

–BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH–

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

**DOCKET No. 25-057-21
Exhibit No. DPU 1.0 DIR**

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

Direct Testimony of

Savannah Torman

December 2, 2025

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1 **INTRODUCTION**

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

3 A. My name is Savannah Torman, and I am a Utility Analyst for the Division of Public
4 Utilities (Division). My business address is 160 E 300 S, Salt Lake City, Utah.

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

6 A. The Division.

7 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**
8 **EXPERIENCE.**

9 A. I have an MA in Sustainable Development, and I have worked with the Division since
10 May 2025.

11 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE**
12 **COMMISSION OF UTAH (COMMISSION)?**

13 A. Yes, I testified in the 2025 hearing on the Enbridge Energy Efficiency Deferred
14 Account Balance.

15 **Q. WERE YOU THE DIVISION'S WITNESS FOR ANY OF ENBRIDGE'S RECENT**
16 **APPLICATIONS TO EXTEND NATURAL GAS SERVICE INTO RURAL UTAH?**

17 A. No.

18 **Q. IS THIS APPLICATION SIMILAR TO ENBRIDGE'S 2024 APPLICATION TO**
19 **EXTEND NATURAL GAS SERVICE TO PORTAGE IN DOCKET NO. 24-057-**
20 **13?**

21 A. There are similarities between all the previous rural expansion programs. However,
22 the Division has additional concerns about this application.

23 **SCOPE OF TESTIMONY**

24 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

25 A. The purpose of my testimony is to describe the Division's stance and analysis
26 regarding Enbridge Gas Utah's (EGU or Company) expansion plans to South Rim,
27 Utah.

28 **Q. PLEASE BRIEFLY DESCRIBE THE ACTIVITIES YOU UNDERTOOK IN THIS**
29 **DOCKET.**

30 A. I read each of the testimonies and looked over all the exhibits provided by the
31 Company. I submitted questions for the Technical Conference on October 28, 2025,
32 which I also attended. I submitted a data request and analyzed the supplemental
33 information the Company provided in response. I looked at previous years'
34 expansion projects and collaborated with colleagues.

35 **Q. PLEASE PROVIDE A SUMMARY OF YOUR CONCLUSIONS AND**
36 **RECOMMENDATIONS.**

37 A. The Company has not yet met its burden of proof to demonstrate the prudence of
38 this project, and the Division therefore concludes that this project is not in the public
39 interest on the information filed and received to date. The Division recommends the
40 Commission not approve this project.

41 **ANALYSIS**

42 **A. COMPLIANCE WITH FILING REQUIREMENTS**

43 **Q. DOES THIS APPLICATION COMPLY WITH THE FILING REQUIREMENTS**
44 **FOR A REQUEST FOR REVIEW OF A RESOURCE DECISION CONCERNING**
45 **UTILITY EXPANSION TO RURAL UTAH?**

46 A. According to Utah Code Ann. § 54-17-402 (*seq*) the Company filed all the statutorily
47 required documents. However, the filed documents do not necessarily provide
48 sufficient information to conduct a thorough analysis. Using Code § 54-17-
49 402(3)(b)(ii), I have analyzed those metrics to determine whether this project is in the
50 public interest. That analysis is as follows.

B. POTENTIAL BENEFITS TO PREVIOUSLY UNSERVED AREAS

Q. WHAT DOES THE COMPANY SAY ARE THE POTENTIAL BENEFITS OF THIS PROJECT?

A. The Company reports that most South Rim residents use propane as their primary heating source. They explain that switching to natural gas would save residents money, as the cost of propane fluctuates more than the cost of natural gas.¹ The Company also states that switching to natural gas will provide additional economic opportunities for South Rim.²

Q. DOES THE DIVISION AGREE WITH THE BENEFITS OF SWITCHING FROM PROPANE TO NATURAL GAS?

A. It is true that the cost of propane fluctuates more than the cost of natural gas.³ The Company uses generic propane prices provided by EIA for its price comparison, while the utilization of regionally specific prices would provide clearer evidence to understand the scope of the potential benefit. Without this information, it is impossible to concur with the Company's price comparison. Generally speaking, it has been the case that natural gas can save residents money once the costs of conversion are paid, but more and better analysis of these benefits is necessary.

Q. DOES THE DIVISION AGREE THAT BRINGING NATURAL GAS TO SOUTH RIM WILL PROVIDE ADDITIONAL ECONOMIC OPPORTUNITIES?

A. The Company has not provided evidence that natural gas brings additional development. When asked for more information about potential developments as a result of this expansion, the Company stated that they had not spoken to any developers. While the availability of natural gas might be a factor for developers, the simple assertion of this point is inadequate. The Company should provide better evidence and analysis on this point, perhaps with reference to past experiences.

