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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Eric Orton, Utility Technical Consultant

Date: October 21, 2024

Re: **Docket No. 24-057-21**, Application of Enbridge Gas Utah to Change the Infrastructure Rate Adjustment.

Recommendation (Approve)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) approve the proposed new rates as requested by Enbridge Gas Utah (Enbridge or Company) in its application. After a preliminary review, the Division recommends approval with an effective date of November 1, 2024. The Division recommends the requested rate changes be approved on an interim basis to allow additional time for the Division to complete an audit of the respective accounts and submit its recommendation in an upcoming General Rate Case.

Issue

Dominion is required to file an infrastructure replacement budget by November 15 of each year. The budget covers the replacement of feeder lines (FL), belt lines (BL) (also known as Intermediate High Pressure (IHP) lines), and undisclosed future projects for the upcoming year. In this filing, Enbridge provided its annual plan, budget and estimated costs, and the

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

schedule for the Replacement Infrastructure program. The filing complies with the Commission's Order in Docket No. 19-057-02 and 22-057-03.

Enbridge is seeking to modify the Infrastructure Rate Adjustment (Tracker) 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 its Tariff. The requested effective date is November 1, 2024.

Background

In the Company's last General Rate case, Docket No. 22-057-03, the Commission authorized the Company to continue the Infrastructure Replacement program. Section 2.07 of the Tariff directs the procedures for recovering costs associated with the Tracker program.

On October 1, 2024, Enbridge filed this application to adjust the Infrastructure Tracker collection amount along with five additional dockets.¹ On that same date, the Commission issued an Action Request directing the Division to review the application and make recommendations on or before October 31, 2024. On October 7, 2024, the Commission held a Virtual Consolidated Scheduling Conference for all six dockets. As a result of that scheduling conference, the date of the Division's Action Request Response and its initial comments became due on October 21, 2024. This memo represents the Division's Action Request Response, recommendation, and comments for the Infrastructure Rate Adjustment Docket. The Division's response to the other five dockets will be provided in separate memos.

Discussion

As part of the 2022 general rate case referenced above, all prior investment in the Infrastructure Tracker was included in base rates. In this filing, Enbridge provides the amounts of additional new investments and the dates when specific infrastructure resources were completed and placed into service. The current proposal represents an Incremental Revenue Requirement increase of \$6.349 million. As of January 2023, the tracker

¹ 24-057-16 Pass-Through Application, 24-057-17 Transportation Imbalance Charge, 24-057-18 Energy Efficiency Amortization, 24-057-19 CET Amortization, 24-057-20 Low Income/Energy Efficiency Assistance

surcharge was set to zero at the same time base rates were adjusted. Enbridge now proposes to collect in rates the revenue requirement associated with the new investment amounts.

As part of the current filing, Dominion included the following exhibits:

1. Exhibit 1.1 provides the dollar amounts of the infrastructure investment beginning August 2022 (when new investment in the tracker was booked) through September 2024. Exhibit 1.1 page 5 summarizes the preceding exhibit pages and shows the calculations resulting in the revised incremental revenue requirement.
2. Exhibit 1.2 shows the proposed allocation of the revenue requirement to each customer class.
3. Exhibit 1.3 shows the rate design for the proposed rates for each rate schedule using the demand charge and volumetric rates to collect the proper amount from each customer class.
4. Exhibit 1.4 shows the bill impact for a typical GS customer. If approved, a typical GS customer would see an increase of \$3.58 per year or 0.54%.
5. Exhibit 1.5 shows the proposed legislative and rate schedule tariff sheets in the applicable customer classes that reflect the updated infrastructure rate adjustment.
6. Exhibit 1.6 shows the proposed tariff sheets in final format.
7. Exhibit 1.7 shows the proposed tariff sheets of all the combined dockets in this combined proceeding in legislative format.
8. Exhibit 1.8 shows the proposed tariff sheets of all the combined dockets in this combined proceeding in final format.

Conclusion

This application complies with past Commission orders and the proposed tariff sheets accurately reflect the proposed changes filed by Enbridge. The Division recommends the

Commission approve the proposed rates on an interim basis until the Division can complete its audits. In a future proceeding, the Division will make a final recommendation, and the Commission can include all prudently incurred Tracker costs in Base Rates as part of the next General Rate Case.

cc: Kelly B. Mendenhall, Enbridge Gas Utah
Michele Beck, Office of Consumer Services