

SPENCER J. COX
Governor
DEIDRE M. HENDERSON
Lieutenant Governor



MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Shauna Benvegna-Springer, Utility Technical Consultant
Savannah Torman, Utility Analyst

Date: December 4, 2025

Re: **Docket No. 25-057-22**, Enbridge Gas Utah's Application for Approval of the 2026 Year Budget for Energy Efficiency Programs and Market Transformation Initiative

Recommendation (Approval With Conditions)

The Division of Public Utilities ("Division") has reviewed the application and recommends that the Public Service Commission of Utah ("Commission") approve Enbridge Gas Utah's ("Enbridge" or "Company") 2026 Energy Efficiency ("EE") Programs and Market Transformation Initiative ("MTI") budget of \$36.1 million. The Division has reviewed the tariff sheets filed with the application and recommends that the Commission approve the sheets as filed, effective January 1, 2026. Additionally, the Division recommends that the Commission direct the Company to address rebate incentive amounts and MTI expenditures with the ThermWise® Advisory Group.

Issue

On October 31, 2025, the Company applied to the Commission for approval of its 2026 EE Programs and MTI Budget. On November 3, 2025, the Commission issued an Action Request asking the Division to review the application and make recommendations. On the same day, the Commission issued a Notice of Filing and Comment Period, stating that any interested party can submit comments by December 4, 2025, with reply comments due by



December 19, 2025. This memorandum represents the Division's comments on the application.

Background

The Demand Side Management ("DSM") and MTI programs resulted from a collaborative effort of interested parties working with Enbridge (formerly Questar Gas Company and Dominion Energy) to design programs to reduce natural gas consumption by Enbridge's general schedule ("GS") rate class through energy efficiency measures. In its order on January 16, 2007, in Docket No. 05-057-T01, the Commission approved the DSM program and Conservation Enabling Tariff ("CET") applications. Table 1 below shows the actual expenditures from 2020 to 2024 and the budgets for 2025 and 2026, which grew by 21% and 17%, respectively. Over the past five years, the most extensive growth has been in the ThermWise® Appliance Program.

Table 1: Annual EE Expenditures 2020-2026

**ENBRIDGE GAS UTAH
DSM ENERGY EFFICIENCY REPORT
YEARLY EXPENDITURES AND BUDGETS FOR 2025 & 2026 (in Millions USD)
DOCKET NO. 25-057-22**

A	B	C	D	E	F	G	H
	2020	2021	2022	2023	2024	2025	2026
Energy Efficiency Programs	Actual	Actual	Actual	Actual	Actual	Budget	Budget
1 ThermWise® Appliance	\$3,943	\$4,297	\$3,918	\$5,642	\$6,388	\$6,912	\$8,115
2 ThermWise® Builder	\$9,076	\$7,907	\$8,984	\$8,467	\$7,824	\$9,818	\$12,157
3 ThermWise® Business	\$3,000	\$2,916	\$2,191	\$2,098	\$1,733	\$2,798	\$3,144
4 ThermWise® Energy Plan	\$378	\$364	\$326	\$388	\$367	\$487	\$501
5 ThermWise® Weatherization	\$9,966	\$7,543	\$7,100	\$7,756	\$7,138	\$8,288	\$9,414
6 Market Transformation	\$937	\$981	\$1,209	\$1,109	\$1,116	\$1,320	\$1,380
7 Energy Comparison Report	\$555	\$494	\$478	\$502	\$292	\$522	\$607
8 Low Income Weatherization	\$681	\$663	\$690	\$670	\$652	\$736	\$768
9 Less Accurals	-\$1,465	-\$135	\$0		\$0		
10 Total	\$27,071	\$25,029	\$24,895	\$26,632	\$25,509	\$30,880	\$36,086

Source: DPU EE Files from EGU Dockets 25-057-22, 24-057-22, 23-057-17, 23-057-05, 22-057-01, 21-057-02, and 20-057-01

Discussion

2026 EE Plan Summary

The Company has provided budget comparisons for 2025 and 2026 for the following eight EE programs:

1. ThermWise® Appliance Rebates
2. ThermWise® Builder Rebates
3. ThermWise® Business Rebates
4. ThermWise® Home Energy Plan
5. ThermWise® Weatherization Rebates
6. Funding for the Low-Income Efficiency Program (administered by the Utah Department of Workforce Services)
7. Market Transformation Initiative
8. ThermWise® Energy Comparison Report