¹ EGU Ex. 1.0, Direct Test. of Jordan Parks, Lines 467-468.

² EGU Ex. 4.0, Direct Test. of Kendell Thomas, Line 46.

³ EGU Ex. 1.0, Direct Test. of Jordan Parks, Lines 467-468.

Q. WHAT DEVELOPMENTS ARE ALREADY PLANNED FOR THE NEAR FUTURE IN SOUTH RIM?

A. The Company stated in its Technical Conference that it has not corresponded with any developers.⁴ However, in Data Request Response DPU 1.02, the Company provided correspondence between Councilman Kendall Thomas, Jordan Parks, and Rachelle Custer, who provided preliminary plans for a 226-lot development. Given that this development was planned before the introduction of natural gas in South Rim, we cannot be certain that natural gas is a driver of development. Furthermore, if a developer is already interested in this area, that developer should be responsible for sharing in the costs. Further analysis and evidence should be provided to allow the Commission to better assess this potential benefit.

C. POTENTIAL NUMBER OF NEW CUSTOMERS

Q. WHAT DOES THE COMPANY SAY ABOUT THE POTENTIAL NUMBER OF NEW CUSTOMERS?

A. The Company says that the number of potential new customers is 356 connections. However, the number of households who responded affirmatively to the Company's interest survey is 135.⁵

Q. DO YOU HAVE CONCERNS ABOUT THE DISCREPANCY BETWEEN THE NUMBER OF POTENTIAL CUSTOMERS AND THE NUMBER OF CUSTOMERS WHO RESPONDED TO THE INTEREST SURVEY?

A. It is notable that the number of customers who responded affirmatively to the interest survey is less than half of the number of potential customers reported by the Company. While the Company states that 81% of survey respondents said "yes,"⁶ only 135 "yes" responses out of 356 potential customers equates to only 37.92%.

⁴ 25-057-21 Technical Conference, slide 14.

⁵ EGU Ex. 1.10

⁶ *Ibid.*

Confidential DPU Exhibit 1.01 demonstrates that this ratio is at least 10% lower than other projects.

The Division recognizes that the actual meter installations may be different and can change over time. The program is still developing and many customers are still within their statutory limits to install meters. However, by highlighting this discrepancy, the Division aims to demonstrate that the true number of customers who will receive natural gas is likely lower than forecasted based on the other expansion projects that have been completed. This is also exemplified by Confidential DPU Exhibit 1.01, which shows that the number of customers who installed meters on finished projects is consistently lower than the potential customers metric provided by the Company. While this pattern is to be expected, the Company should address it further because of the project's unique profile compared to past projects.

Q. DID THE COMPANY EXPLAIN THE LOWER-THAN-AVERAGE “YES” RESPONDENTS?

A. Yes, the Company explained that this is the first potential project site without an official representative. In the Technical Conference,⁷ the Company stated that this was a barrier for disseminating information about the project to the community. It is interesting that the Company has chosen this location when it does not appear to have strong community support or a request from community leaders. Further explanation from the Company could mitigate this concern.

Q. DOES THE DIVISION HAVE OTHER DOUBTS REGARDING THE POTENTIAL NUMBER OF NEW CUSTOMERS?

A. Yes, the Division believes that the Company's estimate for new customers is optimistic. This is also exemplified by the population growth estimates the Company uses. The Company relies on Councilman Kendall Thomas' testimony to establish

⁷ 25-057-21 Technical Conference.

that residential growth in South Rim is currently at 2%.⁸ In Data Request Response DPU 1.05, Mr. William Radford says that the Company used data from “nearby towns”⁹ to determine this growth rate. Without naming the towns or the specific information the Company used to determine this number, the growth rate appears unsubstantiated and largely speculative. Again, a greater quantum or better quality of evidence could mitigate these concerns. For now, the Division is concerned that the investment is likely too great for the number of customers served.

D. NATURAL GAS CONSUMPTION

Q. WHAT ARE THE DIVISION’S CONCERNS WITH THE COMPANY’S NATURAL GAS CONSUMPTION CALCULATIONS?

A. Given the optimistic calculations for the number of customers who will connect to the system, as well as seemingly unsubstantiated population growth rates, the Division believes that the forecasted load is also optimistic.

