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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

APPLICATION FOR APPROVAL OF THE)	
2026 YEAR BUDGET FOR ENERGY)	Docket No. 25-057-22
EFFICIENCY PROGRAMS AND MARKET)	VERIFIED APPLICATION
TRANSFORMATION INITIATIVE)	

1. Questar Gas Company, doing business as Enbridge Gas Utah (Enbridge Gas or the Company), respectfully submits this Verified Application for Approval of the 2026 Year Budget for Energy Efficiency Programs and Market Transformation Initiative (Application). The Company submits this Application pursuant to the applicable orders of the Public Service Commission of Utah (Commission) identified in the introduction section below. Enbridge Gas Utah respectfully submits this Application seeking approval of the 2026 budget associated with the delivery of the Energy Efficiency (EE) programs and associated Market Transformation Initiative and the related Tariff changes described herein.

I. INTRODUCTION

2. In its Order issued January 16, 2007 in Docket No. 05-057-T01 (January 16, 2007 Order), the Commission approved the Company's Application for Expedited Approval of Demand Side Management Programs and a Market Transformation Initiative (Original

Application) and approved a three-year pilot program for the Company's Demand Side Management (DSM) programs in conjunction with the Conservation Enabling Tariff (CET). On June 3, 2010, the Commission issued an Order in Docket No. 09-057-16, approving the CET as an on-going program (June 3, 2010 Order). The Commission has reviewed and approved applications for EE Programs, Budgets, and Market Transformation Initiatives each year thereafter. Most recently, on January 9, 2025, the Commission issued an Order in Docket No. 24-057-22 (January 9, 2025, Order), approving Enbridge Gas Utah's Application for Approval of the 2025 Year Budget for Energy Efficiency Programs and Market Transformation Initiative.

II. OVERVIEW OF PROPOSED 2026 ENERGY EFFICIENCY PROGRAMS AND MARKET TRANSFORMATION INITIATIVE

3. In the Original Application (Docket No. 05-057-T01), the Company listed seven best practices for developing successful EE programs. These seven best practices are:

- A. Develop a comprehensive energy efficiency approach;
- B. Simplify and integrate program offerings;
- C. Brand EE and focus on customer service;
- D. Develop strategic relationships with market participants;
- E. Provide customized service, when applicable;
- F. Provide qualified, independent expertise; and
- G. Integrate program evaluation early.

Through the design, development, implementation and administration of EE programs, the Company has successfully achieved, and in many cases exceeded, each of the best practices outlined in the Original Application. The Company's ThermWise[®] EE campaign is a model for natural gas utility programs nationwide. The ThermWise[®] rebate programs are customer friendly and cost effective.

4. In addition to the implementation and development of the ThermWise® EE campaign, the Company has made a concerted effort to maintain high levels of customer service. The Company has developed relationships with trade allies, including wholesalers; heating, ventilation, and air conditioning (HVAC) professionals, weatherization contractors; dealers; and retailers. The Company has built flexibility into the implementation and marketing of its programs to allow for customized service when required.

5. Based on input from the Utah DSM Advisory Group, Utah-based trade allies, program administrators and other energy efficiency stakeholders, Enbridge Gas proposes continuing the eight existing ThermWise® EE programs in 2026: 1) the ThermWise® Appliance Rebates Program; 2) the ThermWise® Builder Rebates Program; 3) the ThermWise® Business Rebates Program; 4) the ThermWise® Home Energy Plan Program; 5) the ThermWise® Weatherization Rebates Program; 6) funding for the Low-Income Efficiency Program administered by the Utah Department of Workforce Services; 7) the Market Transformation Initiative; 8) and the ThermWise® Energy Comparison Report (Comparison Report).

6. **ThermWise® Appliance Rebates.** This program offers rebates to GS customers for installing high efficiency qualifying measures. The Company proposes to continue this program in 2026 with the inclusion of a hydronic heating coil as a qualifying natural gas backup for dual fuel heating systems. Under this “heat pump + hydronic coil backup” configuration, the hydronic coil serves the same functional role as the high efficiency gas furnace backup in a dual fuel system and thereby qualifies for the same rebate level under the ThermWise Appliance Rebates program.

