.

SUMMARY OF THE 2024 IRP

The 2024 IRP presents EGU's plan to meet, provide infrastructure for, and manage its ongoing natural gas demand. For the 2024 IRP year, EGU submits the following key forecasts:

(1) Design Day firm sales demand of approximately 1.28 million dekatherms (MMDth) at the city gates for the 2024-2025 heating season;[3]

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[1] *See* Order Approving Settlement Stipulation, issued May 16, 2024, Docket No. 23-057-16.
[2] The 2024 IRP is filed pursuant to Docket No. 08-057-02, *In the Matter of the Revision of Questar Gas Company's Integrated Resource Planning Standards and Guidelines*, Report and Order on Standards and Guidelines ("Standards and Guidelines") for Questar Gas Company, issued March 31, 2009.
[3] EGU's firm sales design day scenario is based on 70 heating degree days in the Salt Lake region; mean daily wind speed of 9.5 mph as measured at the Salt Lake City Airport weather station; and the day is not a Friday, Saturday, Sunday, or a winter holiday. *See* 2024 IRP page 3-4.

(2) A cost-of-service gas production level of approximately 58.9 MMDth, assuming the completion of new development drilling projects (47.3 percent of forecast demand); and

(3) A balanced portfolio of gas purchases of approximately 66.7 MMDth.

EGU also makes ongoing commitments to:[4]

(1) Maintain flexibility in purchase decisions pursuant to the planning guidelines listed in the IRP because actual weather and load conditions will vary from assumed conditions in the modeling simulation;

(2) Continued annual reviews of hedging practices due to the increased volatility in the natural gas markets. To protect against extreme price increases, EGU may purchase additional contracts for baseload supply;

(3) Continue to monitor and manage producer imbalances;

(4) Continue to promote cost-effective energy-efficiency measures;

(5) Enter into contracts to serve peak-hour requirements and secure needed storage and transportation capacity;

(6) Have the completed and tested Magna Liquified Natural Gas facility filled and ready for withdrawals for the 2024–2025 heating season; and

(7) Focus on programs aimed at methane emissions reduction and evaluating options for sustainable gas supplies.

The 2024 IRP provides price, sales, peak demand, throughput, and usage per-customer information. EGU discusses industry and market trends and specifically references market pressures that indicate a decrease in demand for natural gas used for power generation. EGU states that the U.S. Energy Information Administration projects the share of power generation from natural gas will remain steady at

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[4] *See id.* at 1-1 & 1-2.

approximately 1.7 billion kWh of annual generation.[5] Finally, EGU offers updates on price stabilization, its energy efficiency programs, various sustainability initiatives, and the final modeling results.

PARTIES' COMMENTS

DPU Comments and Recommendations

DPU states that EGU has filed a complete IRP and recommends the PSC's acknowledgement. DPU also comments that it received additional information from EGU in response to data requests that clarified questions concerning pipeline damage by third parties, pipeline anomalies repaired, liquid supply locations, aquifer storage, and transportation planning. Based on EGU's responses to those data requests, DPU states EGU "has been forthright in its responses and the current IRP appears to be the most complete and beneficial to regulators to-date[,]"[6] but "recommends that [EGU further clarify the topic of pipeline anomalies repaired and] file a corrected Table 6.2 with the [PSC] so that an accurate document is on file."[7]

OCS Comments and Recommendations

OCS recommends the PSC acknowledge the 2024 IRP. OSC commends EGU on including technical conference information in the 2024 IRP document itself, stating "[h]aving a fully complete, information-rich planning document that adequately

[5] *See id.* at 2-2.
[6] DPU Comments at 8.
[7] *Id.* at 5.

summarizes and supports the process is essential in communicating the important issues and solutions to stakeholders and in maintaining an easily accessible record of the issues that have been addressed."[8] OCS also discusses three topic areas, and recommends additional analysis and presentation in future IRP cycles. These specific areas are: data centers, storage, and increased demand versus a trend toward a carbon-free economy.

