

APPLICATION OF ENBRIDGE) Docket No. 24-057-21
GAS UTAH TO CHANGE THE)
INFRASTRUCTURE RATE) VERIFIED APPLICATION
ADJUSTMENT)

All communications with respect to
these documents should be served upon:

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APPLICATION
AND
EXHIBITS

October 1, 2024

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- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

APPLICATION OF ENBRIDGE)	Docket No. 24-057-21
GAS UTAH TO CHANGE THE)	
INFRASTRUCTURE RATE)	VERIFIED APPLICATION
ADJUSTMENT)	

Questar Gas Company dba Enbridge Gas Utah (Enbridge Gas or the Company) respectfully submits this Verified Application (Application) to the Utah Public Service Commission (Commission) and thereby seeks to modify the Infrastructure Rate Adjustment to the Distribution Non-Gas (DNG) cost portions of its Utah GS, FS, IS, TSS, TSM, TSL, TBF, MT, and NGV natural gas rate schedules, pursuant to section 2.07 of the Company's Utah Natural Gas Tariff No. 700 (Tariff).

If the Commission grants this Application, a typical GS residential customer using 70 decatherms per year will see an increase in their yearly bills of \$3.58 (or 0.54%). The Company proposes to implement this request by charging the new rates effective November 1, 2024.

In support of this Application, Enbridge Gas states:

1. Enbridge Gas's Operations. Enbridge Gas, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's charges and general conditions for natural gas service in Utah are set forth in the Tariff. Copies of the Company's Articles of Incorporation are on file with the Commission. In addition, the Company serves customers in Franklin County, Idaho. Under the terms of an agreement between

the Commission and the Idaho Public Utilities Commission, the rates for these Idaho customers are determined by the Commission. Volumes for these customers have been included in the Utah volumes.

2. Settlement Stipulation Order. In the Report and Order issued December 23, 2022 in Docket No. 22-057-03 (Rate Case Order), the Commission authorized Enbridge Gas to continue the infrastructure rate adjustment tracker program (Program) and §2.07 of the Tariff sets forth procedures for recovering costs associated with replacing aging infrastructure.

3. Test Year. The test year for this Application is the 12 months ending October 31, 2025.

4. Calculation of Revenue Requirement. EGU Exhibit 1.1, pages 1 through 4 show the total amount closed to investment and in service from January 2024 through September 2024 for each of the infrastructure replacement projects. Lines 1 through 40 show the investment in both high pressure and intermediate high-pressure projects. Line 42 shows removal cost related to retired infrastructure. Line 44 shows, by month, the cumulative plant balance of high pressure and intermediate high-pressure plant. Line 45 shows the same cumulative plant balance less the \$84.7 million¹ threshold set forth in Docket No. 22-057-03 before applying for cost recovery of tracker related investment/costs, which shows that no costs have been included twice in the calculation.

a) EGU Exhibit 1.1, page 5, shows a calculation of the revenue requirement. Page 5, line 1, shows the net investment closed through September 2024. Line 2 reflects the removal of \$84.7 million that has already been included in base rates in Docket No. 22-057-03. *See*, Rate Case Order. Report and Order issued December 23, 2023, Docket No. 22-057-03, p. 15. This credit ensures that no costs that were included in the general rate case have been included in the infrastructure tracker rate adjustment.

¹ In the Company's last general rate case, Docket No. 22-057-03, the Commission issued an order requiring the Company to defer tracking of infrastructure costs until \$84.7 million of infrastructure investment is reached. Report and Order issued December 23, 2022, Docket No. 22-057-03, p. 15.

b) Lines 4 through 10 show the accumulated depreciation, accumulated deferred income tax, net replacement infrastructure, allowed pre-tax return, net depreciation expense, and net taxes other than income tax. Line 12 includes the \$275,000 credit from the Settlement Stipulation approved by the Commission in the Enbridge acquisition docket, Docket No. 23-057-16.

