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Comments

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
Ryan Daigle, Utility Technical Consultant

Date: August 19, 2025

Re: **Docket No. 25-057-02**, Utah's Integrated Resource Plan (IRP) for Plan Year: June 1, 2025, to May 31, 2026.

Recommendation (Acknowledge with Recommendation)

The Division of Public Utilities (Division) has reviewed Enbridge Gas Utah's (Enbridge, EGU, or Company) Integrated Resource Plan (IRP) and has determined that it contains the necessary information and complies with the 2009 Standards and Guidelines as ordered. The Division recommends that the Public Service Commission of Utah (Commission) acknowledge with recommendation this most recent IRP. The Division recommends the Commission require the Company to prepare specific guidelines or conditions for LNG facility utilization outside a supply deficit event.

Issue

The purpose of the IRP filing is to provide regulators with an update of the "process in which known resources are evaluated on a uniform basis, such that customers are provided quality natural gas services at the lowest cost to QGC and its customers consistent with safe and reliable service."¹

¹ Proposed IRP Guidelines for Questar Gas Company, Docket No. 97-057-06, p. 1. Questar Gas Company (QGC) – QGC was purchased by Dominion Energy Utah (DEU) in 2016 then recently purchased by Enbridge Gas in 2024.



While the Commission has made it clear that “Acknowledgement of an acceptable [IRP] Plan will not guarantee favorable rate-making treatment of future resource acquisitions” (Docket No. 91-57-09), the Division uses the IRP as one tool among many to help evaluate the reasonableness of the Company’s business and regulatory plans for the coming year and beyond. Therefore, it is important that the IRP not simply adhere to the Standards and Guidelines set forth by the Commission but also provide regulators with some measure of comfort that Enbridge is making reasoned forward-looking choices.

Background

The Company prepares an IRP every year; however, the details and content have evolved over time. The Commission’s initial IRP guidance came with the December 14, 2007, Report and Order.² Just over a year later, the Commission issued its Standards and Guidelines and on March 31, 2009, ordered future IRPs to be filed in compliance with the new guidelines. On March 22, 2010, the Commission issued a Clarification Order³ and made several findings to clarify expectations of the 2009 IRP Standards.

Nearly ten years later, on November 19, 2018, the Commission found that future IRPs should provide complete information rather than incorporating information by reference and provided guidance on confidential information. More recently, on January 16, 2020, the Commission adopted the Company’s additional commitments and ordered the Company to convene stakeholder meetings to discuss concerns regarding the sufficiency of information. During stakeholder meetings and subsequent discussions, the parties were able to reach a mutual understanding, and the Division’s recommendations were generally adopted. The IRP has been and continues to be a beneficial and productive collaborative process between regulators and the Company.

On January 15, 2025, Enbridge filed its Notice of Intent to File IRP and Request for Scheduling Order and Notice of Technical Conferences. The specified Technical

² In the Matter of the Revision of Questar Gas Company’s Integrated Resource Planning Standards and Guidelines, Report and Order on Standards and Guidelines for Questar Gas Company, Docket No. 08-057-02, March 31, 2009. It is assumed that the order referenced on page 20 as the “December 17, 2007, Report and Order” is in fact the “December 14, 2007, Report and Order.”

³ In the Matter of Questar Gas Company’s Integrated Resource Plan for Plan Year: May 1, 2009, to April 30, 2010, Report and Order, Docket No. 09-057-07, Issued: March 22, 2010.

Conferences were held on March 4, 2025, April 10, 2025, and May 6, 2025, with the final presentation on July 15, 2025. The Company filed the current IRP on June 13, 2025. On June 25, 2025, the Commission issued its Scheduling Order with initial comments due by August 19, 2025, and reply comments due September 23, 2025. This memorandum represents the Division's comments.

Discussion

The IRP has been submitted each year since the early 1990s. The IRP report is prepared as a planning document to identify specific needs and make reasonable plans to meet its customer's natural gas requirements for the upcoming year and the foreseeable future. As its customer base continues to grow, Enbridge needs to ensure that its system can continue to meet customer needs. The current IRP states that the distribution system will be capable of meeting the demands with adequate supplies and pressures. Gate stations have adequate capacity, supply contracts are adequate, and system pressures are sufficient to meet the needs of its customers.

IRP Summary

Among other things, in this IRP (for the 2025-2026 heating season) Enbridge has provided the following conclusions:

1. Natural gas sales are estimated to be 124.7 MMDth, which is only slightly more than the amount forecasted in the previous IRP year of 124.6 MMDth on a temperature-adjusted basis.
2. Design Day firm sales demand is estimated to be 1.29 MMDth up from the previous IRP year, which was estimated at 1.28 MMDth.
3. Wexpro-produced gas is projected to be approximately 58.1 MMDth or 45.7% of the forecasted annual demand assuming the completion of new development drilling projects.
4. Purchased gas is projected to be approximately 72.5 MMDth, up from the previous IRP year, which was 66.7 MMDth.

5. Additionally, the Company “may purchase additional contracts for fixed-price baseload supply for December 2025 through February 2026 to protect against high-pricing events similar to those that occurred during the past few heating seasons”⁴ as it expects price volatility to continue.

6. The Company is projected to add just over 20,000 new customers and expects to end the IRP year with 1.24 million GS customers.