With respect to data centers, OCS acknowledges the 2024 IRP included a section on data centers. However, OCS requests that EGU provide additional details - including the ways in which requests for potential connections from data centers impact future resource and infrastructure needs – in future IRPs and a technical conference.[9]

With respect to storage, OCS describes the benefits of storage, specifically stating "[b]uying gas when it is cheap to put in storage to use later during times when market supplies are constrained and/or when market prices are very high can be a good strategy to address the problem of extreme prices that [occurred] in 2021 and 2023."[10] OCS requests that EGU include in future IRPs "more analyses of storage options to provide price stabilization and supply reliability, in particular evaluating scenarios involving cost/benefit analyses of acquiring new storage to address

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[8] OCS Comments at 2.
[9] *See id.* at 2-3 & 7.
[10] *Id.* at 4-5.

extreme pricing events … and whether interruptible storage capacity could provide benefit to the system."[11]

With respect to increased demand versus a trend toward a carbon-free economy, OCS states "[i]t is uncertain if the [Biden Administration's] goal of a net carbon-free energy economy by 2050 is attainable and decarbonization goals may change depending on the outcome of the upcoming election, but the current trend for the energy industry in the US is slowly moving in that direction."[12] Based on this observation, OCS requests that EGU's next IRP "consider how EGU could address these two large, yet opposing trends: increasing demand for energy, especially for the heating of buildings during cold Utah winters, and an increasing trend toward a carbon-free energy economy."[13]

EGU's Reply Comments

EGU agrees with DPU's and OCS's recommendation that the PSC acknowledge the 2024 IRP. EGU did not address DPU's recommendation regarding Exhibit 6.2. However, EGU addressed the topics of data centers, storage options, and increased demand versus a trend toward a carbon-free economy raised in OCS's comments. Specifically, EGU committed to expand the section covering data centers in subsequent IRPs, and address data centers as part of IRP-scheduled technical

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[11] *Id.* at 7.
[12] *Id.* at 6.
[13] *Id.*

conferences. Regarding storage, EGU responds that, "[w]ith the exception of its Magna LNG facility, [EGU] obtains storage service from FERC-regulated storage service providers. [EGU] can only obtain such storage service when those services are available for purchase."[14] EGU also states that it "continues to work with storage service providers to identify potential storage opportunities and agrees to provide available details on all known potential storage options, including cost/benefit analyses and information pertaining to the potential impact on extreme pricing events in future IRPs."[15] Finally, with respect to the topic of increased demand versus a trend toward a carbon-free economy, EGU states it "has included discussion on industry trends and sustainability efforts in recent IRPs [and] will continue to present these trends and … discuss how it plans to continue to provide its customers with safe and reliable service at a reasonable cost in the future [including a] discuss[ion] [on] the reasonableness of large capital investments."[16]

DISCUSSION, FINDINGS OF FACT, AND CONCLUSIONS OF LAW

EGU's IRP process is an open, public process through which relevant supply and demand-side resources are systematically investigated. The results of this investigation inform EGU's selection of an optimal set of resources to meet its current and future natural gas service needs at the lowest total cost (to the utility and its

[14] EGU Reply Comments at 3.
[15] *Id.* EGU will "also discuss the risks and benefits of interruptible storage contracts[]" in future IRPs. *Id.*
[16] *Id.* at 3-4.

customers), in a manner consistent with the public interest and safety, given the expected combination of costs, risks, and uncertainty.

The PSC reviews EGU's annual IRP for compliance with the Standards and Guidelines, the adequacy of EGU's process, and the information presented in the report.

Based on our review of the 2024 IRP, the comments and recommendations submitted by DPU and OCS, EGU's reply comments, and given the lack of opposition, we conclude the 2024 IRP generally complies with the Standards and Guidelines. The PSC thanks EGU for its commitment to address the topics raised by OCS in future IRPs and technical conferences.

ORDER

The 2024 IRP as filed is acknowledged.

DATED at Salt Lake City, Utah, November 6, 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#336445

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 written 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. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on November 6, 2024, a true and correct copy of the foregoing was served upon the following as indicated below:

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