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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF ENBRIDGE GAS UTAH TO EXTEND NATURAL GAS SERVICE TO SOUTH RIM, UTAH

Docket No. 25-057-21

REDACTED VERIFIED APPLICATION FOR APPROVAL OF A RURAL NATURAL GAS INFRASTRUCTURE DEVELOPMENT PROJECT TO EXTEND SERVICE TO SOUTH RIM, UTAH

Pursuant to Utah Code Ann. §§ 54-17-401 *et seq.* and Utah Admin. Code R746-440-1 *et seq.*, and Questar Gas Company dba Enbridge Gas Utah's ("Company," "EGU," or "Enbridge Gas") Utah Natural Gas Tariff No. 700 ("Tariff"), Enbridge Gas Utah respectfully requests that the Public Service Commission of Utah ("Commission") approve the Company's decision to construct natural gas infrastructure to extend service to South Rim, Utah ("Rural Infrastructure Decision"). The Company refers to the installation of 16,510 feet of High Pressure ("HP") pipeline, 68,975 feet of Intermediate

High Pressure ("IHP") main lines, a regulator station, and approximately 50,700 feet of IHP service lines throughout the community of South Rim as the "Rural Expansion Facilities."

In support of this Application, Enbridge Gas Utah provides the following information:

BACKGROUND

- 1. Enbridge Gas, a Utah corporation, is a public utility engaged in the distribution of natural gas primarily to customers in Utah and Wyoming. Its Utah public utility activities are regulated by the Commission, and the Company's rates, charges, and general conditions for natural gas service in Utah are set forth in the Company's Tariff. Copies of the Company's Articles of Incorporation are on file with the Commission.
- 2. Enbridge Gas has long worked with remote rural communities in Utah to find ways to extend its natural gas distribution infrastructure to those communities. The availability of safe, reliable, affordable energy resources is critical to growth and economic development in those communities. Historically, the cost of extending the Company's natural gas distribution to many of those communities has been prohibitive. The residents and businesses of those communities could not alone afford to bear the costs of system expansion.
- 3. In 2018, the Utah State Legislature ("Legislature") passed House Bill 422, Natural Gas Infrastructure Amendments. With HB 422, the Legislature established the opportunity for rural communities to obtain natural gas service funded by the Company's customer base. HB 422 is now embodied in Utah Code Ann. § 54-17-401 *et seq.* In 2020, the Legislature amended this statute, and on March 2, 2020, Governor Gary Herbert signed the bill amending the statute. This Application is the Company's seventh application brought pursuant to HB 422. The Commission approved the company's proposal to expand service to Eureka, Utah in Docket No. 19-057-31, the Company's proposal to extend service to the communities of Goshen and Elberta in Docket No. 21-057-06, the Company's proposal to extend service to Green River in Docket No. 21-057-12, the Company's

proposal to extend service to Genola in Docket No. 23-057-13, and the Company's proposal to extend service to Portage in Docket No. 24-057-13. Concurrent with this filing, the Company is filing a request to extend service to Fairfield, Utah in Docket No. 25-057-20.

4. After HB 422 became effective, the Company contacted presently-unserved rural communities to gather information necessary to determine which communities were interested in natural gas service and which could be served under the statute given the legislative, financial, and other relevant considerations. The process the Company followed in making its determination to seek approval to extend gas service to South Rim is detailed in the pre-filed Direct Testimony of Jordan Parks, attached hereto as EGU Exhibit 1.0, which is incorporated herein. As Mr. Parks testifies, South Rim expressed interest in receiving service when the Company reached out about the potential of expanding service to the community. This expression of interest, combined with the Company's own analysis, served as the basis for selecting South Rim as the next candidate for a rural expansion project. South Rim can also be easily served by existing personnel in the Company's Salt Lake office. Tooele County Councilman Kendall Thomas has represented that South Rim desires gas service and supports advancing the opportunity. Indeed, Councilman Thomas represented to the Company that there is broad support in the community for natural gas service to South Rim and that extending service to South Rim will result in greater opportunities for growth and economic development. The Company reached out to the citizens of South Rim to confirm that there is broad support and enthusiasm for the expansion of natural gas service to their community. Through an open house, a survey, and other activities, the Company has confirmed that the residents of South Rim are very supportive of natural gas service being extended to their community. Specifically, on June 10, 2025, the Company held an open house in South Rim. Company personnel were present to discuss the prospective project, and to answer residents' questions. In addition, residents were asked to fill out a survey to gauge their interest in natural gas service in South Rim. Survey results demonstrate that 82% of the respondents are interested in natural gas service. 7% of respondents are unsure, and only 11% of the respondents were not interested in receiving gas service.

