

**-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-**

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<b>IN THE MATTER OF THE APPLICATION OF</b>	)	<b>DOCKET No. 25-057-06</b>
<b>ENBRIDGE GAS UTAH TO INCREASE</b>	)	<b>Exhibit No. DPU 7.0 SR</b>
<b>DISTRIBUTION RATES AND CHARGES</b>	)	<b>Phase II Surrebuttal Testimony of</b>
<b>AND MAKE TARIFF MODIFICATIONS</b>	)	<b>Ryan Daigle</b>

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FOR THE DIVISION OF PUBLIC UTILITIES  
DEPARTMENT OF COMMERCE  
STATE OF UTAH

Surrebuttal Testimony of

Ryan Daigle

November 4, 2025

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1 **INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TITLE.**

3 A. My name is Ryan Daigle. My business address is 160 East 300 South, Salt Lake  
4 City, Utah 84114. I am a Utility Technical Consultant with the Utah Division of Public  
5 Utilities (Division).

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

7 A. The Division.

8 **Q. ARE YOU THE SAME RYAN DAIGLE WHO PREVIOUSLY PROVIDED**  
9 **TESTIMONY IN THIS DOCKET?**

10 A. Yes. I submitted direct testimony on behalf of the Division on September 16, 2025.

11 **PURPOSE OF TESTIMONY**

12 **Q. WHAT IS THE PURPOSE OF YOUR PHASE II SURREBUTTAL TESTIMONY**  
13 **IN THIS CASE?**

14 A. The purpose of this surrebuttal testimony is to address concerns raised by Enbridge  
15 Gas Utah's (the Company) Phase II rebuttal testimonies. I will provide the Division's  
16 response to the testimonies of Mr. Kelly Mendenhall and Mr. Austin Summers.  
17 Specifically, my testimony will offer clarification on the Company's incorrect  
18 interpretation of my direct testimony.

19 **REBUTTAL OF KELLY MENDENHALL**

20 **Q. IN HIS REBUTTAL TESTIMONY, MR. MENDENHALL STATES THAT**  
21 **REVENUE GROWTH IS NOT CAUSED BY THE CONSERVATION ENABLING**  
22 **TARIFF (CET).<sup>1</sup> DO YOU AGREE WITH HIS ASSESSMENT?**

23 A. I agree that the CET does not cause revenue growth, however that is not what I was  
24 addressing in my direct testimony. In a general rate case (GRC), the Commission  
25 approves a revenue requirement. Once the revenue requirement is set, the

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<sup>1</sup> Phase II Rebuttal Test. of Kelly B. Mendenhall (Oct. 16, 2025) at 2:23-26 ("Mendenhall Rebuttal").

26 Company sets a CET rate to collect the approved revenue per customer. As new  
27 customers are added to the system, the Company-calculated CET rate is not re-set.  
28 New customers increase the total revenue the Company collects (same revenue per  
29 customer plus more customers equals more revenue). The CET program allows the  
30 Company to increase revenue as new customers are added to the system. As I  
31 pointed out in my direct testimony, after the 2022 GRC, the CET revenue increased  
32 significantly and was over-collected to a greater extent than in the previous  
33 seventeen years that the CET has been in place.<sup>2</sup> In spite of his disagreement, my  
34 position is supported by Mr. Mendenhall's EGU Exhibit 1.08R, which shows that in  
35 February 2024 the CET was over-collected by \$31 million. I continue to support my  
36 analysis that the allowed revenue and actual revenue in the CET program have  
37 significantly changed when compared to the historical performance of the CET.

38 **Q. DO YOU AGREE WITH MR. MENDENHALL'S STATEMENT THAT OVER-**  
39 **COLLECTION OF THE CET DOES NOT LEAD TO LONG-TERM INEQUITIES?**

40 A. No. Although some customers may receive a partial refund of the money they  
41 overpaid to the Company, there has not been an instance where all monies collected  
42 were subsequently completely repaid to customers. This may be in part due to the  
43 language in Section 2.08 of the Tariff which limits the Company to amortizing CET  
44 accruals more than 2.5% of the total Utah jurisdictional Base DNG revenues. In  
45 Table 1 below, I have updated the amortization table<sup>3</sup> provided by Mr. Mendenhall to  
46 show additional information and provide more context to his table. The added  
47 column of data provides the balance of the CET at the end of the amortization period  
48 as well as the initial parameters including the Docket No. relating to the CET  
49 amortization filing, the balance used to calculate the proposed amortization rate, the  
50 planned amortization over the 12-months, and the amount successfully amortized  
51 over the amortization period.

