

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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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

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**TESTIMONY SUPPORTING SETTLEMENT STIPULATION**

**AUSTIN C. SUMMERS FOR**

**ENBRIDGE GAS UTAH**

October 15, 2025

**EGU Exhibit 8.0**

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**I. INTRODUCTION**

**Q. Please state your name and business address.**

A. Austin C. Summers, 333 South State Street, Salt Lake City, Utah 84111.

**Q. Are you the same Austin Summers that testified earlier in this case?**

A. Yes. I filed direct testimony as EGU exhibits 5.0 through 5.14.

**Q. What general areas does your testimony address?**

A. I am providing testimony supporting the Settlement Stipulation (“Settlement”) filed by Enbridge Gas Utah (“EGU” or the “Company”), The Division of Public Utilities (“DPU”), the Office of Consumer Services (“OCS”), and the Utah Association of Energy Users (“UAE”) regarding Phase I issues in this Docket. As provided by the Scheduling Order entered by the Utah Public Service Commission (“Commission”), Phase I will address all issues necessary to determine EGU’s cost of capital, revenue requirement, return on equity, and will examine EGU’s depreciation study.

In this testimony, I refer to the DPU, OCS, and UAE as the (“Settlement Parties”). My testimony will outline the process that EGU and the Settlement Parties followed to develop a Settlement that is in the public interest and is just and reasonable in result. I will show that the Settlement is the result of:

1. A thorough discovery process that resulted in robust testimony;
2. A settlement process that considered the needs of each of the Parties to this case, including those that did not sign the Settlement and
3. An overall revenue requirement that allows the Company to operate safely and efficiently while also providing a reasonable return to investors.

**Q. Were there other parties that intervened in this case?**

A. Yes. The Federal Executive Agencies (“FEA”), American Natural Gas Council (“ANGC”), and Nucor Steel (“Nucor”) all intervened in the case. I refer to the FEA, ANGC, Nucor, and the Settlement Parties collectively as the (“Parties”).

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## II. SETTLEMENT PROCESS

28       **Q.     Can you describe the settlement process in this case?**

29       A.     Yes. The Parties all met to discuss settlement and those discussions led to the  
30       Settlement. It is important to note that the settlement discussions are confidential and  
31       cannot be disclosed on the record. That said, the process was inclusive of all Parties,  
32       and we appreciate the open and productive engagement from all Parties.

33       I also want to point out that Utah Code Ann. §54-7-1 provides that “Informal resolution,  
34       by agreement of the parties, of matters before the commission is encouraged . . . .” The  
35       Parties in this docket worked collaboratively and enhanced the regulatory process by  
36       allowing the Commission to focus on issues that the Parties could not otherwise  
37       resolve. The Company is grateful for the diligent attention the Parties brought to this  
38       matter and to the settlement discussions that produced the Settlement.

39       **Q.     Will you please provide an overview of the process the Parties used to learn about**  
40       **the Company’s position in this case?**

41       A.     Yes. First, the Company filed detailed testimony and exhibits setting forth its position  
42       at the same time that it filed the Application initiating this case. *See* EGU Exhibits 1.0  
43       through 7.04.

44       Then, the Company offered a technical conference for Phase I issues on June 10th,  
45       2025. This technical conference addressed pre-determined questions from the DPU  
46       and in-person questions by the Parties, as well as in-person questions of the  
47       Commission. During the Phase II technical conference on June 24th, 2025, the  
48       Company also provided a brief overview of the revenue requirement.

49       The Parties also asked about 500 data requests relating to both phases of this rate case.  
50       Many of these data requests included multiple subparts. The data requests covered a  
51       wide variety of phase one issues.

52       In addition, the Company met with the DPU weekly to provide education and answer  
53       questions. In the event that data was requested that would support DPU testimony, the

54 Company would create a field data request that would then be provided to all the  
55 Parties.

56 **Q. Did the Parties perform a thorough analysis during the discovery process?**

57 A. In my opinion, yes. I believe the Parties asked relevant questions and spent significant  
58 time to understand the Company's proposals.

59 **Q. Did the discovery process provide the Parties with enough information to file  
60 testimony in phase one?**

61 A. Yes. Robust direct testimony regarding phase one issues was filed by the DPU, OCS,  
62 UAE, and FEA ("Phase One Parties").

63 **Q. Did Phase One Parties file testimony that covered similar issues?**

64 A. Attached as EGU Exhibit 8.01 is a summary of the positions each of the Phase One  
65 Parties proposed and the amount those adjustments would make to the Company's  
66 proposed revenue requirement. Each of the Phase One Parties proposed adjustments  
67 to the Company's original position on return on equity ("ROE") and capital structure.  
68 I refer to ROE and the capital structure as the ("Cost of Capital"). In the case of the  
69 FEA, Cost of Capital was the only adjustment discussed in direct testimony on phase  
70 one issues. In addition to Cost of Capital, the OCS proposed an adjustment to the  
71 depreciation rates. Both the DPU and UAE proposed changes to the Cost of Capital  
72 but also proposed additional adjustments to the Company's expenses and rate base.