7. Annual GS usage per customer is anticipated to be around 100.1 Dth, up from the previous IRP year’s estimate of 99.6 Dth.

8. An average residential usage per customer of 78 Dth, which is unchanged from the previous IRP year.

9. Total system throughput is projected to be 264.3 MMDth, which is an increase from 235.6 MMDth. Temperature-adjusted system throughput (sales and transportation) is estimated at 226.2 MMDth.

10. The forecasted level of sales demand is 127.0 MMDth up from 124.6 MMDth, a net increase of approximately 1.9%, based mainly on continued growth in the GS customer base in both residential and commercial customers.

Additional Points

On an overall basis, the contents and details that have been requested by regulators over the years are included in the current IRP. In addition, the Division provides some clarifying information in the following five areas obtained in response to data requests. These data requests were:

As part of its review, the Division asked several data requests to gain greater understanding and additional information.

⁴ Enbridge Gas Utah Integrated Resource Plan Docket No. 25-057-02 (Plan Year: June 1, 2025, to May 31, 2026) Page 1-1

1. Please provide the average GS bill on a monthly basis for 2021, 2022, 2023, 2024, & 2025.

EGU responded to this request by providing DPU 2.01 Attachment 1. This is provided as an attachment to this memo labeled DPU Attachment 1.

2. Please provide the Company's plan regarding use of the LNG plant for high commodity pricing event(s).

EGU responded to this request with the following "This was discussed in the technical conference on April 10th, 2026."⁵

3. Please provide the "Highest Sendout vs. Peak Design Day" chart for the previous 15 years.

EGU responded to this request by providing DPU 2.03 Attachment 1. This is provided as an attachment to this memo labeled DPU Attachment 2.

4. Please provide the past 15 years of the "Aquifer Usage" chart.

EGU responded by providing Aquifer Usage DPU 2.04 Attachment 1. This is provided as an attachment to this memo labeled DPU Attachment 3.

5. Please provide the past 15 years of the "Clay Basin Usage (activity)".

EGU responded with the following: "The Company only has summarized data back to 2017. This information is provided in DPU 2.05 Attachment 1." This is provided as an attachment to this memo labeled DPU Attachment 4.

With the responses provided above, the Division finds the IRP to be mostly complete and recognizes the Company's efforts to compile a complete IRP report.

One topic the Division would like to point out, which was not addressed during the IRP process this year, was a drastic increase in anomalies repaired as identified in section 6-6 of the IRP. Anomalies are characterized as irregularities or defects in the pipe that do not pose an immediate threat. Unlike defects that require immediate repair or remediation

⁵ DPU assumes this reference is meant to be to 2025, not 2026.

measures. Although no formal data requests were made regarding an update to the number of “Anomalies Repaired”, nor was there an update in the Variance Reports, Company representatives assured Division staff that the increase was due in part to a change in the inspection parameters. Even with the anomalies, there is a factor of safety three to four times the operating pressure. Table 6.2 in the current IRP document does not reflect the previously corrected number of incidents from 17 to 22⁶. The number of repairs increased from 22 in 2023 to 30 repairs in 2024. The Company plans to file an amended Table 6.2 to reflect the actual number of repairs in the near future.

The Division anticipates obtaining additional detailed information on the numerous subjects contained in the IRP, which will be filed in future IRP Variance Reports. This information will be filed as updates as changes occur.

The LNG facility has been completed and is available as an on-system resource. Although the usage of the LNG facility has been discussed, the specific conditions for when and under what conditions this resource can be used remains unclear and poorly defined. During the April 10, 2025, Technical Conference, company representative Kelly Mendenhall offered an instance which required usage of the LNG facility due to a supply deficit. Mr. Mendenhall also mentioned that future use of the facility would be less likely in the beginning of the heating season than near the end of any particular heating season. The Division recommends the Commission require the Company to prepare specific guidelines or conditions for its utilization outside a supply deficit event.

This document could include exact staff (position, not necessarily the staff member’s name) responsible for the decision to use the facility, exact (or approximate if that information is too precise to predict and/or establish) conditions on when the facility could be used to hedge price extremes, any time of year provisions (i.e. regardless of natural gas prices the facility would never be utilized to supply gas prior to January within the heating season, with the exception of a natural gas outage or insufficiency), and any other additional information required to provide a comprehensive guide for use of the LNG facility.

⁶ Docket No. 24-057-04, Comments from the Division of Public Utilities, pg.5 paragraph 1

Conclusion

Following a careful examination of the current IRP, the Division has determined that the Company has included the required information and has filed a complete IRP. The Division has also determined that the assumptions used, and the information presented, represent a reasonable forecast of the conditions that are likely to occur during the IRP forecast period. The Division recommends the current IRP be acknowledged as compliant with the filing requirements set out in Docket No. 09-057-07. The Division also recommends that the Company be directed to provide the Commission with a Policy and Procedures manual specifically outlining when the LNG facility will be used and under what circumstances. The LNG facility represents a significant capital investment, and understanding how and when this facility may be utilized will help regulators monitor the prudent use of this facility. This filing does not request any change in the Company's current rates. The Division recommends the Commission acknowledge the IRP with recommendations.

cc: Austin C. Summers, Enbridge Gas Utah
Michele Beck, Office of Consumer Services