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To: Public Service Commission of Utah

From: The Office of Consumer Services
Michele Beck, Director
Alex Ware, Utility Analyst
Cameron Irmas, Utility Analyst

Date: August 19, 2025

Subject: Docket No. 25-057-02 - Comments
In the Matter of: Enbridge Gas Utah's Integrated Resource Plan (IRP) for Plan Year: June 1, 2025 to May 31, 2026

INTRODUCTION

On June 13, 2025, Enbridge Gas Utah (EGU or Company) filed its 2025 to 2026 Integrated Resource Plan (IRP or 2025 IRP) with the Public Service Commission (PSC). On June 25, 2025, the PSC issued a Scheduling Order that set a deadline of August 19, 2025, for interested parties to file initial comments and September 23, 2025 to file reply comments. The Office of Consumer Services (OCS) provides the following comments pursuant to that schedule.

The OCS submits limited comments on the 2025 IRP to the PSC addressing the following topics:

- Summary of IRP vs Technical Conference Detail
- Supplying Natural Gas to Data Centers
- Storage Overview
- Long-Term Planning

Summary of IRP vs Technical Conference Detail

Following several years of OCS IRP comments aimed at ensuring technical conference information is fully reflected in the IRP document itself, last year the OCS commended EGU's efforts to improve in this area. We conducted a similar review for the 2025 IRP and determined that the Company generally continued to ensure that the documentation, analysis, and discussion provided during technical conferences was included in the IRP itself. Relevant material from these conferences remains clearly presented and accessible throughout the document. The only significant exception is in regards to the presentation of information on data centers. We will discuss this issue further in the next section.

Supplying Natural Gas to Data Centers

In last year's 2024 IRP, EGU included for the first time a short industry overview section on new significant energy demands across the United States resulting from data center expansion. The OCS expressed appreciation to the Company for monitoring these developments but noted that Utah specific information on the topic was absent. Therefore, we sent data requests to EGU to gain a greater understanding and ultimately included in our Comments in that docket that the Company was able to provide the count of interested business entities, count of agreements in place, the overall estimate of new energy demand, and that most data center customers would need to pay for system improvements up front. The OCS also recommended at that time in our 2024 comments that EGU should expand the data center section in future IRPs to include as many specific details as possible and potential impacts to the gas distribution system. We also recommended that EGU include a discussion of the impact of data centers on its system during an IRP technical conference the following year.

There have been developments in this topical area for EGU over the past year, however we believe the data center section of the IRP is insufficient to document what has occurred. During the May 6, 2025, IRP technical conference, the Company provided a confidential update on data center issues – including discussion of a new transportation customer and a geographical presentation of potential data centers in Utah and their associated estimated new energy demand. While the OCS greatly appreciated the confidential information from the technical conference, we question why the data center section of the IRP remains unchanged and undeveloped from the 2024 IRP. While the OCS understands the sensitivity of specific business and location proposals, EGU provided us with non-confidential aggregate information last year through a data request, which we presented in our comments. We had anticipated that such aggregate Utah specific data center information would be accounted for in the IRP this year. EGU could also include overarching impacts to its system and a discussion of policies the Company employs to protect other customers from the cost of stranded assets should a large data center project fail to begin operations.

Because the amount of information on data center issues in the 2025 IRP is insufficient, the OCS sent some data requests to EGU to learn to what extent new data centers will

impact the distribution system. The Company responded to OCS data request 3.02 stating that all interest from potential data centers at this point is for transportation service and that is the expectation going forward due to the large amount of non-interruptible gas these customers would require to generate electricity. While one data center agreement may seem like a slow start, EGU is certainly planning for more as it increased its gas throughput expectations for electricity generation/data centers by 36 percent from last year's to this year's IRP as found in Exhibit 3.8. Because this data center growth trend is substantial and the amount of natural gas needed to generate electricity for these purposes is very large, the OCS believes it is vital to accurately determine the associated impacts on EGU's distribution system such as increased capacity constraints. For example, while EGU stated that its first data center agreement is as a transportation services customer, it also explained that it determined any needed associated distribution system upgrades and required the customer to pay for these upgrades up front. However, EGU has not yet provided stakeholders with any details on its review of system impacts and updated capacity requirements. Stakeholders also have not been given the opportunity to discuss and create targeted policies for data centers – such as if data centers should be able to connect to EGU's distribution system or if they would be better served by direct pipeline connections to avoid costly EGU infrastructure upgrades. This issue is especially pertinent in light of the current emphasis on policies specific to new large loads in the electric industry.