7. The performance of this type of system works as follows: during mild weather and shoulder seasons ($\geq 40^{\circ}\text{F}$) the high-efficiency air-source (or ground-source) heat pump

serves as the primary heating system. As outdoor temperatures decline toward the system's balance point, the hydronic heating coil — supplied with hot-water from a natural-gas boiler (or modulating condensing natural-gas water-heater/boiler) — is activated to supply supplemental (or full-capacity) heating via the same ducted air handler. In effect, the hydronic coil acts as the natural gas backup heat source. Because the coil is plumbed into the ductwork, it delivers warm air via the air handler and duct system, just like a high efficiency furnace would. The hydronic coil is thereby functionally equivalent to a gas-fired furnace backup but using the boiler/coil configuration instead of a direct-fired air-handler burner.

8. From an efficiency perspective, the hydronic coil-backup arrangement offers a number of advantages. A condensing natural-gas boiler feeding the coil can achieve high condensation efficiencies (for example, 90% + annual fuel utilization) when sized and controlled properly and operating with return-water temperatures conducive to condensing. In practical terms, system heating efficiencies in the shoulder and moderate-cold conditions may reflect a seasonal coefficient of performance (COP) of the heat pump portion, with the natural gas backup supplying only when needed. While the hydronic coil alone is a combustion source, the dual-fuel pairing allows a high-efficiency heat pump to carry much of the load and reduce natural gas consumption.

9. To illustrate: suppose the heat pump operates with an average COP of 3 (three units of heat delivered per unit of electricity) during much of the season, and the natural-gas boiler feeding the hydronic coil operates at a combustion efficiency of 92%. When the boiler is only used a modest portion of the time, the weighted system efficiency (natural gas + electricity) can be significantly better than a natural gas-only system.

10. In recognition of the functional equivalence of this configuration to the existing dual-fuel heat pump + gas furnace measure, the Company proposes that the rebate amount for the heat pump + hydronic coil backup configuration be identical to the rebate currently offered for the dual-fuel system with forced-air gas backup. That is, eligible customers would receive the same “up to” rebate amount of \$1,200 for installing a qualified dual-fuel heat pump system whether the gas backup is implemented via a high efficiency furnace or via a hydronic coil installed in the ductwork/air handler. This equivalency ensures technology neutrality and encourages adoption of alternative dual-fuel backup architectures without creating a rebate differential that could bias toward one configuration.

11. To maintain program integrity, qualifying requirements will include: (1) verification that the hydronic coil is installed in the same ducted system served by the heat pump air handler; (2) that the natural-gas boiler or water-heater/boiler supplying the coil meets minimum thermal efficiency (for example, condensing boiler efficiency $\geq 90\%$ or other standard as determined by the Company); (3) that controls are installed such that the heat pump remains primary and the hydronic coil backup only activates at a set “changeover/outdoor lock-out” temperature or control point that ensures appropriate fuel switching; and (4) documentation of equipment make/model, installation date, and commissioning tests that verify the dual-fuel control logic is operational.

12. In addition to the proposed 2026 change discussed above, the Company proposes to make several minor Tariff changes, for purposes of accuracy, which are outlined in the Legislative and Proposed Tariff sheets (EGU Energy Efficiency Exhibit 1.9). EGU Energy Efficiency Exhibit 1.1 sets forth the current Appliance Program description for 2026.

13. **ThermWise® Builder Rebates.** Under this program, the Company offers rebates to residential builders for installing qualifying energy efficiency measures and constructing homes that meet certain whole-home efficiency requirements. The ThermWise® Builder Program is available to all newly constructed residences receiving service on the GS rate schedule. The Company proposes to include hydronic heating coils as qualifying natural gas backup for dual fuel heating systems for the same reasons as described in the Appliance Program discussion.