In its application, the Company provides information on projected costs, participation, and energy savings for each program, as shown in Table 2. One of the goals of the EE program is to educate consumers, thus fostering behavior change in participants' utility resource usage. The 2026 program year is expected to see a 21% increase in both the number of participants and Dth savings compared to 2025. All programs are forecast to see increases in participants, except the ThermWise® Home Energy Program, which is expected to remain the same. The projected Dth savings in 2026 are an anticipated increase of 221,024 Dth from 1,032,033 Dth in 2025.

Table 2: 2026 Budget Compared to 2025 Budget

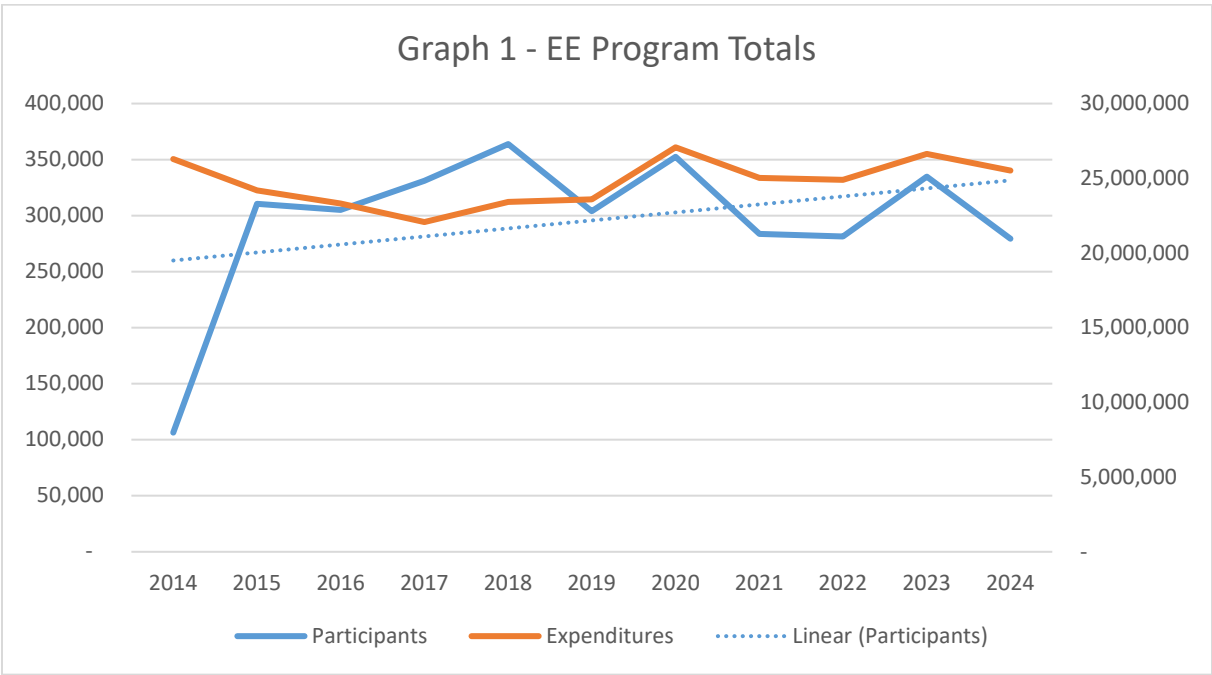
ENBRIDGE GAS UTAH DSM ENERGY EFFICIENCY REPORT 2025 Budget and 2026 Budget DOCKET NO. 25-057-22											
A	B	C	D	E	F	G	H	I	J		
	2025	2026	2026 %	2025	2026	2026 %	2025	2026	2026 %	2026	2026
			Over/ Under			Over/ Under			Over/ Under	TRC	UCT
Energy Efficiency Programs	Budgeted	Budgeted	Under	Budget	Budget	Budget	Dth	Dth	Budget	Ratio	Ratio
	Participant	Participants					Savings*	Savings*			
1 ThermWise Appliance	14,085	15,093	7%	\$6,911,500	\$8,115,388	17%	194,980	223,331	15%	1.23	1.24
2 ThermWise Builder	24,303	32,548	34%	\$9,818,310	\$12,156,660	24%	293,609	385,044	31%	1.33	1.96
3 ThermWise Business	732	820	12%	\$2,797,991	\$3,143,587	12%	94,570	118,068	25%	1.06	1.71
4 ThermWise Custom Business	0	0	0%	\$0	\$0	0%	0	0	0%	NA	NA
5 ThermWise Energy Plan	2,240	2,240	0%	\$486,720	\$501,120	3%	36,166	36,166	0%	1.98	1.94
6 ThermWise Weatherization	27,195	30,195	11%	\$8,287,608	\$9,414,428	14%	102,118	115,563	13%	1.07	1.09
7 Market Transformation	N/A	N/A	0%	\$1,320,000	\$1,380,000	5%	N/A	N/A	0%	NA	NA
8 Energy Comparison Report	228,000	278,500	22%	\$521,960	\$607,000	16%	291,840	356,480	22%	2.51	2.51
9 Low Income Assistance	1,512	1,602	6%	\$736,306	\$767,957	4%	18,750	18,407	-2%	1.36	1.42
10 Total	298,067	360,998	21%	\$30,880,395	\$36,086,140	17%	1,032,033	1,253,059	21%	1.91	1.91
11 * Projected Dth savings for each program based on projected program participation and deemed savings estimates.											
12 Source: DPU Files using EGU information from Docket No. 24-057-22 and 25-057-22											

