

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION
OF ENBRIDGE GAS UTAH TO INCREASE
DISTRIBUTION RATES AND CHARGES
AND MAKE TARIFF MODIFICATIONS

Docket No. 25-057-06

DIRECT TESTIMONY OF
JORDAN PARKS FOR
ENBRIDGE GAS UTAH

May 1, 2025

EGU Exhibit 7.0

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Jordan Parks. My business address is 333 South State Street, Salt Lake City, Utah 84111.

Q. By whom are you employed and in what capacity?

A. I am employed by Enbridge Gas Utah as a Regulatory Analyst III. I am responsible for cost of service and rate design analysis as well as other regulatory reports and compliance filings. I am testifying on behalf of Questar Gas Company dba Enbridge Gas Utah ("Enbridge Gas," "EGU," or the "Company").

Q. What are your qualifications to testify in this proceeding?

A. I have listed my qualifications in EGU Exhibit 7.01.

Q. Were the attached EGU Exhibits 7.01 through 7.04 prepared by you or under your direction?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to summarize proposed modifications to the Company's Natural Gas Tariff No. 700 ("Tariff"), as shown in EGU Exhibits 7.02 through 7.04, and to explain the reasons for the proposed changes.

II. TARIFF CHANGES

Q. Is the Company proposing Tariff changes in this docket?

A. Yes. The proposed changes are shown in legislative and final format in EGU Exhibits 7.02 and 7.03, respectively. I have also summarized those changes in EGU Exhibit 7.04. EGU Exhibit 7.04 references each section the Company proposes to change and provides an explanation of the reason(s) for each change. Each change falls into one of four general categories: 1) changes required to eliminate outdated provisions and to clearly reflect current Company practices; 2) movement or deletion of provisions or sections; 3) clean-up

changes including rewording, referencing, punctuation, formatting and grammatical corrections that do not affect the substance or applicability of the Tariff; and 4) substantive changes as further explained in my testimony below.

Q. What changes does the Company propose to make to Tariff Section 5.01?

A. The Company proposes to add language to Section 5.01 of the Tariff to address the scenario where a transportation customer fails to make nominations. Each transportation customer is required to nominate supply to match its expected daily gas usage. A customer's failure to make nominations can impair the Company's ability to manage its system. If a customer burns gas when it has not nominated supply, that customer is either utilizing Company supply or it is taking gas from another customer's gas supply. Though a customer that fails to nominate volumes to match its usage will receive penalties, if a customer continues to use gas without delivering supply over time, its imbalance will continue to grow. The growing imbalance results in increased penalties, and increased challenges for the Company in continuing to provide unplanned supply. The Company's proposed changes would address this situation.

Q. How does the Company propose to address this situation?

A. The Company proposes a path for such customers that both aids the Company in planning deliveries of its own gas supplies, and puts the customer into a rate class for sales customers. The Company's proposed language is shown in legislative format in EGU Exhibit 7.02. Under the Company's proposal, if a transportation customer fails to nominate gas supply for fifteen days in any calendar month, it will be given the following month as a grace period to remedy the situation. The customer can remedy the nominating deficiency during the grace period by either nominating gas itself or designating an agent to nominate gas on its behalf. If the nominating deficiency is not remedied during the grace period, the customer will be moved to the appropriate sales rate schedule on the first day of the month following the grace period. The customer must remain on a sales service rate schedule for a period of at least two years before being eligible again for transportation service. Moving a customer to sales service allows the Company to plan for the customer's needed supply,

and results in the customer paying for the service it is, as a practical matter, receiving – sales service.

Q. Please explain the Company's proposed changes to Tariff Sections 5.04 – 5.06.

A. The Company is proposing to change the usage level provision for the TSS and TSM rate schedule to add a maximum usage level for those classes.

The Company proposes to add provisions to the TSS and TSM rate class provisions to set a maximum annual usage level for each class, and to address a situation where a customer exceeds the maximum level. The Tariff currently only addresses the scenario of a customer falling below the minimum usage requirement and does not address the scenario of a customer's usage exceeding the maximum allowed usage. The additional language added to address the maximum usage level is similar to the current minimum usage requirements already in place. This addition ensures that there are consistent lower and upper bounds on the usage requirements within each of the transportation classes.

Q. What are the proposed maximum usage levels for the TSS and TSM rate schedules?

A. Under the Company's proposal, under the TSS rate schedule, if annual usage exceeds 25,000 dth but is less than 28,000 dth the customer may remain on the TSS rate schedule for one year, after which the customer must have annual usage less than 25,000 dth to continue to qualify for TSS service. Customers with annual usage above 28,000 Dth in any given year do not qualify for continued TSS service. For the TSM rate schedule, if annual usage exceeds 250,000 dth but is less than 260,000 dth the customer may remain on the TSM rate schedule for one year, after which the customer must have annual usage less than 250,000 dth to continue to qualify for TSM service. Customers with annual usage above 260,000 dth in any given year do not qualify for continued TSM service.