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<sup>2</sup> Phase II Direct Test. of Ryan Daigle (Sept. 16, 2025) at 4-7.

<sup>3</sup> Mendenhall Rebuttal at 3:47.

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Table 1

Docket Number	CET Balance Used for Amortization Rates	Planned Amortization Period	Amortization During Planned Period	Remaining Balance-CET Account (end of amortization period)
20-057-16	\$4.1M – Aug 2020	Nov 20 – Oct 21	-\$4.0M	\$ 1,269,765
21-057-20	\$2.9M – Aug 2021	Nov 21 – Oct 22	-\$2.9M	\$ 3,607,340
22-057-15	\$4.1M – Aug 2022	Nov 22 - Oct 23	-\$4.4M	\$ (23,341,052)
23-057-19	-\$23.3M – Oct 2023	Jan 24 – Dec 24	\$20.1M	\$ (21,782,529)
24-057-19	-\$22.5M - Aug 2024	Nov 24 - Oct 25	\$21.2M*	\$ (7,816,262)

54

55 **Q. WHAT ARE THE DIVISION’S FINDINGS REGARDING THE COMPANY’S**  
56 **ASSESSMENT OF THE EFFICACY OF THE CET AMORTIZATION AS**  
57 **PRESENTED IN TABLE 1?**

58 A. Once again, although some of the amount over-collected from customers was partially  
59 refunded during the annual amortization, there was still an amount remaining after the  
60 last two cycles of credit amortizations. In addition, the CET is still over-collected and,  
61 as of September 2025, has been for 35 consecutive months. This is the longest  
62 duration ever with this large of an average over-collected balance.

63 The table<sup>4</sup> provided by Mr. Mendenhall in his rebuttal testimony provides evidence of  
64 the drastic change in the balance, which is required to be amortized over the following  
65 year.

66 **Q. WHAT IS THE DIVISION’S POSITION ON THE COMPANY’S ASSESSMENT**  
67 **OF A MORE FREQUENT CET FILING?**

68 A. What I proposed was filing more frequently if the CET account balance falls above or  
69 below the ~\$10 million mark, which would not be triggered unless the balance is  
70 beyond the proposed threshold. The purpose of more frequent filings would be to  
71 mitigate the balance going higher or lower. Although “there is no prohibition on filing  
72 monthly if necessary,”<sup>5</sup> the Company has decided not to file more than a single CET  
73 filing per year in recent history. The Company’s decision to abstain from filing the

<sup>4</sup> *Id.* at 3:47.

<sup>5</sup> *Id.* at 3:57.

74 CET more frequently has led to inadequate timing for refunds to customers and  
75 provides enough evidence that a boundary should be implemented to create a more  
76 equitable environment for customers. During the period from 2007 to 2017, the CET  
77 was filed approximately 2.7 times per year, and the average account balance was  
78 also significantly lower than the last three years, where it was filed only annually.  
79 The need for additional requirements stems from the ongoing severely over-  
80 collected CET balance, which again, has now existed for approximately 35  
81 consecutive months.

82 **Q. WHAT IS THE COMPANY'S RESPONSE TO THE DIVISION'S REQUEST TO**  
83 **CREATE A WORKING GROUP TO DETERMINE THE ADEQUACY OF THE**  
84 **TRANSPORTATION IMBALANCE CHARGE (TIC)?**

85 A. The Company does not think a working group is necessary<sup>6</sup> and fails to address the  
86 information in my direct testimony, which provides evidence that the imbalances  
87 have begun to trend higher while the dollar amount the Company receives from  
88 these penalties (amounts beyond the permitted 5% tolerance) are being reduced.  
89 This divergence from these two metrics (the number of nominations outside of the  
90 daily 5% threshold and the penalty collected due to these nominations outside  
91 threshold) show that a reformulation may be warranted to avoid a snowballing effect  
92 in the future. Critically, the Company has failed to provide any data showing that the  
93 TIC is functioning as originally intended. The information provided in Figure 8 of my  
94 direct testimony clearly illustrates this divergence and provides adequate quantitative  
95 evidence that the TIC mechanism has lost some of its ability to function as intended.

