
Application of Enbridge Gas Utah to Extend Natural Gas Service to South Rim, Utah	<u>DOCKET NO. 25-057-21</u> <u>ORDER APPROVING SETTLEMENT</u> <u>STIPULATION</u>
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ISSUED: March 3, 2026

SYNOPSIS

The Public Service Commission (PSC) approves a Settlement Stipulation that resolves the Application of Enbridge Gas Utah to Extend Service to South Rim, Utah.

1. PROCEDURAL HISTORY

On September 11, 2025, pursuant to Utah Admin. Code R746-440-1(2)(a), Enbridge Gas Utah (EGU) filed a notice with the PSC of its intent to file a voluntary request for approval of a resource decision under Utah Code Ann. §§ 54-17-401, *et seq.* (“Voluntary Resource Decision Act”) to expand its natural gas distribution system to the rural community of South Rim, Utah.

On September 19, 2025, EGU filed its verified application and testimony¹ and exhibits (“Application”) seeking approval of its decision to build gas infrastructure to extend service to South Rim, Utah, and permission to recover the associated costs through the rural expansion rate adjustment tracker set forth in Section 9.02 of EGU’s Natural Gas Tariff No. 800 (the “Rural Expansion Tracker”).

¹ The supporting testimony is of Jordan Parks, William S. Radford, Terry D. Workman, and Kendall Thomas. EGU Exhibit 1.02 to the Direct Testimony of Mr. Parks identifies the location of the information that EGU included to meet the requirements of the Voluntary Resource Decision Act.

On October 2, 2025, the PSC issued a Scheduling Order, Notice of Technical Conference, and Notice of Hearing. On October 28, 2025, a technical conference was held that further addressed the scope of the Application and questions posed by the Division of Public Utilities (DPU).

On December 2, 2025, DPU filed the direct testimony of Savannah Torman, along with exhibits. On January 20, 2026, EGU filed the rebuttal testimony of Jordan Parks.

On January 26, 2026, EGU and DPU jointly filed a Settlement Stipulation resolving the issues raised in the docket ("Settlement"). The Settlement states that the Office of Consumer Services is not a party in this proceeding but has reviewed the Settlement and does not oppose the terms outlined therein. There were no intervenors in this docket.

On February 3, 2026, the PSC held an evidentiary hearing during which EGU and DPU provided sworn testimony in support of the Settlement.

2. BACKGROUND

a. The Application

EGU proposes to install approximately "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”² in Utah (the “South Rim Infrastructure Facilities”). The Application states EGU identified South Rim, Utah as a good candidate for natural gas service in part because (i) service to South Rim can be attained within the statutory spending caps,³ (ii) EGU’s existing personnel can maintain and serve a system in South Rim, and (iii) the expansion enjoys strong community support.⁴

The Application further explains that EGU confirmed widespread community support for the South Rim Infrastructure Facilities through outreach efforts including hosting meetings and open houses, issuing surveys and interest forms, and other activities, as set forth in detail in the exhibits attached to the Application.⁵ To recover the South Rim Infrastructure Facilities’ costs, as estimated in the confidential testimony and exhibits of EGU witness Mr. Parks, EGU proposes to use the Rural Expansion Tracker.

b. The Settlement

The Settlement resolves all issues raised in the docket. Generally, the signatories agree that the Settlement is in the public interest and the results are just and reasonable, and that the PSC should (1) approve EGU’s resource decision to build the South Rim Infrastructure Facilities; (2) authorize EGU to offer natural gas service

² Application at 1-2.

³ See September 19, 2025, Direct Testimony of J. Parks at 5:138-144.

⁴ See *id.*

⁵ See Application at 3-4.

to South Rim, Utah; and (3) allow EGU to recover the costs related to the South Rim Infrastructure Facilities through the Rural Expansion Tracker.

The Settlement also contains other specific provisions, including that: (1) EGU will seek PSC approval of any South Rim Infrastructure Facilities' costs that exceed the approved confidential cost estimates set forth in the direct testimony (and exhibits) of EGU witness Mr. Radford, before including them in the Rural Expansion Tracker;⁶ (2) before setting a meter, EGU and South Rim will collaborate to confirm that Tooele County has inspected all appliances converted by each customer in South Rim for safe operation and proper conversion;⁷ (3) before submitting any future applications for Rural Expansion Resource Decisions, EGU and DPU will meet and discuss the planned contents and supporting data of the upcoming filing, and other important details relating to any future application;⁸ and (4) starting in 2027, EGU will file an annual report containing the most recent five years of data for the previously approved Rural Expansion Resource Decisions.⁹

Finally, the Settlement represents that the increase in EGU's base distribution non-gas revenue will be within the statutory limits provided in Utah Code Ann. § 54-17-403(1)(c), based on EGU's confidential cost estimates of the South Rim

⁶ See Settlement at ¶ 9.

⁷ See *id.* at ¶ 10.

⁸ See *id.* at ¶ 11.

⁹ See *id.* at ¶ 12.

Infrastructure Facilities,¹⁰ and specifies in detail who may qualify for and participate in the service extension plan, and who may not.¹¹

c. Testimony at Hearing¹²

EGU witness Parks testified about the Settlement and summarized its key terms and conditions. Mr. Parks also testified that “[t]his would be new infrastructure in a new rural community[, and] ... is a continuation of the program that was [previously] approved in the Eureka, Goshen, Green River, Genola, and Portage [PSC] dockets.”¹³ Mr. Parks also testified that his direct written testimony addresses “the evidentiary requirements for this resource decision, discussed how and why [EGU] chose South Rim ... , explained how many customers are expected to participate, how costs would be recovered, and provided other relevant financial and operational information.”¹⁴ Mr. Parks further testified that if approved, this expansion would increase the typical annual bill for a residential customer using 70 dekatherms of natural gas annually by approximately \$1.54, or 0.24 percent.¹⁵

Additionally, Mr. Parks testified that EGU witness Mr. Radford’s written testimony “explains the scope of the project, the construction schedule, the cost of the

¹⁰ See *id.* at ¶ 14.