14. In addition to the previously discussed changes, the Company proposes to make several minor Tariff edits, for purposes of accuracy, which are outlined in the Legislative and Proposed Tariff sheets (EGU Energy Efficiency Exhibit 1.9). EGU Energy Efficiency Exhibit 1.2 sets forth the current Builder Program description for 2026.

15. **ThermWise® Business Rebates.** Under this program, the Company offers rebates to commercial GS customers who purchase and install qualifying natural gas efficiency measures. The Company proposes to include hydronic heating coils as qualifying natural gas backup for dual fuel heating systems for the same reasons as described in the Appliance Program discussion. The Company also proposes to make several minor Tariff edits, for purposes of accuracy, which are outlined in the Legislative and Proposed Tariff sheets (EGU Energy Efficiency Exhibit 1.9). EGU Energy Efficiency Exhibit 1.3 sets forth the current program description for 2026.

17. **ThermWise® Home Energy Plan.** Under this program, the Company offers residential GS customers the opportunity to have an in-home, mail-in, or virtual home energy assessment performed by a trained representative. The Company proposes to continue this

program with no major changes. EGU Energy Efficiency Exhibit 1.4 sets forth the complete program description for 2026.

18. **ThermWise® Weatherization Rebates.** Under this program, the Company offers residential GS customers rebates for installing qualifying weatherization measures. The Company proposes to continue this program with no major changes in 2026. EGU Energy Efficiency Exhibit 1.5 sets forth the current program description for 2026.

19. **Low-Income Efficiency Program.** The Company proposes to maintain funding for the Low-Income Efficiency Program at \$500,000 per year. The Company will continue to disburse \$250,000 every six months, with the disbursements occurring in January and in July. EGU Energy Efficiency Exhibit 1.6 sets forth the current program description for 2026.

20. **Market Transformation Initiative.** In addition to the energy efficiency rebate programs outlined above, Enbridge Gas Utah is proposing to continue its comprehensive Market Transformation Initiative (MTI). The MTI continues to serve an essential role in ensuring the sustained improvement of building shell technologies and market adoption of high efficiency natural gas equipment in Utah. Considering ongoing regional decarbonization objectives, federal energy policy shifts, and evolving consumer adoption dynamics, the MTI remains a prudent and forward-looking component of the Company's overall energy efficiency portfolio. Its continuation in 2026 will preserve a vital market infrastructure that ensures continued customer education on efficient technologies and supports an "all-of-the-above" approach to energy.

21. Utah's natural gas consumption patterns remain closely tied to regional population growth, housing development, and industrial expansion. According to the U.S. Energy Information Administration (EIA), Utah's residential gas consumption has grown by

approximately 10% over the last decade, even as per-customer usage declined by nearly 5%, reflecting the impact of efficiency and behavioral programs like MTI.¹

22. Despite the growing prevalence of ENERGY STAR–rated appliances and historical success of the ThermWise[®] programs, market penetration in the Intermountain West remains uneven. The U.S. Environmental Protection Agency (EPA) reported in 2024 that approximately 45% of gas furnaces sold nationally met high-efficiency criteria, compared to 38% in the Mountain Census Division.² Without coordinated market interventions, the regional adoption gap is expected to persist or widen, particularly among low- and moderate-income households and small businesses that depend most on accessible information and targeted outreach.

23. These data underscore that market transformation remains incomplete, and that continued investment is warranted to sustain long-term efficiency gains and ensure that future equipment markets reflect least-cost resource strategies.

24. Energy markets do not operate with perfect information. Absent market transformation efforts, adoption of efficient natural gas technologies often stalls at suboptimal equilibrium levels due to consumer information barriers, contractor familiarity, and perceived risk aversion. Empirical research from the Lawrence Berkeley National Laboratory shows that targeted behavioral and awareness programs sustain adoption levels 25–40% higher than those achieved through rebates alone.³

¹ U.S. Energy Information Administration. (2024). Natural Gas Consumption by Sector, Utah. Washington, D.C.: EIA.