Table 3 shows actual expenditures for 2024 and compares the budget, participant, and Dth savings. Table 3 also shows the actual expenditures for 2024 and the spending budget, participants, and Dth savings between 2025 and 2026.

Table 3					
ThermWise® Energy Efficiency Program					
	2024	2025	2025	2026	2026
	Actual	Q3 Actual YTD	Budget	Budget	\$ over/under
					2025
1 Customer Rebates	\$20,820,916	\$20,483,858	\$ 24,039,885	\$ 28,796,878	\$4,756,993
2 Program Costs	\$4,687,678	\$3,986,843	\$ 6,792,700	\$ 7,289,262	\$496,562
3 Total Costs	\$ 25,508,594	\$ 24,470,701	\$ 30,880,395	\$ 36,086,140	\$5,205,745
4 Projected Dth Savings*	822,062	726,354	1,032,032	1,253,058	221,026
5 Participants**	279,500	222,109	298,067	360,998	62,931
6 Total \$ / Dth Savings	\$31	\$34	\$30	\$29	(\$1)
7 Total Resource Cost Test	1.48		1.60	1.21	
8 Utility Cost Test	1.76		1.50	1.47	
9	* Projected Dth savings for each program based on projected program participation and deemed savings estimates.				
10	** Participants include Participants from the Energy Comparison Report, which DEU doesn't include.				
11	Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22				

The Company states that the projected \$5.21 million increase is due to higher expected participation in the ThermWise® Appliance, Builder, and Weatherization programs in 2026. This reflects actual program participation numbers from January to September of 2025. The Company also states that “to the extent actual participation levels differ from projected levels, actual costs will differ from budget.”¹ Graph 1 illustrates the linear trend for participants from 2014 to 2024.

¹ Docket No. 25-057-22, page 14.