5. Given the Company's own analysis, and the responses from South Rim's leadership and residents, the Company selected South Rim as the seventh rural expansion candidate to receive natural gas service, and maintains that extending gas service to South Rim would be just, reasonable, and in the public interest.

THE PROPOSED RURAL EXPANSION FACILITIES

6. As discussed in more detail in the Company's pre-filed testimony, Enbridge Gas Utah proposes to construct 16,510 feet of 6" high pressure pipeline, 68,975 feet of IHP mains (54,575 feet of 2", 300 feet of 4" and 14,100 feet of 6"), a regulator station and approximately 50,700 feet of IHP service lines throughout South Rim. Company personnel have prepared a detailed cost estimate for the required HP pipeline, IHP main system, regulator station and the required service lines. Based on those estimates, the Rural Expansion Facilities are estimated to cost \$ million. As explained in detail in Mr. Radford's direct testimony, the Company breakdown for the Rural Expansion Facilities is as follows:

Cost Item	Amount
Construction of HP Pipeline	\$
Construction of IHP Mains	\$
Construction of Regulator Station	\$
Construction of Service Lines	\$

- 7. This total estimated cost of the Rural Expansion Facilities equates to an annual bill impact for customers of \$1.54 or 0.24%. The Company proposes that this cost be allocated to all of its customers through the Rural Expansion Rate Adjustment Tracker pursuant to Section 9.02 of the Tariff.
- 8. The Company is concurrently filing an application to extend natural gas service to Fairfield, Utah in Docket No. 25-057-20. The combined total estimated cost of the Rural Expansion Facilities for South Rim and Fairfield equates to an annual bill impact for customers of \$2.11 or 0.33%. The Company proposes that this cost be allocated to all of its customers through the Rural Expansion Rate Adjustment Tracker pursuant to Section 9.02 of the Tariff.

APPLICABLE STANDARD AND REQUEST FOR APPROVAL

- 9. The Company's proposal satisfies the applicable legal standard for approval of a rural gas infrastructure development project. Under Utah Code Ann. § 54-17-402(2)(c), "A request for approval of natural gas infrastructure development shall include:"
 - (i) a description of the proposed rural gas infrastructure development project;
 - (ii) an explanation of projected benefits from the proposed rural gas infrastructure development project;
 - (iii) the estimated costs of the rural gas infrastructure development project; and
 - (iv) any other information the commission requires.

In addition, a request for approval of a resource decision must include "testimony and exhibits" which provide the categories of information set forth in Utah Admin. Code R746-440-1.

- 10. Utah Code Ann. § 54-17-402(3) further provides that, in ruling on a request for approval of rural gas infrastructure development, the Commission shall consider:
 - (i) the potential benefits to previously unserved rural areas;
 - (ii) the potential number of new customers;
 - (iii) natural gas consumption; and
 - (iv) revenues, costs, and other factors determined by the Commission to be relevant.