² U.S. Environmental Protection Agency. (2024). ENERGY STAR Appliance Market Profiles by Census Division. Washington, D.C.

³ Lawrence Berkeley National Laboratory. (2022). Behavioral Interventions in Energy Efficiency: Evidence and Outcomes. Berkeley, CA.

25. The MTI's outreach through digital media, contractor training, codes training, and public events continues to play a unique and irreplaceable role in correcting these market deficiencies. In this respect, MTI serves as a structural investment in long-term consumer literacy, not a short-term promotional activity.

26. One component of the MTI is a market awareness campaign designed to (1) enhance the Company's involvement in energy efficiency and conservation promotion; (2) change consumer and market participation behaviors; and (3) encourage persistent demand for energy efficiency products and practices.

27. The next component of the MTI is the ThermWise.com website. The Company launched an informative, interactive, easy-to-use, and dedicated energy efficiency website (www.ThermWise.com) during 2007. The website provides consumers with EE program descriptions, rebate applications, information regarding the economics of energy efficiency, other information to help consumers reduce their energy consumption, on-line energy audit input capability, and links to other useful websites related to energy efficiency and conservation. ThermWise.com has undergone several design changes since 2007, in an effort to make the site more user friendly. Content has also been updated year-to-year to reflect the changing mix of rebate-eligible measures and provide customers with up-to-date energy saving tips. The Company proposes to make only necessary updates to ThermWise.com for annual programmatic changes in 2026.

28. In its Order issued December 29, 2017 in Docket No. 17-057-22 (December 29, 2017 Order), the Commission provided guidance regarding future applications for the MTI. Specifically, the Commission supported the recommendation that the applications include strategies and justification for proposed budget amounts. Additionally, the Commission

indicated support for the Advisory Group and the collaborative process originally envisioned for this group as outlined in the Joint Application filed December 16, 2005 (Docket No. 05-057-T01). The Company has sought to be responsive to this guidance throughout 2025. The Advisory Group met April 29, 2025 and September 24, 2025. In the April meeting, the Company or its contracted marketing firm, Trendy Minds Inc., discussed aspects of the current or future ThermWise® campaign. In August, the Company selected, through a competitive Request for Proposal (RFP) process, a new advertising agency Honey Inc., (Honey). Representatives from Honey were introduced to the Advisory Group in the September meeting. Representatives from Commission staff, the Utah Division of Public Utilities (Division), and the Utah Office of Consumer Services (Office) participated in both meetings and provided useful feedback along with other program stakeholders.

29. The Company's contracted survey firm, Lighthouse Research (Lighthouse), conducted the 2025 customer survey and presented the results at the September 24, 2025 Advisory Group meeting. Lighthouse conducted the customer survey by phone in April of 2025. Customer respondents were evenly split between genders and with an age profile that was similar to the Company's overall 2025 customer base. The Company followed the presentation of Lighthouse survey results with a discussion of potential changes for the 2026 MTI media messages and campaign. Based on the survey, the Company's marketing experts concluded that the majority of the Company's customers (94%) believe it's important for utilities to offer efficiency programs.

30. In 2026, the Company plans to continue to use traditional media, such as TV and radio, while also working to connect with customers through digital media. The Company will continue to develop and enhance digital strategies in efforts to reach a broad audience and

ensure the ThermWise® website is optimized to address consumer needs. The 2026 campaign will message to customers how they can save energy and money through participation in the ThermWise® programs that the best way to get started down this path, is accomplished by scheduling a Home Energy Plan.