73 **Q. What is the range of outcomes proposed by the Parties in phase one testimony?**

74 A. EGU Exhibit 8.01, Row 1 shows the revenue deficiency that was originally proposed  
75 by the Company. Row 22 shows the adjustments that resulted from the proposals by  
76 the Phase One Parties. Row 23 shows the resulting revenue deficiencies.

77 **Q. Is the \$62 million revenue requirement increase proposed in the Settlement within  
78 the ranges supported by the testimony of the Phase One Parties?**

79 A. Yes. The \$62 million revenue requirement increase proposed in the Settlement is  
80 slightly higher than the positions of the Settlement Parties but significantly lower than

81 the Company's proposal. This demonstrates that the Settlement is just and reasonable  
82 in result.

83 **Q. How can the Commission determine that approval of the Settlement is just and**  
84 **reasonable in result and in the public interest without knowing what specific**  
85 **adjustments, revenue requirement, and capital structure was applied to reach the**  
86 **total revenue requirement number?**

87 A. The Commission can make that determination by examining all of the Parties' positions  
88 on the record, and seeing where this black box settlement falls within the possible  
89 outcomes. The Commission can take the Company's model, provided as EGU Exhibit  
90 5.14U, and apply the position of any Party to see what ultimate revenue deficiency  
91 would result. The Commission can, essentially, see what outcome would occur with a  
92 variety of applied ROEs, revenue adjustments, and capital structures would produce.  
93 It can consider the positions each party took in testimony, and it can see that the revenue  
94 deficiency reflected in the Settlement falls well within the range of outcomes among  
95 the Parties and the Company. As EGU Exhibit 8.01 shows, the return-on-equity,  
96 capital-structure and regulatory adjustments proposed by the Phase One Parties provide  
97 a variety of adjustments that could be combined to reach an overall increase of \$62  
98 million. One party for example, could choose a lower return on equity or capital  
99 structure and require fewer regulatory adjustments in order to reach a number that they  
100 deem reasonable. The inverse is also true, and a party who seeks a higher return might  
101 be willing to accept more regulatory adjustments in order to achieve an acceptable  
102 outcome. The final Settlement's reasonableness is evident given that it's outcome can  
103 be reached applying a variety of different adjustments and inputs.

104 **Q. How did the Company and the Settlement Parties determine that \$62 million was**  
105 **a reasonable revenue deficiency that is in the public interest and just and**  
106 **reasonable in result?**

107 A. The Company first held meetings with the DPU and OCS to determine if they thought  
108 settlement discussions would be worthwhile. All three agreed that discussions were  
109 worth pursuing and then all of the parties to this case met together for a couple of hours

110 on two occasions to discuss a potential settlement (“Settlement Discussions”). During  
111 those discussions the Parties determined that though they could not reach agreement on  
112 many of the specific issues, the overall result of each of the Phase One Parties’  
113 individual calculations was fairly close to the result of others. The Settlement Parties  
114 agreed to the overall revenue requirement reflected in the Settlement, though each  
115 reached that conclusion a different way. The common outcome, even given the  
116 diversity of positions, is a key factor demonstrating that the Settlement is in the public  
117 interest, and just and reasonable in result.

118 **Q. Do you have any calculations that show specific adjustments that were made to**  
119 **determine the overall revenue requirement addressed in the Settlement?**

120 A. No. As I mentioned before, any offers of compromise or detail occurring in the  
121 settlement discussions are confidential and inadmissible in this case. The Settlement  
122 does not address specific adjustments, and this is deliberate. Instead, the \$62 million  
123 revenue requirement increase overall is reasonable in the eyes of the Company and the  
124 Settlement Parties. From the perspective of the Company, it allows the Company to  
125 safely and efficiently run its operations and provide a reasonable return to investors.  
126 The Settlement Parties have their own logic as to why the Settlement is reasonable and  
127 in the public interest.


128 **Q. Does the Company believe the Settlement is in the interest of customers?**

129 A. Yes. The Company has made significant capital investments since its last general rate  
130 case and needs rate recovery for those investments. Though rate recovery does lead to  
131 an increase for customers, the investments are necessary for the safety of customers  
132 and the growth of the system. The Company believes the Settlement strikes a fair  
133 balance between the needs of the Company and the rates customers are asked to pay.

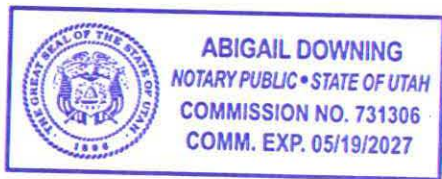


State of Utah            )  
  ) ss.  
County of Salt Lake    )

I, Austin C. Summers, 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. 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.

  
Austin C. Summers

SUBSCRIBED AND SWORN TO this 15<sup>th</sup> day of October, 2025.



  
Notary Public