First Quarter
Variance Report

June 2025
Through
August 2025
Docket No. 25-057-02

Enbridge Gas Utah
First Quarter Variance Report
June 2025 – August 2025

Questar Gas Company *dba* Enbridge Gas Utah (Company) respectfully submits this First Quarter Variance Report for the period June 2025 – August 2025. This report identifies the variance between the actual results and the projections set forth in the 2025 - 2026 Integrated Resource Plan (IRP).

Weather **Exhibits 1.1 – 1.3**

During the first quarter, June temperatures were higher than the IRP forecast resulting in fewer heating degree days (HDD) than expected. July and August had temperatues close to the IRP forecast. Cumulative HDD for the year is below what was forecasted in the IRP.

Gas Storage **Exhibits 2.1 – 2.6**

Clay Basin inventory was slightly lower than the 2025 – 2026 IRP estimates in June. July and August inventory was slightly higher than forecasted due to lower gas prices. See Exhibit 2.1

Aquifer inventory was in line with projections in June, July and August. See Exhibit 2.2

Spire inventory was in line with projections in June, July and August. See Exhibit 2.3

Firm Sales **Exhibits 3.1 – 3.4**

During the first quarter, June and July actual sales were 9% lower than projected normal usage due to warmer than expected weather specifically in June. August actual sales were close to the projected normal usage. See Exhibit 3.1.

Gas Purchased from Third Parties Volume Variance **Exhibits 4.1 – 4.3**

The Company's gas purchases were higher than the IRP forecast in June, July and August. This increase was driven by Mountain West Pipeline raising the injection allocations at Clay Basin, which increased the amount of gas the Company could inject into the facility. Additionally, lower-than-forecasted gas prices in July and August led to higher purchased volumes. See Exhibit 4.1.

Gas Purchased from Third Parties Cost Variance **Exhibits 5.1 – 5.3**

Exhibit 5.1 shows that purchase gas costs were substantially higher than the 2025 – 2026 IRP estimate in June, July and August. This was due to higher than normal gas purchases from third parties due to the lower unit costs in July and August. Exhibit 5.3 shows that the cost of gas purchases for the IRP year was higher than forecasted for the year.

Gas Purchased from Third Parties Unit Cost Variance **Exhibits 6.1, 6.2**

Actual gas prices were as expected in June and lower than anticipated in July and August. The low pricing was due to low demand throughout the country and high storage inventories. See Exhibit 6.1.

Cost-of-Service Gas **Exhibits 7.1 – 7.3**

The cost-of-service gas production was lower than the IRP forecast in June, July, and August due to curtailment in the Vermillion Basin for failure to meet a hydrocarbon dewpoint specification on MountainWest Pipeline. The Vermillion plant can process 57 million standard cubic feet per day (MMSCFD) and the rest is bypassed and blended with treated gas to get a blended hydrocarbon dewpoint below the pipeline specification. In the summer months, when the gas is at a higher temperature, more of the heavy liquid hydrocarbons stay in the gas phase raising the hydrocarbon dewpoint which decreases the blending capacity. In the hot summer months, the throughput while maintaining pipeline specification is around 80-85 MMSCFD, so 57 MMSCFD processed blending with 23-28 MMSCFD of unprocessed gas. See Exhibit 7.1.

Cost-of-Service Gas New Drill Component **Exhibits 8.1 – 8.3**

Expected new drill was exactly what was projected June, July, and August. There was no new drilling production planned to come on for June, July, and August and no new volumes were received. See Exhibit 8.1.

Table 1 below summarizes purchase and cost-of-service volume variances using 2025 – 2026 IRP projections and actual results as a percent of total. The Q1 projected purchase gas was expected to be 1.31 % for the quarter. The actual purchase gas percentage was 14.99%.

TABLE 1

	Actual Purchase as Percent of Total	Normal Purchase as Percent of Total	Actual Cost-of-Service as Percent of Total	Normal Cost-of-Service as Percent of Total
Jun-25	25.08%	3.29%	74.92%	96.71%
Jul-25	9.22%	0.29%	90.78%	99.71%
Aug-25	9.26%	0.30%	90.74%	99.70%
Q1	14.99%	1.31%	85.01%	98.69%

Table 2 below summarizes the estimated average daily shut-in verses actual average daily shut-in during the first quarter.

