SPENCER J. COX Governor

DEIDRE M. HENDERSON Lieutenant Governor



MARGARET W. BUSSE Executive Director MICHELE BECK Division Director

To: The Public Service Commission of Utah

Enbridge Gas Utah

From: The Office of Consumer Services

Michele Beck, Director

Béla Vastag, Utility Technical Consultant

Date: July 2, 2025

Subject: Docket No. 25-057-10 – OCS Questions for Technical Conference -

Application of Enbridge Gas Utah for Approval of the Piceance

Development Phase II as a Wexpro II Property

- Lines 82 83 of Mr. Mendenhall's testimony states "...these reserves [Piceance Phase II] will provide natural gas production at prices that are expected to beat the five-year curve." Lines 162 – 163 of Mr. Rasmussen's testimony states "...the projected Phase II Development is expected to produce gas at prices below the five-year curve."
  - At the technical conference, please walk us through in detail how the Application's supporting Exhibits demonstrate that gas from Piceance Phase II will "beat" or be "below" the five-year curve. In particular, please walk us through how the analysis flows through Exhibit L and Exhibit P.
  - For the charts on pages 1 and 5 of Exhibit L, please discuss the time periods when the COS price is below the market price and the periods when the COS price is above the market price. Also, please discuss how sensitive the relationship between the COS price and the market price is to the timing of when the wells first start producing gas and to the amount of gas produced in their early years of production. For example, how is the analysis impacted if completion of wells is delayed and/or the wells produce their initial gas at a lower rate or lower volume than expected.



- 2. Line 33 of Mr. Mendenhall's testimony provides the expected cost to Wexpro of Piceance Phase II under the Joint Agreement.
  - At the technical, please walk us through in detail how the Application's supporting Exhibits demonstrate this expected cost.
  - Please present a sensitivity analysis showing how much the expected costs need to change (i.e. rise) so that Piceance Phase II would not produce gas at prices below the five-year-curve. That is, how high would costs paid under the Joint Agreement have to rise for the COS price to be above the five-year curve?
  - The Joint Development Agreement in Exhibit K sets forth Wexpro's % or share of "Carried Cost". Please walk us through where in the JDA it is identified what exactly these carried costs are.
  - For Piceance Phase I, please provide a comparison, to-date, of the forecasted carried costs versus the actual carried cost.