THERMWISE® APPLIANCE REBATES PROGRAM

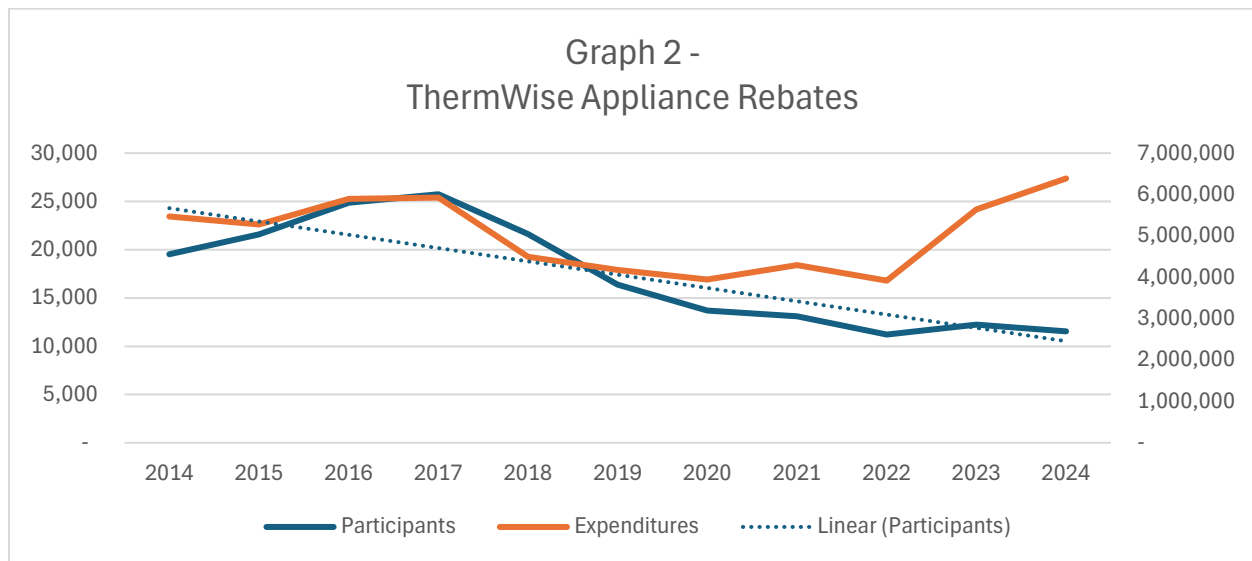
The ThermWise® Appliance Rebates Program for 2026 is available to all GS single-family and multi-family residential customers. The program’s purpose is to encourage consumers to install high-efficiency home appliances. The proposed 2026 budget of \$8.1 million is up from \$6.9 million in 2025, a 17% increase.

Table 4 compares the ThermWise® Appliance Program by budgeted customer rebates and program administrative costs between 2025 and 2026. The table forecasts decreases in the Utility Cost Test (UCT) and Total Resource Cost (TRC) for 2026.

Table 4					
ThermWise Appliance Program					
	2024	2025	2025	2026	2026
	Actual	Q3 Actual YTD	Budget	Budget	\$ over/under
					2025
1 Customer Rebates	\$ 5,548,000	\$ 4,435,025	\$ 5,840,750	\$ 6,969,350	\$ 1,128,600
2 Program Costs	\$ 839,867	\$ 767,749	\$ 1,070,750	\$ 1,146,038	\$ 75,288
3 Total Costs	\$ 6,387,867	\$ 5,202,774	\$ 6,911,500	\$ 8,115,388	\$ 1,203,888
4 Projected Dth Savings *	141,729	111,639	194,980	223,331	28,351
5 Participants	11,548	8,818	14,085	15,093	1,008
6 Total \$ / Dth Savings	\$ 45	\$ 47	\$ 35	\$ 36	\$ 1
7 Total Resource Cost Test	1.60		1.60	1.23	
8 Utility Cost Test	1.46		1.50	1.24	
9	* Projected Dth savings for each program based on projected program participation and deemed savings estimates.				
10	Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22				

Customer rebates vary depending on customer participation. One of the most significant changes for 2026 in the ThermWise® Appliance Rebates program is the inclusion of rebates for a hydronic heating coil system, which is an alternative to other dual-fuel heating systems. The “up to” rebate amount of \$1,200 for the hydronic heating coil system is the same as for other dual-fuel heating systems. Hydronic heating coil systems are also included in the ThermWise® Builder and Business Rebates programs.

Graph 2 illustrates that the participants' linear trend is declining. One reason could be that the rebate incentives are not suitable for the target market, namely, residential customers who use 70 Dth a month. With hydronic coil heating systems costing between \$13,700 and \$48,000 to install per Home Advisor, and a rebate of only \$1,200, the Division questions whether this option provides a real incentive for everyday consumers or for wealthy consumers who do not need an incentive to purchase this type of system.