¹¹ See *id.* at ¶ 13.

¹² All filings in this docket were admitted as evidence at hearing.

¹³ February 3, 2026, Hearing Transcript (“Hr’g”) at 9:9-12.

¹⁴ *Id.* at 10:1-6.

¹⁵ Mr. Parks also noted that EGU “concurrently filed a separate application in Docket No. 25-057-20 to extend service to ... Fairfield[,]” which combined with the Application would have a “cumulative impact ... on a typical customer using 70 dekatherms a year [of] about \$2.11 or 0.33 percent.” *Id.* at 9:18-22.

project, and the geographic results of the community's interest in natural gas.”¹⁶ Mr. Parks also briefly described the written testimony of EGU witnesses Mr. Workman and Tooele County Councilman Thomas in support of the Application,¹⁷ asserting that “[t]aken together, the evidence provided shows that the resource decision is just and reasonable in result, and that approval of the [A]pplication is in the public interest.”¹⁸

DPU witness Torman briefly summarized the Application and testified about the Settlement. Ms. Torman testified that the Settlement is similar to previously approved rural expansion settlement stipulations, and it is DPU's “position ... that [the Settlement] satisfies the necessary requirements under the applicable statutes and rules pertaining to rural expansion.”¹⁹ Ms. Torman also testified that expansion into South Rim could be a benefit to that community without creating a significant negative impact on EGU or its ratepayers. Ms. Torman further testified about specific stipulation provisions in the Settlement of particular importance to DPU, and concluded that the Settlement is just and reasonable in result, that its approval is in the public interest, and requested the PSC to approve the Settlement.²⁰

¹⁶ *Id.* at 10:7-10.

¹⁷ *See id.* at 10:11-17.

¹⁸ *Id.* at 10:18-20.

¹⁹ *Id.* at 17:8-10.

²⁰ *See id.* at 17:11-18:4.

3. DISCUSSION AND FINDINGS OF FACT

a. The Voluntary Resource Decision Act

The Voluntary Resource Decision Act gives utility companies the opportunity to seek the PSC's approval of a resource decision to acquire a resource that is involved in energy production, transmission, or distribution, including "rural gas infrastructure development."²¹ It requires PSC approval of the share of the costs the utility company incurs in this state to implement the approved resource decision.²² The estimated costs of the proposed project that qualify for inclusion in the utility's base rates must be within the statutory caps set forth in Utah Code Ann. § 54-17-403(1)(c).

Specifically, the Voluntary Resource Decision Act limits the inclusion of natural gas infrastructure development costs to no more than a two percent increase in the utility's base distribution non-gas revenue requirement in any three-year period.

In evaluating whether to approve a resource decision, we must determine whether: (i) the decision complies with applicable statutes and rules, and (ii) is in the public interest.²³ In its application, the utility company must provide a description of the proposed rural gas infrastructure development project, an explanation of projected benefits from the proposed project, the estimated costs of the proposed project, and any other information that we require.²⁴

²¹ See Utah Code Ann. §§ 54-17-401(1)(b)(i)(C) and 54-17-401(1)(c).

²² See, e.g., *id.* at § 54-17-403.

²³ See *id.* at § 54-17-402(3).

²⁴ See *id.* at § 54-17-402(2)(c).

In specific consideration of the requirements of the Voluntary Resource Decision Act, we find and conclude that EGU filed all the information required therein, as confirmed by EGU witness Mr. Parks' direct testimony and his testimony at hearing. In addition, we find and conclude that the proposed costs referenced in the confidential direct testimony and attached exhibits of EGU witness Mr. Radford are within the statutory cap set forth in Utah Code Ann. § 54-17-403(1)(c), and therefore qualify for inclusion in EGU's base rates, as confirmed by DPU witness Torman's direct written testimony, and as further confirmed by the signatories to the Settlement. The evidence also supports our finding and conclusion that the public interest is served by EGU's voluntary resource decision to build the South Rim Infrastructure Facilities.

b. Settlements

As set forth in Utah Code Ann. § 54-7-1, settlements of matters before the PSC are encouraged at any stage of a proceeding. The PSC may adopt a settlement after considering the interests of the public and other affected persons, if the PSC finds it is in the public interest. The existence of the Settlement, and the provisions allowing rural gas infrastructure development projects in Utah Code Ann. §§ 54-17-402 and -403, support our findings and conclusions that EGU's resource decision to build the South Rim Infrastructure Facilities provides a general public benefit, at an allowable cost, and is therefore in the public interest.

4. CONCLUSION OF LAW

Having reviewed the Application, the written testimony, the sworn testimony provided at hearing, and in the absence of any opposition to the Settlement, we conclude that the evidence supports our finding that the Settlement is in the public interest, and is just and reasonable in result.

5. ORDER

Based on the findings and conclusion above, we approve the Settlement and the underlying resource decision.

DATED at Salt Lake City, Utah, March 3, 2026.

/s/ John E. Delaney
Presiding Officer

Approved and Confirmed March 3, 2026 as the Order of the Public Service Commission of Utah.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#344133

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on March 3, 2026, a true and correct copy of the foregoing was served upon the following as indicated below:

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