Lastly, there are other outstanding questions regarding data centers that should be considered by EGU. For example, if a data center customer did take sales service instead of transportation, should there be special consideration on the use of Wexpro gas for those purposes? Overall, it is clear that the data center issue needs further development and documentation in EGU's IRP. We therefore repeat our recommendation from our comments on the 2024 IRP: "The OCS further requests that EGU…include all applicable and specific detail in the Data Center section of the IRP regarding requests for EGU to connect to and provide natural gas service to data centers."

Storage Overview

For the 2024 IRP, the OCS maintained our interest in the use of storage services to mitigate price and supply risks and requested further information regarding storage options and procurement opportunities. We appreciate EGU's continued attention to these issues in the 2025 IRP and associated technical conferences. EGU has provided significant details on current firm and peaking storage contracts, 2024-2025 storage operations, and long-term storage planning efforts.

While EGU did not secure additional storage for the current IRP year, it emphasized ongoing supply hedging efforts and highlighted potential future opportunities. These future opportunities include increasing takeaway capacity from Spire Storage West, pursuing salt-cavern storage upon completion of the Magnum facility, procuring storage from the Jackson Prairie facility, and expanding existing Aquifer facilities with Mountain West Pipeline (MWP). The company reiterated that these options remain unviable, but it will continue to evaluate them in the future. It also listed the potential development of Enbridge-owned storage using depleted wells as well as expansion of the Magna LNG

facility's storage capacity.

EGU also reported on the successful operation of the Magna LNG facility, which was utilized in February and March 2025. In February, the facility was used to address a supply shortfall during extreme winter demand. In March, it was used to compensate for the expiration of peaking supply contracts. While the OCS acknowledges these contributions during the 2024-2025 heating season, we disagree with the potential expansion of LNG capacity. The OCS asserts that further demonstrated use of the current facility in providing supply reliability and greater clarity in the Company's procedures for dispatching these resources is necessary before the consideration of new LNG facilities would be appropriate. EGU has not clearly specified whether the facility is to be used solely for supply reliability, or whether it may also be used to mitigate price volatility during price shocks.

Finally, the OCS acknowledges EGU's ongoing supply hedging efforts in the context of limited available storage expansion options. The OCS agrees with the further shift from daily index to monthly index purchases for baseload supply, as demonstrated in Table 8.3, which compares supply hedging portfolios between the 2023-2024 and 2024-2025 heating seasons.

Long-Term Planning

In our comments on last year's 2024 IRP, we recommended that EGU utilize the IRP long-term planning section to consider the two opposing trends of increasing demand for energy to heat buildings in Utah's cold weather and the move toward a carbon free economy. We continue to support that recommendation and will not repeat those comments in full this year. However, we take this opportunity to articulate other concerns the OCS believes are vital for EGU to consider in planning for the long term.

In the Customer and Gas Demand Forecast section of the IRP, the company provides Exhibits 3.1 to 3.4 that show that while the number of general service (GS) customers is anticipated to continue to grow over time, it is also expected that average gas use by GS customers will continue to decrease over the same period (currently forecast out to 2035). Indeed, EGU generally assumes that efficiency advances in appliance and utility equipment technology will result in less gas use per customer over time. In fact, EGU participates in furnace rebates that are coupled with the installation of dual fuel electric heat pumps, which reduces a customers' natural gas uses for winter heating. However, the long-term impact of such gas use reductions on EGU's system is unknown and raises questions. For example, is there a threshold in which continued customer transition to electric appliances becomes a major business obstacle for the Company? Also, while dual fuel heat pumps save energy compared to gas furnaces, the backup gas furnace associated with a dual fuel system will only operate during Utah's coldest temperatures – or when gas is already at its greatest demand from all customers. What are the potential tools EGU can utilize to mitigate the risk of reduced gas usage generally when at the same time dual fuel customers will continue contributing to peak gas demand during cold weather events? Lastly, are there risks associated with

reductions in the average gas use per GS customer while also experiencing demand growth from new transportation customers such as data centers? This set of questions certainly is not exhaustive as others will likely develop over time, but we recommend that EGU consider these and other gas demand concerns in its long-term outlook.

RECOMMENDATIONS

Following our review of EGU's 2025 IRP, the OCS recommends that the PSC acknowledge that it generally complies with reporting standards and guidelines. We also request that EGU address the following in future IRP cycles:

- Include all applicable and specific detail in the Data Center section of the IRP regarding requests for EGU to connect to and provide natural gas service to data centers.

- Include a discussion and analysis on long-term planning issues related to the trend of reduction in average gas use per GS customer. This should include a discussion of the growth in dual fuel customers that continue to contribute to peak gas use during cold periods. This should also include a discussion on related impacts of significant growth in large transportation customers such as data centers.

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