31. Another historical component of the MTI has been the Company’s support, in combination with Rocky Mountain Power and the Governor’s Office of Energy Development (OED), of energy efficiency building codes training. Unfortunately, in 2025, OED did not receive the federal support it had previously relied upon to help fund building codes training. Federal budget changes and program prioritization affected DOE energy-efficiency accounts in fiscal year (FY) 2025—for example, the Department’s FY 2025 Budget in Brief shows a requested total of \$3.118 billion for Energy Efficiency and Renewable Energy (EERE), 9.9% below the FY 2024 enacted level (Budget in Brief, FY 2025, p.10, “Energy Efficiency and Renewable Energy 3,460,000 → 3,118,000”). By contrast, the EERE Building Technologies Office request remained essentially flat-to-slightly higher at \$340 million (p.32).⁴ To ensure continuity and continued education for the Utah market, the Company proposes to design and develop its own industry-supported building codes training in 2026 at the 2025 budget level of \$80,000. Following discussions between the Company and OED, the new training will leverage the existing UtahEnergyCode.com website (still hosted by OED) and the data contained therein to provide targeted, relevant training resources for Utah’s construction industry. The Company forecasts that its 2026 building codes training program will be designed and launch to the building community by the end of the first quarter of 2026.

⁴ U.S. Department of Energy. (2024). Fiscal Year 2025 Budget in Brief. Washington, DC: U.S. Department of Energy. <https://www.energy.gov/sites/default/files/2024-03/doc-fy-2025-budget-in-brief.pdf>

32. The final component of the MTI in recent years has been an ongoing and evolving partnership with Utah non-profits to promote and implement high efficiency building practices. Beginning in 2019, the Company proposed to collaborate with Habitat for Humanity organizations throughout Utah to promote advanced building techniques by supporting the construction of Net-Zero Homes. This collaboration was focused on building homes that met Net-Zero energy and Net-Zero energy ready standards. A Net-Zero Home is defined as an energy-efficient building where, on a source energy basis, the actual annual consumed energy is less than or equal to the onsite generated or subscriber renewable energy procured.

33. The Company proposes to continue the Net-Zero energy ready homes initiative, originally begun with a budget of \$200,000, with a budget of \$50,000 in 2026. Historically, the Company has had success with this initiative through Habitat for Humanity, other non-profits, and higher education building programs. Recent years have brought challenges to those partner programs because of high interest rates, expensive land, or other issues related to rising costs. In late 2025, the Company made a connection with Weber State University's (WSU) Construction and Building Sciences Department. The Company believes there is potential to work with WSU during the coming year on several projects and expects to make connections to other organizations interested in advancing Net-Zero home building in 2026.

34. The goals of the 2026 Net-Zero energy ready homes initiative remain the same as those first proposed in the 2019 budget: To advance highly efficient natural gas and electric technologies, promote above-code building shell construction techniques, and train the upcoming generations of trades in advanced building practices.

35. In 2026, the Company also proposes to perform impact evaluations for the 2021–2023 Appliance and Business programs. The proposed total budget for the combined impact

evaluations is \$350,000 and is included in the MTI. Of this amount, \$250,000 is proposed to be allocated for evaluation of the ThermWise Appliance Program, and \$100,000 is allocated for evaluation of the ThermWise Business Program. The Appliance Program evaluation will focus on verifying energy savings from residential natural gas efficiency measures such as furnaces, water heaters, smart thermostats, and other measures. The Business Program evaluation will assess commercial and industrial projects that received incentives for energy-efficient equipment and process improvements. The Company proposes to deliver the final impact evaluation report to the Commission by the end of the second quarter of 2027 and to perform evaluations of the other ThermWise programs in subsequent program years. A detailed Utah ThermWise Impact Evaluation Plan and more specific information on the strategies to engage customers in the ThermWise® Programs, budgets, and studies in support of the proposed 2026 changes to the MTI can be found in EGU Energy Efficiency Exhibit 1.7.

36. **ThermWise® Energy Comparison Report.** In 2025 the Company sent the ThermWise® Energy Comparison Report (ECR), via U.S. and electronic mail, to more than 280,000 of its customers. The Company maintains an additional control group of more than 100,000 customers who do not receive the report, for comparison purposes to determine natural gas savings achieved from delivery of the Comparison Report. Apart from the control group, all customers can generate and view a copy of their Comparison Report through their online account at www.enbridgegas.com/utwyid.

