

Second Quarter  
Variance Report

September 2025  
Through

November 2025

Docket No. 25-057-02

# **Enbridge Gas Utah Second Quarter Variance Report September 2025 – November 2025**

Questar Gas Company *dba* Enbridge Gas Utah (Company) respectfully submits this Second Quarter Variance Report for the period September 2025 – November 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 second quarter, each month saw lower heating degree days (HDD) than the IRP forecast's normal baseline. 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 higher than the 2025 – 2026 IRP estimates in September and October. November inventory was slightly lower than forecasted. See Exhibit 2.1

Aquifer inventory was slightly lower than projections in September and November. October Aquifer inventory was higher than forecasted. See Exhibit 2.2

Spire inventory was in line with projections in September, October and November. See Exhibit 2.3

## **Firm Sales**

## **Exhibits 3.1 – 3.4**

Firm sales through the quarter were lower than the projected normal usage due to temperatures warmer than long-run normal that the forecast assumes. Variance in sales aligns with the variance in HDD. See Exhibits 1.1 and 3.1.

## **Gas Purchased from Third Parties Volume Variance**

## **Exhibits 4.1 – 4.3**

The Company's gas purchases were higher than expected in September and October, primarily due to Mountain West Pipeline increasing injection allocations at Clay Basin. The higher allocations allowed the Company to inject more gas into the facility than originally planned. In contrast, gas purchases in November were significantly lower than forecasted. Warmer-than-normal temperatures reduced heating degree days (HDDs), resulting in lower customer demand and, consequently, lower purchasing requirements. 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 slightly higher than the 2025 – 2026 IRP estimate in September and October. November purchase gas costs were significantly lower than predicted due to warmer than normal temperatures resulting in fewer heating degree days. Exhibit 5.3 shows that the cost of gas purchases for the IRP year was higher than forecasted for the year up until November.

**Gas Purchased from Third Parties Unit Cost Variance**

**Exhibits 6.1, 6.2**

Actual gas prices were lower than anticipated in September, October, and November. 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 slightly higher than the IRP forecast in September, October, and November. This is due to field compression performing above forecast. See Exhibit 7.1.

**Cost-of-Service Gas New Drill Component**

**Exhibits 8.1 – 8.3**

Expected new drill volumes came in higher than projected for September, October, and November. The variance is driven by some of the new drilling activities reaching completion ahead of schedule. 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 Q2 projected purchase gas was expected to be 48.71% for the quarter. The actual purchase gas percentage was 37.56%.

**TABLE 1**

	<b>Actual Purchase as Percent of Total</b>	<b>Normal Purchase as Percent of Total</b>	<b>Actual Cost-of- Service as Percent of Total</b>	<b>Normal Cost-of- Service as Percent of Total</b>
Sep-25	7.47%	0.33%	92.53%	99.67%
Oct-25	38.76%	30.46%	61.24%	69.54%
Nov-25	51.88%	70.70%	48.12%	29.30%
Q2	37.56%	48.71%	62.44%	51.29%

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

**TABLE 2**

	<b>September</b>	<b>October</b>	<b>November</b>	<b>Total Dth for Quarter</b>
Estimated Shut-in (dth/day)	0	0	0	0
Actual 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 second quarter.

### **DNG Action Plan**

Updates to high pressure system and feederline projects:

- WA1604 – Replace WA0441, West Valley City, UT
  - Due to some design challenges in crossing the Jordan River, design will finish this year with construction starting in 2027.
  
- Black Desert Station in Ivins, UT
  - Due to scheduling conflicts with the developer in the area, the project will be constructed in 2026.
  
- FL36 Reinforcement, West Jordan, UT
  - Due to the complexity of this project, it was split into three phases. Two of which were completed in 2025. The remaining phases will be completed in 2026.

### **On-System LNG Facility, Magna, Utah**

The Magna LNG plant had a successful liquefaction year in 2025, filling the tank to 100% full as of October 27. Due to liquefaction being complete late in the season, the Company opted not to conduct vaporization tests and preserve LNG inventory heading into the heating season. Due to the unusually warm winter, the plant has mostly been sitting in idle mode other than one short vaporization test in January and another in early February. These tests were conducted to prove out some equipment where maintenance had recently been performed. As of February 17, 2026, the tank sits at 92% full and the plant is ready to vaporize if needed.

### **Rural Expansion Update**

In 2017, Utah lawmakers amended Utah Code Ann. §§ 54-17-401, 402, and 403 to encourage the expansion of natural gas service to rural communities. These statutes allow the costs of extending service to rural communities to be spread amongst all customers, with spending caps in place to prevent large swings in customer bills. In 2020, the Utah Legislature passed HB 129, which allows the Company to purchase existing assets to aid in providing gas service to rural communities. Since the inception of the program, the Company has requested and received approval from the Utah Commission to construct expansions to Eureka, Goshen/Elberta, Green River, Genola, and Portage. The Company completed construction on most of the Portage system in October 2025.

The Company maintains 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	292	291	265
Goshen/Elberta	379	340	330	290
Green River	483	339	339	324
Genola	507	407	355	219
Portage	107	74	59	34

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. New candidate communities are being assessed in consultation with the Utah Division of Public Utilities.

Heating Degree Day

Graphs

Exhibit 1.1 – 1.3

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Gas Storage Graphs  
Exhibits 2.1 – 2.4  
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Firm Sales Graphs  
Exhibits 3.1 – 3.4  
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Gas Purchased  
From Third Parties

Volume Variance  
Exhibits 4.1 – 4.3  
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Gas Purchased  
From Third Parties

Cost Variance  
Exhibits 5.1 – 5.3  
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Gas Purchased  
From Third Parties

Unit Cost Variance  
Exhibits 6.1 – 6.2  
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Cost-of-Service Gas  
Exhibits 7.1 – 7.3  
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Cost-of-Service Gas  
New Drill Component  
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Data  
Confidential  
Exhibits 9.1 – 9.3  
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Average Market Price and Cost-  
of-Service Price

Exhibits 10.1 – 10.2  
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