E. REVENUES, COSTS, AND OTHER FACTORS

Q. ARE THE COMPANY’S REVENUE REQUIREMENT ESTIMATES WITHIN STATUTORY LIMITS?

A. Yes.

Q. WHAT CONCERNS DOES THE DIVISION HAVE REGARDING REVENUES?

A. Given the Company’s optimistic customer and growth estimates, it is likely South Rim will have a lower-than-anticipated customer base. This means lower-than-expected consumption, which means less gas revenues.

Q. WHAT CONCERNS DOES THE DIVISION HAVE REGARDING SYSTEM COSTS?

A. The Company’s cost-per-customer analysis is calculated on the maximum number of potential customers, or 356 connections. The number of people who will enroll for

⁸ EGU Ex. 3.0, Direct Test. of Kendell Thomas, Line 25.

⁹ DPU Exhibit 1.02 - EGU’s Response to DPU Data Request 1.05.

services is likely lower, so the cost-per-customer will likely be higher than the Company estimates. This is the case in the Eureka, Goshen/Elberta, and Green River projects, which have all been completed; this is demonstrated in Confidential DPU Exhibit 1.01.

Additionally, the Company did not provide information on the cumulative impact on customer bills annually if both Fairfield and South Rim projects are approved. The cumulative impact on customer bills for the projects in Eureka, Goshen/Elberta, Green River, Genola, Portage, South Rim, and Fairfield is \$10.28 per year, according to Confidential DPU Exhibit 1.01. Naturally, this cost will only continue to increase as more expansion projects are approved.

Finally, the Division is concerned about the discrepancy between the number of service lines versus meters on completed projects, again referring to Confidential DPU Exhibit 1.01. It appears that some service lines may not be used and useful, and those costs should therefore not be recoverable. In Data Request Response DPU 1.06, the Company acknowledges this discrepancy and states that it does not yet have a strategy to rectify this.¹⁰

Q. WHAT CONCERNS DOES THE DIVISION HAVE REGARDING CUSTOMER COSTS?

A. The Company has not adequately addressed the costs that customers may incur to convert their appliances. The Company states that the cost of converting appliances can vary widely;¹¹ however, without a financial analysis on the socioeconomic status of South Rim residents, it is difficult to conclude if these conversions are cost prohibitive. This may further limit the number of residents who enroll in natural gas services. Without detailed information on the average household cost to convert appliances, it is also impossible to know how long it will take for customers to see savings compared with the price of propane.

¹⁰ DPU Exhibit 1.03 - EGU's Response to DPU Data Request 1.06.

¹¹ 25-057-21 Technical Conference, Slide 7.

**Q. WHAT OTHER FACTORS DID THE DIVISION CONSIDER WHEN
RECOMMENDING NOT TO APPROVE THIS APPLICATION?**

A. The lack of an official town representative is concerning for a few reasons. First, as the Company has already demonstrated, this makes it more difficult to disseminate information to residents. This is the first potential project site without a mayor to support the project. The Division has concerns about this additional barrier to disseminate information, especially related to safety when converting appliances for natural gas use. The lack of a representative in South Rim raises safety concerns and the Company has not provided information concerning who would be responsible for providing residents information on this issue or who would provide safety inspections.

Additionally, there is no South Rim representative championing or encouraging the natural gas expansion project. In other words, EGU contacting South Rim first,¹² low survey responses, and the lack of a vocally supportive representative from South Rim, does not demonstrate strong town support to bring natural gas to the community.

SUMMARY

**Q. IS IT THE DIVISION'S RECOMMENDATION THAT THE COMMISSION
APPROVE THE EXPANSION INTO SOUTH RIM?**

A.. No. The Division is not opposed to the rural expansion program, and it acknowledges the inherent net costs of the program. The primary opposition for the South Rim expansion comes from the Division's perspective that the Company did not conduct sufficient analysis to determine the prudence of this particular site.

Q. PLEASE SUMMARIZE THE DIVISION'S RECOMMENDATIONS.

A. The Company has not met its burden of showing the expansion to South Rim is just, reasonable, and in the public interest. To make this determination, the Division

¹² DPU Exhibit 1.04 - EGU's Response to DPU Data Request 1.02, Attachment 1.

203 considers variables like the discrepancy between potential customers and likely
204 customers, a resulting increased cost burden for general ratepayers, and the lack of
205 a town representative and community support. Further evidence from the Company
206 could ameliorate these concerns. The Division has already begun discussion with
207 the Company concerning these issues and plans to have periodic meetings with
208 Company representatives, irrespective of this case's outcome, to address these
209 issues. The Company has been cooperative and accommodating in these
210 discussions.

211 **CONCLUSION**

212 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

213 **A.** Yes.