Q. What changes has the Company proposed to Tariff Section 8.03?

A. Section 8.03 of the Tariff establishes the eligibility requirements for the Company's Energy Assistance program. On page 8-10, the Tariff sets forth three eligibility criteria. Two of those are duplicative. The Company proposes to remove the duplicative language.

82 **Q. What change is the Company proposing to make to Tariff Section 8.09?**

83 A. Section 8.09 provides for a two-way carrying charge for interest expense associated with
84 the GreenTherm Voluntary Renewable Gas Balancing Account (Account 191.4). The
85 Company proposes removal of this provision so that the account will no longer accrue
86 interest on its balance.

87 **Q. Why is the Company proposing this change?**

88 A. The Company recently purchased a large amount of RNG green attributes which has
89 resulted in the Voluntary Renewable Gas Balancing Account being under collected. The
90 Company anticipates the balancing account to remain under collected for some time, and
91 will decrease over time as customers choose to subscribe to the program. However, the
92 balance in the account now will cause some interest expense. The Company proposes to
93 remove the interest expense for that under-collected balance in order to ensure that
94 customer contributions are directed for the purchase of RNG green attributes and not to
95 interest expense. This change prevents the accumulation of significant interest expenses,
96 which would otherwise divert funds away from the primary goal of supporting renewable
97 energy initiatives.

98 **Q. Please explain the Company's proposed changes to Tariff Section 9.02.**

99 A. The Company is proposing to add a section to its Tariff to address preliminary engineering
100 costs for large scale projects. The Company has encountered a number of large-scale
101 projects that require significant up-front engineering costs. Sometimes, after the Company
102 has incurred such costs, the customer opts not to proceed with the project. In order to place
103 the burden of these costs on the requesting customer, the Company proposes to require
104 customers requesting cost estimates for large-scale projects to pay upfront for preliminary
105 engineering costs

106 **Q What types of projects will require an upfront payment for preliminary engineering**
107 **costs under the Company's proposal?**

108 A. If an initial assessment of a new gas service inquiry would indicate system improvement
109 costs for the project exceeding \$50,000,000, or if the Company deems the proposed project

to be particularly complex requiring outside contracted engineering work, the Company will require upfront payment for the preliminary engineering work. Examples of a particularly complex scope of work may include the implementation of natural gas compressors, LNG equipment, large system upgrades to accommodate higher maximum allowable operating pressures or cross country alignments requiring excessive permits and easements.

Q. How will the Company determine the amount of the upfront payment?

A. The amount of the upfront payment will be determined based on a cost estimate of the preliminary engineering work. This preliminary engineering work can include, among other things, in-depth system planning and analysis, a detailed project cost estimate, detailed scope of work, and a high-level schedule. The Company's engineering department will create a cost estimate for the engineering work, and will provide the customer with an agreement for payment for that work. After the customer signs the agreement, the upfront payment will be used to cover all costs associated with the preliminary engineering work. If the customer proceeds with the project, costs for the preliminary work will be credited towards the customers' main extension costs and service line costs as defined in Sections 9.03 and 9.04, respectively.

Q. What happens if a customer decides not to proceed with the project?

A. If a customer decides not to proceed with the project, the pre-payment will pay for costs incurred and the unspent portion of the upfront payment will be reimbursed to the customer.

Q. Please explain the Company's proposed changes to Tariff Section 10.02.

A. The Company simply seeks to clarify that the Municipal Energy Sales and Use Tax will be calculated and charged pursuant to applicable state statute, as more fully set forth in Tariff Sections 8.02 and 10.02.

Q. Are there other proposed Tariff changes that you have not discussed in your testimony?

A. Yes, there are. The remaining proposed changes are those necessary to clarify the Tariff to clean-up language, including rewording, referencing, punctuation, formatting and

138 grammatical corrections that do not affect the substance or applicability of the Tariff. EGU
139 Exhibits 7.02 and 7.03 also reflect the proposed rates discussed in the testimony filed in
140 this docket.

141 **III. CONCLUSION**

142 **Q. Please summarize your testimony.**

143 A. I have discussed each of the Company's proposed substantive Tariff changes in my
144 testimony, and I have provided information in my exhibits about the non-substantive
145 changes. I have explained why each proposed change is being made and explained why the
146 changes are just, reasonable, and in the public interest. The Company recommends that the
147 Commission approve the proposed Tariff changes as presented and described.

148 **Q. Does that conclude your testimony?**

149 A. Yes.

State of North Carolina)

) ss.

County of Durham)

I, Jordan Parks, being first duly sworn on oath, state that the answers in the foregoing written testimony are true and correct to the best of my knowledge, information, and belief. Except as stated in the testimony, the exhibits attached to the testimony were prepared by me or under my direction and supervision, and they are true and correct to the best of my knowledge, information and belief. Any exhibits not prepared by me or under my direction and supervision are true and correct copies of the documents they purport to be.

Jordan Parks

SUBSCRIBED AND SWORN TO this 1st day of May, 2025.

Notary Public