37. The Company proposes to increase delivery of the Comparison Report from 228,000 in 2025 to 278,000 in 2026. Data shows that customers not only change behaviors to save natural gas because of the Comparison Report, but they are also more likely to participate in other ThermWise® Programs if they have received the report. The Company has analyzed

that, when contrasted against a control group of non-recipients, customers who had received their Comparison Report were more likely to participate in a ThermWise® rebates and/or request a Home Energy Plan. The Company proposes to continue to target the ECR to customers with higher usage relative to conditioned square footage. EGU Energy Efficiency Exhibit 1.8 sets for the complete program description for 2026.

38. **Tariff Sheets.** Tariff sheets for all programs are attached in both legislative (EGU Energy Efficiency Exhibit 1.9) and proposed (EGU Energy Efficiency Exhibit 1.10) formats. These proposed Tariff sheets do not constitute a violation of State law or Commission rule. The Company proposes that these Tariff sheets become effective January 1, 2026.

III. PROPOSED 2026 BUDGET

39. The total 2026 proposed budget for Enbridge Gas's Energy Efficiency Programs and the Market Transformation Initiative is \$36.1 million and is shown in EGU Energy Efficiency Exhibit 1.11, column T, line 13. The proposed 2026 budget is a \$5.21 million increase from the 2025 budget (Docket No. 24-057-22). This projected increase is mainly due to higher expected participation in the ThermWise® Appliance, Builder, and Weatherization programs in 2026. The 2026 budget is reflective of the 2025 nine (9) month (January-September) actual participation numbers; insights from retailers, distributors, and other trade allies. The market knowledge and expertise of the Company's contractor, Resource Innovations, Inc., is also incorporated in the proposed 2026 budget. To the extent actual participation levels differ from projected levels, actual costs will differ from budget. The Company proposes to continue to provide the actual participation levels and related costs and gas savings compared to projections to the Division quarterly.

40. The Company projects that customer incentives will increase, as a percentage of the total budget, by 2% from 2025 (77.7%) to 2026 (79.7%). The most recently published

American Gas Association (AGA) 2024 study of natural gas efficiency programs (Natural Gas Efficiency Programs Report – 2022 Program Year⁵) showed the average non-incentive costs for the 34 states participating in natural gas efficiency programs to be 38% of total expenditures. Additionally, of the 20 states with natural gas efficiency expenditures over ten million dollars, Utah ranked fourth in terms of lowest non-incentive costs (17%) as a percentage of overall expenditures. EGU Energy Efficiency Exhibit 1.7 (page 7) provides greater detail on the results of the 2024 AGA study.

41. **ThermWise® Appliance Rebates.** The Company expects participation in this program to increase in 2026 by 7%. The Company also expects the 2026 program budget to increase by 17% (EGU Energy Efficiency Exhibit 1.11, column I, line 14) and the related gas savings to increase by 15% (EGU Energy Efficiency Exhibit 1.11, column I, line 17). These projected increases are driven by the Company’s forecast of greater participation in dual fuel heating system measures.

42. **ThermWise® Builder Rebates.** For 2026 the Company is projecting a 34% increase in program participants over 2025. The Company also projects the 2026 program budget to increase by 24% (EGU Energy Efficiency Exhibit 1.11, column G, line 14) and the related natural gas savings to increase by 31% (EGU Energy Efficiency Exhibit 1.11, column G, line 17). Utah’s residential construction pipeline remains large by historical standards even after a cyclical pullback in 2023–2024. The state issued 21,966 residential building permits in 2024, including 10,409 single-family homes and 6,267 townhome/condo/twin units—levels consistent with long-run norms and supportive of robust 2026 program participation.⁶ With

⁵ The American Gas Association’s Natural Gas Efficiency Programs Report is available at: <https://www.aga.org/wp-content/uploads/2024/10/2021-2022-Natural-Gas-Efficiency-Programs-Report.pdf>

⁶ Kem C. Gardner Policy Institute, State of the State’s Housing Market 2024-2025: <https://d36oiwf74r1rap.cloudfront.net/wp-content/uploads/2025/07/State-Of-State-Housing-Jul2025.pdf>

over 90% of Utah households using natural gas as the primary heating fuel, new construction continues to present a high density of cost-effective efficiency opportunities. This projected budget increase is primarily driven by the Company's forecast of greater participation in pay for performance measures.