5. Cost of Service. EGU Exhibit 1.2 shows the allocation of the revenue requirement to each class. Section 2.07 of the Tariff states that “the Surcharge will be assigned to each rate class based on the Commission-approved total pro rata share of the DNG tariff revenue ordered in the most recent general rate case.” Column A shows the DNG revenue requirement by class ordered by the Commission in Docket No. 22-057-03. Column B shows the percent of the total revenue requirement by class and column C shows the total infrastructure replacement revenue to be collected from each class.

6. Rate Design. EGU Exhibit 1.3 shows the rate design for the Infrastructure Rate Adjustment surcharge component of the DNG rates. Section 2.07 of the Company’s Tariff states that “the Surcharge assigned to each class will be collected based on a percentage change to the demand charge, if applicable, and each block of volumetric rates of the respective rate schedules.” Column E shows the current base DNG rates in effect. These rates are applied to test period volumes (Column D) to calculate projected volumetric revenue for each class in Column F. Column G shows the amount of infrastructure replacement tracker revenue that needs to be collected from each class. Column H shows the percentage change to each block and demand charge. Column I shows the proposed rates for each rate schedule, and is derived by applying the percentage changes in Column H to the current base DNG rates in Column E.

7. Change in Typical Customer’s Bill. The annualized change in rates calculated in this Application results in an increase of \$3.58 per year (or 0.54%), as shown in EGU Exhibit 1.4.

8. Legislative and Proposed Tariff Sheets. EGU Exhibit 1.5 shows the proposed Tariff rate schedules that reflect the updated infrastructure rate adjustment as explained in paragraphs 4 through 6.

9. Combined Legislative and Proposed Tariff Sheets. In addition to this Infrastructure Tracker Application, the Company is concurrently filing applications to adjust rates in the following dockets:

Pass-Through Application	24-057-16
Transportation Imbalance Charge (TIC) Application	24-057-17
Energy Efficiency Amortization Rate	24-057-18
CET Amortization Rate	24-057-19
Low Income/Energy Assistance Rate	24-057-20

EGU Exhibit 1.7 shows the combined Tariff rate schedules should the Commission grant and approve all applications mentioned above.

10. Exhibits. Enbridge Gas submits the following exhibits in support of its request to include the infrastructure rate adjustment:

EGU Exhibit 1.1 EGU Infrastructure Replacement Project Summary & Calculation of Revenue Requirement

EGU Exhibit 1.2 Cost of Service Allocation

EGU Exhibit 1.3 Infrastructure Tracker Rate Calculation

EGU Exhibit 1.4 Effect on GS Typical Customer

EGU Exhibit 1.5 Legislative Tariff Sheets

EGU Exhibit 1.6 Proposed Tariff Sheets

EGU Exhibit 1.7 Combined Legislative Tariff Sheets

EGU Exhibit 1.8 Combined Proposed Tariff Sheets

WHEREFORE, Enbridge Gas respectfully requests that the Commission, in accordance with the applicable Commission orders and the Company's Tariff:

1. Enter an order authorizing Enbridge Gas to change rates and charges applicable to its Utah natural gas service that reflect an adjustment to the rates for each class as more fully set forth in this Application; and

2. Authorize Enbridge Gas to implement the proposed interim rates effective November 1, 2024.

DATED this 1st day of October 2024.

Respectfully submitted,

ENBRIDGE GAS UTAH



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VERIFICATION

State of Utah)
) ss.
County of Salt Lake)

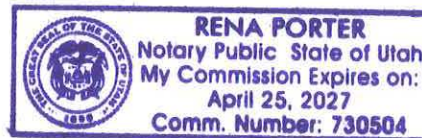
Kelly Mendenhall, being first duly sworn upon oath, deposes and states: he is the Director, Regulatory and Pricing of Enbridge Gas Utah; he has direct personal knowledge of the matters addressed herein; he has read the foregoing Application; and the statements made in the Application are true and correct to the best of his knowledge, information and belief. The documents attached thereto are true and correct copies of the documents they purport to be.



Kelly Mendenhall
Director, Regulatory and Pricing

Subscribed and sworn to before me this 1 day of October 2024.





CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Verified Application was served upon the following persons by e-mail on October 1, 2024:

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