



1 **Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?**

2 A. My name is Alyson Anderson. I am a Utility Technical Consultant

3 Supervisor for the Utah Office of Consumer Services (“OCS”). My

4 business address is 160 East 300 South, Salt Lake City, Utah.

5 **Q. DID YOU PREVIOUSLY FILE TESTIMONY ON BEHALF OF THE OCS**  
6 **IN THIS DOCKET?**

7 A. Yes, I filed direct testimony introducing OCS witness David J. Garrett, a  
8 public utility regulation consultant and managing member of Resolve Utility

9 Consulting PLLC, who addressed the Cost of Capital and Depreciation

10 Study proposed by Enbridge Gas Utah (“EGU”) in Phase I of this general  
11 rate case.

12 **Q. DID YOU PARTICIPATE IN SETTLEMENT NEGOTIATIONS ON**  
13 **BEHALF OF OCS IN THIS CASE?**

14 A. Yes. I also reviewed the testimony filed by all parties in Phase 1 and  
15 compared the relative positions, as part of developing the positions of the  
16 OCS both for upcoming potential rebuttal testimony as well as for the  
17 settlement discussions.

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

19 A. I provide written testimony supporting the Phase 1 Settlement Stipulation  
20 as requested by the Public Service Commission of Utah (“PSC”) in its  
21 Notice dated October 1, 2025.

22 **Q. PLEASE PROVIDE A BRIEF REVIEW OF PHASE 1 IN THIS DOCKET?**

23 A. On May 1, 2025, EGU filed its application to increase distribution rates  
24 and charges and make tariff modifications accompanied by supporting

25 testimony and exhibits. On August 26, 2025, certain parties filed direct  
26 testimony on Phase 1 issues consistent with the Scheduling Order, Notice  
27 of Technical Conferences, Notice of Public Witness Hearings, and Notice  
28 of Hearings issued by the PSC on May 13, 2025. After Direct Testimony  
29 was filed, the parties engaged in settlement discussions and reached  
30 agreement as detailed in the Phase 1 Settlement Stipulation filed on  
31 September 26, 2025. This settlement was signed by EGU, the Division of  
32 Public Utilities (“DPU”), OCS, and the Utah Association of Energy Users  
33 (“UAE”). All other parties indicated no opposition to the settlement.

34 **Q. WHAT ARE THE PROVISIONS OF THE SETTLEMENT STIPULATION?**

35 A. My understanding is that other parties will be detailing the stipulation, so I  
36 will simply summarize the major points of the settlement.

- 37 • EGU will be granted a distribution non-gas revenue requirement of  
38 \$604 Million, which represents an increase of \$62 Million (under the  
39 billing determinants and forecasts included in EGU’s case). This  
40 agreement is significantly less than EGU’s initial request of \$657  
41 Million, which would have been an increase of \$114.7 Million.
- 42 • New depreciation rates will be set consistent with those proposed by  
43 OCS witness David Garrett.
- 44 • EGU will continue using the current authorized rate of return in  
45 calculations associated with the Infrastructure Rate Adjustment  
46 Tracker and Rural Expansion Rate Adjustment Tracker, as well as the  
47 Rate of Return applied to the Wexpro II Agreement, and in any future  
48 Commission orders prior to the effective date of the next rate case  
49 calling for the use of a Commission-allowed return in calculating costs  
50 or rates.

51 **Q. WHY WAS A SPECIFIC CHANGE IN THE DEPRECIATION RATES**  
52 **CALLED OUT AND SPECIFIED IN THE AGREEMENT?**

53 A. The parties agreed that the depreciation accrual rates needed to be  
54 specified for EGU to properly track the book value of its capital

55 investments for both book and ratemaking purposes. For EGU to provide  
56 accurate reports between now and the next general rate case, the parties  
57 agreed to the new depreciation rates as modified by OCS witness David  
58 Garrett.

