

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

---

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

)  
)  
)  
)  
)  
)  
)

**DOCKET No. 25-057-06**  
**Exhibit No. DPU 8.0 SR**  
**Phase II Surrebuttal Testimony of**  
**Annette T. Orton**

---

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

Surrebuttal Testimony of

Annette T. Orton

November 4, 2025

1 **INTRODUCTION**

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

3 A. My name is Annette T. Orton. I am employed as a Utility Analyst by the Division of  
4 Public Utilities (“DPU” or “Division”) for the State of Utah. My business address is the  
5 Heber M. Wells Building (160 E 300 S, Salt Lake City, UT 84111).

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

7 A. The Division’s.

8 **Q. ARE YOU THE SAME ANNETTE T. ORTON WHO FILED DIRECT**  
9 **TESTIMONY IN PHASE II OF THIS PROCEEDING?**

10 A. Yes, I am.

11 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

12 A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of  
13 Jordan K. Stephenson and direct testimony of Austin C. Summers with Enbridge  
14 Gas Utah (“Company,” “Enbridge,” or “EGU”) regarding the continued inclusion of  
15 Natural Gas Vehicle (“NGV”) station costs in rate base and the associated  
16 subsidization of that class.

17 **Q. WHAT IS ENBRIDGE’S PROPOSAL REGARDING THE NGV CLASS?**

18 A. The Company’s position is that the NGV class subsidy should remain in the 2026  
19 test period.<sup>1</sup> Enbridge has operated NGV fueling stations since 1989.<sup>2</sup> From that  
20 time until 2013, the Public Service Commission of Utah (“Commission”) approved  
21 subsidies intended to promote early adoption of NGV technology and to support the  
22 development of a refueling network. The goal was to encourage the use of natural  
23 gas as an alternative transportation fuel that could reduce emissions and  
24 dependence on gasoline.<sup>3</sup>

---

<sup>1</sup> Rebuttal Test. of Jordan K. Stephenson (Oct. 16, 2025) at 2:51-52 (“Stephenson Rebuttal”).

<sup>2</sup> Direct Test. of Austin C. Summers (May 1, 2025) at 10:244-45 (“Summers Direct”).

<sup>3</sup> *Id.* at 10:244-53.

25 As Enbridge witness Austin Summers noted, in the 2013 general rate case (“GRC”),  
26 “Company witness Barrie McKay testified that usage in the NGV class was  
27 increasing and that moving the class to full cost could be justified.”<sup>4</sup> While the  
28 program achieved moderate adoption in its early decades, market conditions have  
29 shifted significantly. Natural gas usage at the Company’s fueling stations has  
30 declined steadily over the past several years.<sup>5</sup> At the same time, the broader vehicle  
31 market has experienced a rapid shift toward electric and hybrid vehicles, supported  
32 by substantial private and public investment in charging infrastructure.

33 Despite these changes, the Company proposes to continue subsidizing NGV  
34 operations in the 2026 test year,<sup>6</sup> effectively asking ratepayers in all classes to bear  
35 the cost of a declining and increasingly obsolete service.

36 **Q. WHAT IS THE DIVISION’S POSITION ON THE CONTINUED SUBSIDIZATION**  
37 **OF THE NGV CLASS?**

38 A. In my direct testimony, I recommended that EGU eliminate the NGV rate class (and  
39 any accompanying subsidy) by phasing out the program by the next GRC or  
40 increasing the charges to the NGV class.<sup>7</sup>

41 **Q. WHAT SUPPORT DOES ENBRIDGE PROVIDE FOR ITS PROPOSAL TO**  
42 **CONTINUE SUBSIDIZING THE NGV RATE CLASS?**

43 A. In his direct testimony, Mr. Summers stated that the Commission may approve a  
44 subsidized rate in the NGV class, as Utah Code section 54-4-13.1 gives the  
45 Commission that authority.<sup>8</sup> Also, EGU witness Jordan Stephenson stated in his  
46 rebuttal testimony that Utah Code section 54-4-13.4, which sets forth the  
47 requirements to recover expenditures for NGV stations and facilities, reflects the  
48 State of Utah’s policy that subsidizing NGV infrastructure is in the public interest.<sup>9</sup> He  
49 also states “[t]he Company’s investment in its legacy NGV fueling stations has met

---

<sup>4</sup> *Id.* at 10:246-47.

<sup>5</sup> *Id.* at 10:249-52.

<sup>6</sup> *Id.* at 9:227.

<sup>7</sup> Phase II Direct Test. of Annette T. Orton (Sept. 16, 2025) at 7:158-60.

<sup>8</sup> Summers Direct at 10:254-61.

<sup>9</sup> Stephenson Rebuttal at 2:28-30.

50 each of the provisions of this rule.”<sup>10</sup> Mr. Stephenson asserts that despite declining  
51 market demand and reduced throughput, Enbridge’s existing NVG stations continue  
52 to meet the requirements of Utah Code subsection 54-4-13.4(1)(b)<sup>11</sup> and therefore  
53 remains in the public interest. Mr. Stephenson added that Enbridge only includes  
54 stations that are used and useful.<sup>12</sup>

55 Enbridge’s own data demonstrates declining NGV volumes, limited customer usage,  
56 and diminishing market demand.<sup>13</sup> As a result, the Company’s NGV program no  
57 longer serves, or will soon no longer serve, a broad public purpose and increasingly  
58 depends on ratepayer support to remain financially viable.

