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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Eric Orton, Utility Technical Consultant

Date: August 12, 2025

Re: **Docket No. 25-057-07**, EGU Quarterly Integration Progress Reports.

Recommendation (No Action Required)

The Division of Public Utilities (Division) has reviewed Enbridge Gas Utah's (Enbridge or Company)¹ Quarterly Integration Progress Report (Commitment(s)) for the first quarter of 2025 as ordered in Docket No. 23-057-16. The Division recommends that the Public Service Commission of Utah (Commission) take no action regarding this filing and the accompanying exhibits.

Issue

On May 16, 2024, the Commission issued its order approving the Application and the Settlement Stipulation regarding the sale of Questar Gas Company aka Dominion Energy Utah (DEU) to Enbridge (aka Fall West Holdco, LLC) to Enbridge Quail Holdings, LLC, aka Enbridge. The Settlement Stipulation included Exhibit A, EQ Holdings and Questar Gas Commitment Matrix. Commitment 36 addressed reporting to the Commission on "planned and accomplished" tasks related to the merger. It stated:

Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and

¹ Enbridge Gas Utah formerly known as Dominion Energy Utah or DEU, Questar Gas Company or QGC.



accomplished activities related to the Transaction. The report will also identify and include Transaction costs. Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2025, for the period ending December 2024 and will provide updates quarterly thereafter until the conclusion of the second general rate case.

It is the Division's understanding that the intent of the quarterly filing is simply to monitor the integration activity, and the costs associated with the merger. The quarterly reports are not provided to justify such costs nor to seek recovery or approval of any actions or costs.

Background

On September 5, 2023, Dominion Energy, Inc. announced its intention to sell DEU to Enbridge. On September 8, 2023, Questar Gas Company, DEU and Fall West filed an application for approval of a partial corporate reorganization to facilitate the planned sale of DEU to Enbridge. The Commission approved that application for reorganization by Order dated November 3, 2023.

Just prior to the above Order being issued, on October 20, 2023, an application was filed seeking approval of the actual sale of DEU to Enbridge. A Settlement Stipulation was filed five months later on March 21, 2024. On May 16, 2024, the Commission approved the application "subject to the terms and conditions presented in and as modified and supplemented by the Settlement."² One of those terms and conditions was Merger Commitment number 36, which required Integration Progress Reports.

On August 1, 2025, Enbridge submitted its "Integration Progress Report for the 1st quarter 2025." On that same date, the Commission issued an Action Request to the Division with a due date of September 2, 2025, directing it to review the filing for compliance and make a recommendation. On August 6, 2025, the Commission issued its Notice of Filing and Comment Period directing interested parties that they may submit comments on the report on or before September 3, 2025, with reply comments due to the Commission on or before September 18, 2025.

² Docket No. 23-057-16 Order Approving Settlement Stipulation, Page 10, May 16, 2024

This memo is the Division's response to the Action Request as well as its initial comments.

Discussion

First Quarter 2025 Report

This filing is the second Integration Progress Report (IPR) following the purchase of the local gas utility by Enbridge. Exhibit A of the Settlement Stipulation included 36 specific merger commitments and requirements. The filed reports identify the Company's progress regarding meeting its merger commitments. In addition to the IPR, the Company has included three exhibits as follows:

Exhibit 9. (Commitment #11) Is an Excel spreadsheet that identifies the transaction costs associated with the merger

Exhibit 10. (Commitment #14) Is a copy of the Affiliate Transaction Report as of year-end December 31, 2024

Exhibit 11. (Commitment #23) Is a copy of the customer satisfaction matrix results for 2024 and the first quarter of 2025. This is an indicator that the gas utility's customers are not materially harmed by the acquisition.

In summary, there are 36 Commitments, many with subparts which, if counted individually, make a total of 58 Commitments. Of these 58, there are those that have concluded and those that are yet to be completed or are ongoing in nature. The Commitments that have been completed include: 1a, 7a, 8, 9cii, 17a, 17c, 23a, and 31. The remaining 50 Commitments are perpetual or are yet to be completed. Also, of the remaining 50, the Company states that it is committed to continuing to adhere to or accomplish each one and is not attempting to retract, avoid, or delay their completion.

Conclusion

The Division investigated the application with the continued objective of ensuring that the customers of the natural gas utility are held harmless by the acquisition of the natural gas utility service provider. The Division has not identified any issues in this filing that would indicate otherwise. The Division finds that the Company has materially met its requirement

to report to the Commission on its merger progress as required in the Stipulation and no action is requested or required by the Commission. The quarterly filing does not require Commission acknowledgement or approval but is intended to flag any changes that may occur that could impact rates, customer service, or system reliability.

cc: Austin Summers, Enbridge Gas Utah
Michele Beck, Office of Consumer Services