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Application of Enbridge Gas Utah to  
Change the Sustainable Transportation  
Energy Plan Rate

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DOCKET NO. 24-057-11

ORDER

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ISSUED: August 29, 2024

### **SYNOPSIS**

The Public Service Commission (PSC) approves the application (the "Application") of Enbridge Gas Utah (EGU) filed in the referenced docket, effective September 1, 2024. Our approval results in a decrease of \$0.05 to the monthly bill of a typical GS residential customer using 70 decatherms (Dth) of natural gas, or a 0.09 percent decrease from current rates, reflecting the over-collected balance in the STEP balancing account.

### **PROCEDURAL BACKGROUND**

EGU filed the Application seeking approval to amortize the over-collected balance in the Sustainable Transportation Energy Plan ("STEP") balancing account and to adjust the distribution non-gas portions of its Utah GS, FS, IS, TSS, TSM, TSL, TBF, and NGV rate schedules pursuant to EGU's Utah Natural Gas Tariff No. 700 ("Tariff"), effective September 1, 2024.

The PSC issued an Action Request to the Division of Public Utilities (DPU) on August 1, 2024, and a Notice of Filing and Comment Period on August 2, 2024. On August 16, 2024, the DPU filed comments and recommendations regarding the Application. No other comments were filed.

### **BACKGROUND**

In August 2020, the PSC approved 1) a two-year project known as the Utah Intermountain Industrial Assessment Center (IIAC), 2) funding for the IIAC, and 3) a

balancing account to collect funds for the IIAC, in part, in Docket No. 19-057-33 (the “IIAC Program”).<sup>1</sup> The IIAC Program was tasked with completing energy and clean air assessments. In support of the IIAC Program, EGU began to collect the STEP surcharge on November 1, 2020, which has remained in effect since. According to the Application, EGU “spent \$1.5 million to administer the STEP program[,]” ... “incurred total carrying charges of [(\$68,897),]” and “collected a total of \$1,998,696 through the STEP amortization rate[,]” all resulting in a “current balance in the STEP balancing account [of (\$567,593)] as of June 30, 2024.”<sup>2</sup>

The Application proposes to amortize the over-collected balance in the STEP balancing account (Account No. 182.45).<sup>3</sup> Using the test year ending August 31, 2025 (“Test Year”) and illustrated in Exhibit 1.02,<sup>4</sup> EGU determined the proposed updated STEP amortization rates by “assign[ing] the June 2024 account balance of [(\$567,593)] to each rate class based on the Commission-approved cost of service from the most recent [g]eneral [r]ate [c]ase (Docket No. 22-057-03).”<sup>5</sup> EGU then represents that “EGU

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<sup>1</sup> *Application of Dominion Energy Utah for Approval of a Natural Gas Clean Air Project and Funding for the Intermountain Industrial Assessment Center*, Docket No. 19-057-33, Order Approving Settlement Stipulation, issued August 31, 2020.

<sup>2</sup> Application at 2-3, ¶ 4.

<sup>3</sup> See Docket No. 20-057-19. The STEP balancing account was authorized October 30, 2020.

<sup>4</sup> See Application at 3, ¶ 4 (*sic*). The Application contains 2 paragraphs numbered “4”; this citation is to the second paragraph numbered 4.

<sup>5</sup> *Id.*

Exhibit 1.03 [of the Application] shows the Company's STEP amortization rate calculation for each rate class using anticipated customer volumes for the "Test Year."<sup>6</sup>

***DPU Comments***

DPU states that the proposed requested change in the surcharge will result in a \$0.62 annual reduction to a typical customer's bill over the refund period.<sup>7</sup> DPU also states "EGU collected a total of \$1,998,696 through the STEP surcharges"<sup>8</sup> and, based on data and spreadsheets provided by EGU, \$567,593 should be refunded to the customers. DPU concludes that the "proposed STEP amortization refund of surcharges and associated customer tariff [s]heets are just, reasonable, and in the public interest[]" and recommends approval of EGU's tariff sheets with an effective date of September 1, 2024.<sup>9</sup>

**FINDINGS, CONCLUSIONS, AND ORDER**

In the Application, EGU provided representations and assertions verified under oath along with accompanying documentation that included detailed accountings of costs and revenues, detailed calculation models and supporting explanations describing the refund it seeks to implement, and its methods of allocating the refund to rate classes. DPU's written comments represent that it conducted a review of the Application, including an analysis of EGU's proposal and supporting documentation.

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<sup>6</sup> *Id.*

<sup>7</sup> *See* DPU Comments at 2.

<sup>8</sup> *Id.* at 3.

<sup>9</sup> *See id.*

Based on its review, DPU represents that the rates proposed in the Application are just, reasonable, and in the public interest, and recommended that we approve them. No evidence or comments were offered opposing the Application, EGU's verified representations and assertions, or DPU's comments and recommendations.

Based on our review of the Application and accompanying documentation, and DPU's comments and recommendation, we find substantial evidence supports our conclusion that the rate decrease requested by EGU in the Application is just, reasonable, and in the public interest. The PSC finds the refund arose because of over-collection of the STEP surcharge and concludes the refund is due to EGU's customers. We thus find and conclude that approval of the proposed refund is just, reasonable, and in the public interest.

Therefore, we order:

- 1) EGU's proposed rates are approved, effective September 1, 2024;  
and
- 2) The proposed tariff sheet modifications submitted with the Application are approved, effective September 1, 2024.

DATED at Salt Lake City, Utah, August 29, 2024.

/s/ John E. Delaney  
Presiding Officer

DOCKET NO. 24-057-11

- 5 -

Approved and confirmed August 29, 2024, as the Order of the Public Service  
Commission of Utah.

/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#335195

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

CERTIFICATE OF SERVICE

I CERTIFY that on August 29, 2024, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

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/s/ Melissa R. Paschal  
Administrative Assistant