59 **Q. DOES THE STIPULATIONS' PROVISIONS REGARDING THE RATE OF**  
60 **RETURN TO BE USED IN TRACKER PROGRAMS AND OTHER**  
61 **CALCULATIONS INDICATE AGREEMENT BY THE PARTIES ON THE**  
62 **OVERALL RATE OF RETURN?**

63 A. No, the parties did not agree on an overall rate of return (i.e. a specific  
64 return on equity ("ROE"), cost of debt and capital structure) for EGU.  
65 However, for specific programs that require an overall rate of return be  
66 used in calculations, the stipulation leaves this rate unchanged from the  
67 current PSC approved rate of return. This provides clarity to perform the  
68 ongoing calculations associated with the purposes specified in the  
69 Stipulation. No agreement on the cost of capital components or the overall  
70 rate of return beyond what was specified in the Stipulation should be  
71 inferred.

72 **Q. WERE ANY OTHER ADJUSTMENTS AGREED UPON?**

73 A. No. The Stipulation revenue requirement is a "black box" settlement. A  
74 "black box" settlement allows the parties to agree upon a revenue  
75 requirement based upon a different set of priorities and assumptions  
76 regarding adjustments that could have been made to reach the end result.

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79 **Q. WHAT ADDITIONAL INFORMATION HAS THE PSC REQUESTED?**

80 A. On October 1, 2025, the PSC issued a Notice directing the four signing  
81 parties to each submit written testimony as to, “*The analysis supporting*  
82 *why* PSC approval of the terms of the Phase I Settlement Stipulation is (1)  
83 in the public interest, and (2) just and reasonable in result.” (italics in  
84 original)

85 **Q. DO YOU HAVE ANY INITIAL OBSERVATIONS ABOUT THE PSC**  
86 **REQUEST?**

87 A. Yes. First, I note that the PSC’s Notice explicitly respects the  
88 confidentiality of settlement negotiations and “any other information  
89 relating to that stipulation” and directs that testimony “may be submitted  
90 pursuant to Utah Admin. Code R746-1-601 et seq.” While I am not a  
91 lawyer, my understanding is that the PSC is asking for parties to waive  
92 their claim of the inadmissibility of evidence concerning settlements  
93 proceedings, contained in Utah Rule of Evidence 408. Although filing  
94 testimony under confidential cover consistent with PSC rules addresses  
95 issues of confidentiality for the purposes of proprietary business  
96 information, it does not address this specific issue of admissibility of  
97 settlement discussions. Thus, it remains difficult if not impossible to  
98 properly provide the information the PSC requests. For example, I am not  
99 comfortable providing the details of which additional adjustments the OCS  
100 intended to adopt and support since that information was disclosed in  
101 settlement negotiations in response to questions or comments made by

102 other parties, some of whom are not signatories to the stipulation and  
103 have not waived their own rights under Rule 408.

104 **Q. WHAT ANALYSIS DO YOU PROVIDE TODAY ON BEHALF OF THE**  
105 **OCS IN RESPONSE TO THE PSC REQUEST?**

106 A. I provide a general explanation of the analytical process the OCS used in  
107 determining whether to support this Settlement Stipulation as being in the  
108 public interest and just and reasonable in result.

109 **Q. PLEASE DESCRIBE THIS ANALYTICAL PROCESS.**

110 A. As an initial matter, I note that the settled upon total revenue requirement  
111 is quite close to the revenue requirement that would result solely from the  
112 use of the limited adjustments put forth by the OCS in this case. However,  
113 the analysis of the OCS regarding the settlement was more complex than  
114 that the analysis contained in its initial testimony. In contemplation of  
115 upcoming rebuttal testimony, we had already reviewed each adjustment  
116 supported by other parties and considered which adjustments we would  
117 adopt and support in the OCS rebuttal testimony. We also considered the  
118 likely rebuttal positions of EGU. Finally, the OCS team made an internal  
119 assessment of the relative strengths and weaknesses of the various  
120 potential adjustments to determine what it viewed as the range of  
121 reasonable and likely outcomes for the total revenue requirement in this  
122 case. The revenue requirement number was within our assessment of the  
123 range of reasonable and likely outcomes. From the OCS perspective, a  
124 revenue requirement that fell into that range of what we considered

125 reasonable would be in the public interest as well as just and reasonable  
126 in result.

127 **Q. DO YOU HAVE ANY FINAL THOUGHTS ON THE PSC'S REQUEST?**

128 A. Yes. In my opinion it would be useful for the PSC to provide more specific  
129 guidance on its expectations for analytical support of all types of  
130 settlements, including "black box" settlements such as the one currently  
131 before the PSC.

132 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

133 A. Yes.