43. **ThermWise® Business Rebates.** The Company projects that the 2026 program budget will increase by 12% (EGU Energy Efficiency Exhibit 1.11, column K, line 14) in comparison to the 2025 budget and that natural gas savings will increase by 25% (EGU Energy Efficiency Exhibit 1.11, column K, line 17).

44. **ThermWise® Home Energy Plan.** The Company projects 2,240 virtual/in-home energy plans will be performed in 2026. This projection is the same as the 2025 Home Energy Plan participation forecast. The Company also expects the overall program budget in 2026 to increase by 3% in comparison to 2025 (EGU Energy Efficiency Exhibit 1.11, column C, line 14). This projected increase is mainly attributable to higher expected administration costs in 2026.

45. **ThermWise® Weatherization Rebates.** The Company projects that 2026 participation will increase by 11% and that natural gas savings will increase by 13% (EGU Energy Efficiency Exhibit 1.11, column E, line 17) in comparison to the 2025 budget. The Company also expects the overall program budget in 2026 to increase by 14% in comparison to 2025 (EGU Energy Efficiency Exhibit 1.11, column E, line 14).

46. **Low-Income Efficiency Program.** The proposed 2026 budget for this program is \$.8 million or 4% higher (EGU Energy Efficiency Exhibit 1.11, column Q, lines 14) than 2025. The Company also projects that natural gas savings will decrease by 2% (EGU Energy

Efficiency Exhibit 1.11, column Q, line 17) in comparison to the 2025 budget. Funding for furnace replacements is proposed to remain at \$500,000 in 2026.

47. **Market Transformation Initiative.** The 2026 fundamentals of the ThermWise® marketing campaign are expected to change from previous years. The Company will move away from Therm as the longtime voice of the Company's energy efficiency programs and towards an advertising model that doesn't use a specific spokesperson. The 2026 proposed budget for the MTI includes \$900,000 in advertising and media purchases; \$350,000 for evaluation, measurement, and verification (EM&V) of the 2021-2023 Appliance and Business programs; \$80,000 for Company-designed energy efficiency building codes training; and \$50,000 for ThermWise® management and administration. The budget for the MTI in 2026 is increase by 5% (EGU Energy Efficiency Exhibit 1.11, column M, line 14) above 2025. A comprehensive discussion of the MTI is included as EGU Exhibit 1.7.

48. **ThermWise® Energy Comparison Report.** The 2026 budget for the ThermWise® Energy Comparison Report is proposed to increase by 16% (EGU Energy Efficiency Exhibit 1.11, column O, line 14) and natural gas savings to increase by 22% (EGU Energy Efficiency Exhibit 1.11, column O, line 17). These increases are anticipated as a result of a projected increase of 50,500 recipients of the ECR in 2026.

49. The majority of the ECR budget (90%) is directly attributable to the postage costs associated with delivering the report to customers. The remainder of the Comparison Report budget is necessary for programming and other labor associated with the ongoing maintenance of the Company developed system. It is important to note that the Company's internally developed ECR has been delivered at significant cost savings to Utah customers. Comparable programs, delivered by third-party vendors, can cost significantly more than the

Company's internally developed program. The Company believes that it has developed a program that will not only deliver energy savings but will also deliver those savings at a cost that is unmatched in the market.