59 The Division does not suggest the Company’s expenditures have failed statutory  
60 tests for the programs identified. Rather, market conditions and technological  
61 advancements have shifted significantly since the statute was enacted. The question  
62 of whether facilities remain used and useful at certain levels bears revisiting. The  
63 current environment, where electric vehicle infrastructure is expanding and NGV use  
64 and vehicle availability continues to decline, suggests that continued ratepayer  
65 support for these stations is no longer just, reasonable, or in the public interest.

66 **Q. DOES ENBRIDGE MEET THE REQUIREMENTS OF SUBSECTION 54-4-**  
67 **13.4(1)?**

68 A. The Division acknowledges that, within the test period, the NGV program satisfies  
69 these provisions. In response to DPU Data Request 30.1, Enbridge stated that the  
70 annual revenue related to the NGV stations and facilities exceeds 70% of the

---

<sup>10</sup> *Id.* at 2:51-52. Utah Code Ann. § 54-4-13.4(1) provides that:

(1) The commission shall find that a gas corporation's expenditures for the construction, operation, and maintenance of natural gas fueling stations and appurtenant natural gas facilities are in the public interest and are just and reasonable, if:

(a) the gas corporation's expenditures for the fueling stations and appurtenant facilities:

(i) are prudently incurred; and

(ii) do not exceed \$5,000,000 in any calendar year;

(b) the gas corporation shows that the estimated annual incremental increase in revenue related to the stations and facilities exceeds 50% of the annual revenue requirement of the stations and facilities; and

(c) the stations and facilities are in service and are being used and are useful.

<sup>11</sup> Stephenson Rebuttal at 2:51-52.

<sup>12</sup> *Id.* at 2:53-54.

<sup>13</sup> EGU Ex. 5.06.

71 revenue requirement of the stations and facilities.<sup>14</sup> If the revenue falls below 50% in  
72 future filings, then the program will no longer qualify for any subsidy. Based on the  
73 record and supporting data provided, Enbridge appears to meet the general  
74 requirements of subsection 54-4-13.4(1).  
75 However, NGV volumes and participation have declined significantly. The  
76 Company's NGV stations are underutilized and generate insufficient revenue to  
77 recover costs without subsidy. The broader transportation market has shifted away  
78 from NGVs and towards electric vehicle technology. These factors indicate that  
79 Enbridge's NGV program no longer serves a broad public interest in advancing an  
80 alternative fuel and that ratepayers are bearing costs that exceed the benefits  
81 provided by this declining program.

82 **Q. WHAT CONCERNS DO YOU HAVE REGARDING THE COMPANY'S**  
83 **REQUEST FOR PROPOSAL ("RFP") TO SELL CERTAIN NGV STATIONS?**

84 A. In his direct testimony, Mr. Summers stated that "[t]he Company has issued an RFP  
85 to sell a portion of its Utah NGV stations."<sup>15</sup> In Mr. Stephenson's rebuttal testimony,  
86 he stated that "[w]hile preparing its application for this docket, the Company was  
87 engaged in internal discussions about issuing an RFP. However, it ultimately  
88 decided not to issue an RFP, after encountering significant hurdles to successfully  
89 issuing an RFP to sell the stations."<sup>16</sup>

90 These statements directly conflict. If Enbridge cannot clearly state whether an RFP  
91 was issued, it creates some uncertainty about how thoroughly the Company  
92 evaluated market options or pursued alternatives prior to seeking cost recovery from  
93 ratepayers. The Company's conflicting accounts may indicate either a lack of internal

---

<sup>14</sup> EGU Response to DPU Data Request 30.1:

The source for this statement is the Company's rate case model, and specifically the cost-of-service summary tab in the model filed as EGU Exhibit 5.15R.

Without the NGV subsidy in this tab, the total cost-of-service for the NGV class for the 2026 test period is \$2.37 million (\$1.6 million in cell Q95 LESS the NGV subsidy adjustment of -0.767 million in cell Q90). This compares to test period NGV class revenues of \$1.66 million. This means the NGV class revenues today equate to 70% of the cost-of-service, compared to the 50% referenced in statute (see exhibit SR 8.01).

<sup>15</sup> Summers Direct at 10:262-63.

<sup>16</sup> Stephenson Rebuttal at 4:84-86.

94 coordination or an attempt to portray a more proactive response than what occurred.  
95 While the Division does not suggest any intentional wrongdoing, the record would  
96 benefit from greater clarity. The Commission should require the Company to provide  
97 clarification to ensure the record accurately reflects its actions.

98 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATION.**

99 A. While subsidizing the NGV rate class may be allowed under Utah law, due to the  
100 declining sales from the NGV fueling stations over the last decade, the Division  
101 maintains its recommendation that the NGV program should be phased out by the  
102 next GRC, or alternatively, the Company should increase the charges to the NGV  
103 class to eliminate subsidization. If the program is phased out, the Company should  
104 evaluate the sale of some or all existing NGV stations to private or public operators  
105 as part of this transition.

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

107 A. Yes.