- 11. Enbridge Gas Utah's Application for pre-approval of the Rural Infrastructure Decision and the Rural Expansion Facilities fully complies with the requirements of the applicable statutes and regulations, and demonstrates that the rural gas infrastructure development project is in the public interest.
- 12. The Company's Application is supported by the pre-filed direct testimony of Jordan Parks (Regulatory Analyst for Enbridge Gas Utah), the pre-filed direct testimony of William Radford (Manager of Compliance Engineering for Enbridge Gas Utah), the pre-filed direct testimony of Terry Workman (Manager of Regional Operations for Enbridge Gas Utah), and the pre-filed direct testimony of Tooele County Councilman Kendall Thomas, as well as other exhibits and materials accompanying their testimonies.
- 13. Mr. Radford's pre-filed Direct Testimony, attached hereto as EGU Confidential Exhibit 2.0 and incorporated herein, describes the proposed rural gas infrastructure development project and the Rural Expansion Facilities.
- 14. Mr. Parks', Mr. Workman's and Councilman Thomas' direct testimonies, which are incorporated herein and attached, respectively as EGU Exhibit 1.0, EGU Exhibit 3.0 and EGU Exhibit 4.0, demonstrate that the expansion of natural gas service to South Rim, Utah will result in significant benefits to South Rim residents with only a minimal conversion cost for South Rim residents and a minimal impact on the Company's other customers. South Rim's residents will enjoy lower, stable, regulated rates for energy, instead of relying on unpredictable energy prices that currently vary significantly based on market forces. Further, residents of South Rim will have the benefit of a more reliable energy source that is not dependent upon the availability of propane, wood, coal, and fuel oil. Those residents will also have the benefit of increased safety and Enbridge Gas Utah's workforce, who will provide support and respond to service needs and emergencies as it does elsewhere on its system.

- 15. Extension of the Company's natural gas distribution system to South Rim will also provide greater opportunities for growth and economic development in and around South Rim than are currently available.
- 16. In addition, Mr. Parks' testimony provides evidence of the revenues associated with the customer additions in South Rim, as well as the impact that approval of the Rural Infrastructure Decision and the Rural Expansion Facilities will have on all Utah natural gas customers. As explained above, that impact for a typical natural gas customer using 70 Dth per year is approximately \$1.54 per year.
- 17. The foregoing testimony and the attached exhibits contain the information that is required by Utah Admin. Code R746-440-1 to be filed with the rural gas infrastructure development proposal. Mr. Parks' testimony identifies where each category of information can be located within the Company's pre-filed testimony and exhibits.

TIMING FOR APPROVAL AND COMMENCEMENT OF THE RURAL GAS INFRASTRUCTURE DEVELOPMENT PROJECT

18. Utah Code Ann. § 54-17-402(7) requires that a Commission determination on a request for a resource decision be made within 180 days of the filing of the request "unless the Commission determines that additional time to analyze a resource decision is warranted and is in the public interest." Prompt resolution of this matter will ensure that, if approved, construction can commence, and residents of South Rim can begin to receive the benefits of natural gas service as soon as possible.

REQUEST FOR RELIEF

WHEREFORE, based upon the Company's Application, testimony and exhibits, and pursuant to Utah Code Ann. § 54-17-401 *et seq.* and Utah Admin. Code R746-440-1 *et seq.*, Enbridge Gas Utah respectfully requests that the Commission, in accordance with its authority, rules and procedure:

Issue an order approving the Rural Infrastructure Decision and the Rural Infrastructure Facilities as described herein and in the Company's supporting testimony and exhibits.

DATED this 3rd day of September, 2025.

Respectfully submitted,

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VERIFICATION

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

Jordan Parks, being first duly sworn upon oath, deposes and states: he is a Regulatory Analyst for Enbridge Gas; he has direct personal knowledge of the matters addressed herein; he has read the foregoing Application; and the statements made in the Application are true and correct to the best of his knowledge, information and belief. The documents attached thereto are true and correct copies of the documents they purport to be.

Jordan Parks
Regulatory Analyst

Subscribed and sworn to before me this 3rd day of September, 2025.

RENA PORTER
Notary Public State of Utah
My Commission Expires on:
April 25, 2027
Comm. Number: 730504

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the REDACTED APPLICATION FOR APPROVAL OF A RURAL NATURAL GAS INFRASTRUCTURE DEVELOPMENT PROJECT TO EXTEND SERVICE TO SOUTH RIM, UTAH was served upon the following persons by e-mail on September 3, 2025:

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