96 **Q. PLEASE PROVIDE THE DIVISION'S RESPONSE TO MR. MENDENHALL'S**  
97 **STATEMENT THAT "AS A RESULT OF THE TIC, TRANSPORTATION**  
98 **CUSTOMERS' NOMINATION PRACTICES ARE MEASURABLY MORE**  
99 **ACCURATE."**<sup>7</sup>

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<sup>6</sup> *Id.* at 5:105-06.

<sup>7</sup> *Id.* at 5:97-98.

100 A. Mr. Mendenhall has provided no actual data validating this statement. Mr.  
101 Mendenhall misses the mark by replying to an argument I didn't make, specifically  
102 that the TIC is not functioning in some capacity. As I noted in Figure 8 in my direct  
103 testimony,<sup>8</sup> the nominations falling outside of the 5% threshold have continually  
104 increased throughout the history of the program. Based on applications, technical  
105 conferences, and meetings with the Company, the Division is unaware of an exact  
106 number or acceptable range for the Company, but this trend clearly shows that the  
107 TIC is not functioning as it was originally designed.

108 **REBUTTAL OF AUSTIN C. SUMMERS**

109 **Q. WHAT IS YOUR RESPONSE TO MR. SUMMERS'S ASSESSMENT THAT THE**  
110 **TIC AND CET HAVE BEEN EXPLORED IN GREAT DETAIL SINCE THE**  
111 **PREVIOUS GENERAL RATE CASE?<sup>9</sup>**

112 A. The Division disagrees with the Company's position that further investigation of the  
113 TIC and CET are unwarranted. The Division's opinion is that the investigation of both  
114 programs is not only warranted but changes are necessary to once again bring these  
115 programs or systems within boundaries allowing them to function as intended.

116 In both the CET and TIC programs, there has been a notable shift in the balances  
117 that do not follow the historical norms. With the TIC, the shift in larger volumes (Dth)  
118 outside of the 5% threshold with lower collected penalties is problematic as noted in  
119 Figure 8 of my direct testimony. Regarding the function of the CET, the current over-  
120 collection period is the longest duration at these levels of over-collection since the  
121 inception of the program. Although the CET is reviewed every year and technical  
122 conferences have been held specifically to discuss the mechanism, these efforts  
123 have not resulted in effectively reducing the overall average account balance.

124 As a clarification to my direct testimony, I will note that the CET account has been  
125 over-collected for a longer duration (in months) in the past, but with a significantly  
126 lower average monthly balance. The average balance for the October 2006 to June

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<sup>8</sup> Phase II Direct Test. of Ryan Daigle (Sept. 16, 2025) at 199-200

<sup>9</sup> Phase II Rebuttal Test. of Austin C. Summers (Oct. 16, 2025) at 27:641-42.

127 2013 period (or 45 months) was approximately \$3.3 million over-collected while the  
128 period from January 2022 to September 2025 (most recently available data) the  
129 average over-collection is approximately \$19.6 million. It is not clear why Mr.  
130 Summers does not think creating a working group for the TIC and CET would be  
131 beneficial. Mr. Summers provides only an opinion that these topics “have been  
132 explored in great detail . . . ”.<sup>10</sup> Additionally, during the Company’s technical  
133 conferences, the Company has failed to address the drastic shift in nominations  
134 outside 5% of tolerance or the historically high over-collected CET account balance.

135 **SUMMARY**

136 **Q. PLEASE SUMMARIZE THE DIVISION’S POSITION ON THE REBUTTAL**  
137 **TESTIMONIES OF KELLY B. MENDENHALL AND AUSTIN C. SUMMERS.**

138 A. The Division does not find the reasoning provided by either Mr. Mendenhall or Mr.  
139 Summers to be compelling. Neither provided empirical evidence or compelling  
140 explanations rebutting the Division’s recommended guardrails for the CET and TIC  
141 programs.

142 The Commission should consider that the CET has shifted drastically from what was  
143 permitted in the original approval and pilot program and should consider  
144 implementing the non-restrictive adjustments suggested in my direct testimony.  
145 Although the TIC remains partially functional, a problematic trend is emerging where  
146 the nominations outside of the 5% tolerance are steadily rising while the penalties  
147 are declining. A working group or other process to determine the best path forward  
148 would not only benefit the Company, but also the sales customers, as it could reduce  
149 the possibility of a major impact on the system.

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

151 A. Yes, it does.

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<sup>10</sup> *Id.* at 27:641-43.