TABLE 2

	June	July	August	Total Dth for Quarter
Estimated Shut-in (dth/day)	0	0	0	0
Acutal Shut-in (dth/day)	0	0	0	0

Supplemental Graphs **Confidential Exhibits 9.1 – 9.3**

These exhibits reflect source data for Cost-of-service, New Drill and Purchase Gas exhibits.

Average Market Price and Cost-of-Service Price **Exhibit 10.1, 10.2**

Exhibit 10.1 shows the price difference between cost-of-service gas and average market price. Exhibit 10.2 compares the actual market price with the trailing twelve months (TTM) price of cost-of-service gas on an into-pipe basis.

Modeling Adjustments

No model adjustments were made during the first quarter.

DNG Action Plan

The following project was updated during the first quarter.

AF0014 – New District Regulator Station West of I-15 in American Fork, UT

AF0014 is moving forward. The property has been secured, and the Company is collaborating with American Fork City to meet the planning and zoning requirements. These requirements involve intense work and planning with the city. Due to these requirements, the AF0014 regulator station will be complete in 2026 instead of Fall 2025.

On-System LNG Facility, Magna, Utah

The Magna LNG plant had a successful liquefaction season from approximately April 18 through June 20, 2025, where the tank was filled from 43% to 82%. Liquefaction was shut down to complete required maintenance tasks and to avoid peak summer months (due to associated power costs). Liquefaction resumed in late September and the tank was filled to 100% as of October 27. Due to liquefaction continuing late into the season, the Company opted not to conduct vaporization tests and to instead preserve LNG inventory. All maintenance and inspection items pertaining to the vaporization system are complete and the system is in a ready state.

Rural Expansion Update

The Company completed construction on most of the Portage system in October 2025. The Company remains in contact with city officials and customers in each rural expansion community to ensure that homes and appliances are properly modified in order to safely receive natural gas service. Table 3 below summarizes the progress for each of the rural expansion communities.

TABLE 3

Community	Services Signed Up	Contracted Services	Services Installed	Meters Installed
Eureka	360	293	291	267
Goshen/Elberta	379	339	328	283
Green River	483	367	335	314
Genola	507	400	349	199
Portage	107	74	44	28

The Company submitted applications on September 19, 2025 to extend service to Fairfield, Utah and South Rim, Utah. If the Commission approves the applications, the Company will construct

the Fairfield and South Rim systems during 2026. The Company has not selected its next candidate community.

Accelerated Leak Survey Program **Exhibit 11.1**

As noted in IRP Section 6 Integrity Management, the scope of the accelerated leak survey program was still being developed at the time the IRP was filed, and project costs could not be projected accurately for 2026 and 2027. The Company indicated an intention to update the projected program cost estimates for 2026 and 2027 in a quarterly variance report. The scope has been developed and cost projections revised for 2026 and 2027. To that effect, below Table 4 is the updated Table 6.1 of the IRP that has been revised to show the new total costs for the Distribution Integrity Management Program. Exhibit 11.1 is the IRP Exhibit 6.2 revised to reflect the details of new projected costs.

TABLE 4

Table 6.1 - Integrity Management Costs

	2025	**2026**	**2027**
Transmission Integrity Management Program	11,689	10,499	9,873
Distribution Integrity Management Program	2,769	5,535	6,235
Total Integrity Management Cost ($ Thousands)	14,458	16,034	16,108

Heating Degree Day Graphs
Exhibit 1.1 – 1.3
Docket No. 25-057-02

Gas Storage Graphs
Exhibits 2.1 – 2.4
Docket No. 25-057-02

Firm Sales Graphs
Exhibits 3.1 – 3.4
Docket No. 25-057-02

Gas Purchased From Third Parties

Volume Variance Exhibits 4.1 – 4.3 Docket No. 25-057-02

Gas Purchased From Third Parties

Cost Variance Exhibits 5.1 – 5.3 Docket No. 25-057-02

Gas Purchased From Third Parties

Unit Cost Variance Exhibits 6.1 – 6.2 Docket No. 25-057-02

Cost-of-Service Gas
Exhibits 7.1 – 7.3
Docket No. 25-057-02

Cost-of-Service Gas
New Drill Component
Exhibits 8.1 – 8.3
Docket No. 25-057-02

Data
Confidential
Exhibits 9.1 – 9.3
Docket No. 25-057-02

Average Market Price and Cost-of-Service Price
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