50. **Total Budget.** The total 2026 budget is proposed to be \$36.1 million (EGU Energy Efficiency Exhibit 1.11, column T, line 13). This budget is an increase of \$5.2 million (EGU Energy Efficiency Exhibit 1.11, column V, line 13) or 17% higher than the total 2025 budget. Total natural gas savings are projected to be 1.3 million Dth/year (EGU Energy Efficiency Exhibit 1.11, column T, line 16) or 21% higher than projected 2025 natural gas savings estimates. These projected increases are mainly due to higher expected participation in the ThermWise® Appliance, Builder, and Weatherization programs. The 2026 proposed budget reflects a concerted effort to reach all GS market segments and produce significant, persistent, and cost-effective natural gas savings through a comprehensive energy efficiency campaign.

IV. COST EFFECTIVENESS

51. A summary of the cost effectiveness for each program is attached as EGU Energy Efficiency Exhibit 1.12. Page 1 of this exhibit summarizes the test results of the proposed programs along with the market transformation initiative. Although the MTI does not lend itself to the same economic analysis as the Energy Efficiency rebate programs, it has been included so that the overall impact of all programs can be measured and analyzed. A benefit-cost ratio greater than 1 is indicative of benefits exceeding costs, and therefore "passes" the test. As shown on page 1, line 9, column C of EGU Energy Efficiency Exhibit 1.12, the overall benefit-cost ratio for the Total Resource Cost (TRC) test of all programs and the MTI is 1.21. And as shown on line 9, column G, the Utility Cost test (UCT) for all programs is 1.47. Additionally, as shown on line 9, column E, the overall benefit-cost ratio for the Participant Cost test passes at 3.02, and as shown on line 9 column I, the Ratepayer Impact Measure test

(RIM) for all programs equals 0.75. A detailed benefit-cost analysis of each program by measure has been included in pages 2-9 of EGU Energy Efficiency Exhibit 1.12. The cost-effectiveness tests included in this Application have been calculated using a 5.40% discount rate which is consistent with the Company's Integrated Resource Plan (IRP). Additionally, gas prices and GS rates have also been updated in the Model to reflect expected 2026 market conditions.

52. The Model, developed by the Company to measure the cost-effectiveness of the programs (Model), is based on the California Standard Practice Manual and is the same Model that was used in the 05-057-T01 docket. The Model has been reviewed by Nexant (now Resource Innovations) and the Utah ThermWise® Advisory Group dating back to 2006. The Model has also been used by other utilities in the nation in program implementation and cost-effectiveness analysis.

53. The Company has relied on specific market reports, industry studies, and the expertise of Resource Innovations to arrive at the savings levels, measure life and incremental customer cost for each measure of each program. EGU Energy Efficiency Exhibit 1.13 provides the source and/or references for the estimated gas savings, measure life, and incremental cost for each measure of each program.

54. Enbridge Gas Utah has successfully implemented a broad range of programs and a Market Transformation Initiative. The Company has implemented best practices to help ensure that necessary and reasonable steps have been taken to implement cost-effective programs that benefit all GS customers. This 2026 Application and Budget will continue and expand these efforts to meet the gas savings goals of customers and the State of Utah.

V. PRAYER FOR RELIEF

55. Based on the foregoing, Enbridge Gas respectfully requests that the Commission issue an order: 1) approving the Application for the 2026 budget for the Energy Efficiency Programs and continuation of Enbridge Gas's Market Transformation Initiative for implementation on January 1, 2026; 2) approving the program changes described herein; and 3) approving the proposed Tariff sheets effecting the improvements in the energy efficiency programs described herein.

DATED this 31st day of October, 2025.

Respectfully submitted,

ENBRIDGE GAS UTAH




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VERIFICATION

STATE OF UTAH

CITY OF SALT LAKE)

Michael A. Orton, being first duly sworn upon oath, deposes and states: He is the Manager of Energy Efficiency and Demand Side Management of Enbridge Gas Utah.; 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.


Michael A. Orton

Subscribed and sworn to before me this 31st day of October, 2025.


NOTARY PUBLIC



CERTIFICATE OF SERVICE

I, Ginger Johnson, certify that a true and correct copy of the foregoing Application was served upon the following by electronic mail on October 31, 2025:

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