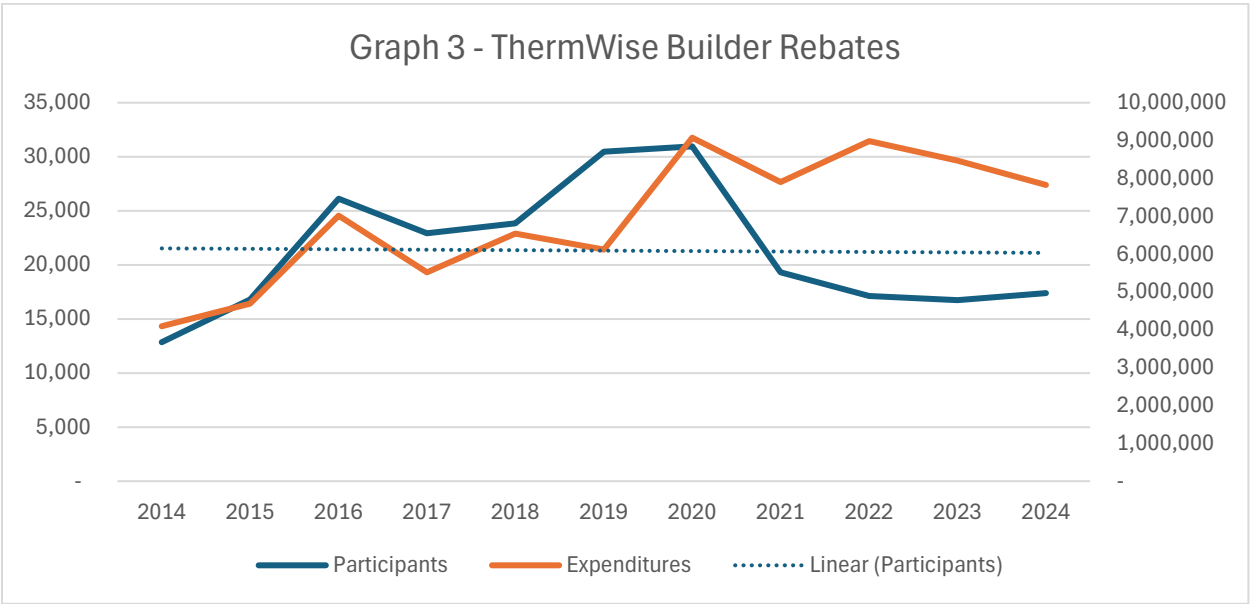
THERMWISE® BUILDER REBATES PROGRAM

The ThermWise® Builder Rebates Program for 2026 is available to all newly constructed residences for customers on the GS rate class. This program will continue offering rebates to residential builders who install qualifying energy-efficiency measures (such as the hydronic heating coil system) and/or build homes that meet whole-home efficiency requirements. Table 5 shows that the 2026 budget for the ThermWise® Builder Program is \$12.2 million, or a 24% increase from the 2025 budget of \$9.8 million.

Table 5					
ThermWise Builder Program					
	2024	2025	2025	2026	2026
	Actual	Q3 Actual YTD	Budget	Budget	\$ over/under
					2025
1 Customer Rebates	\$ 7,359,156	\$ 7,290,747	\$ 9,195,010	\$ 11,430,510	\$ 2,235,500
2 Program Costs	\$ 464,517	\$ 383,582	\$ (1,042,000)	\$ 726,150	\$ 1,768,150
3 Total Costs	\$ 7,823,673	\$ 7,674,329	\$ 9,818,310	\$ 12,156,660	\$ 2,338,350
4 Projected Dth Savings *	220,271	218,174	293,609	385,044	91,435
5 Participants	17,384	17,550	24,303	32,548	8,245
6 Total \$ / Dth Savings	\$ 36	\$ 35	\$ 33	\$ 32	\$ (2)
7 Total Resource Cost Test	2.32		1.54	1.33	
8 Utility Cost Test	2.63		2.14	1.96	
9 * Projected Dth savings for each program based on projected program participation and deemed savings estimates.					
10 Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22					

The table also shows a projected 34% increase in program participants and a slight decrease in both the TRC and UCT ratios from 2025.

In Graph 3, the linear trend for participants has remained remarkably stable over the past 11 years. The forecasted participants for year-end 2025 are 24,303, and for 2026, 32,584, as shown in Table 5. However, in the Q3 YTD report,² the Company reports that the ThermWise® Business Rebates program has recorded only 17,550 participants as of September 2025.



THERMWISE® BUSINESS REBATES PROGRAM

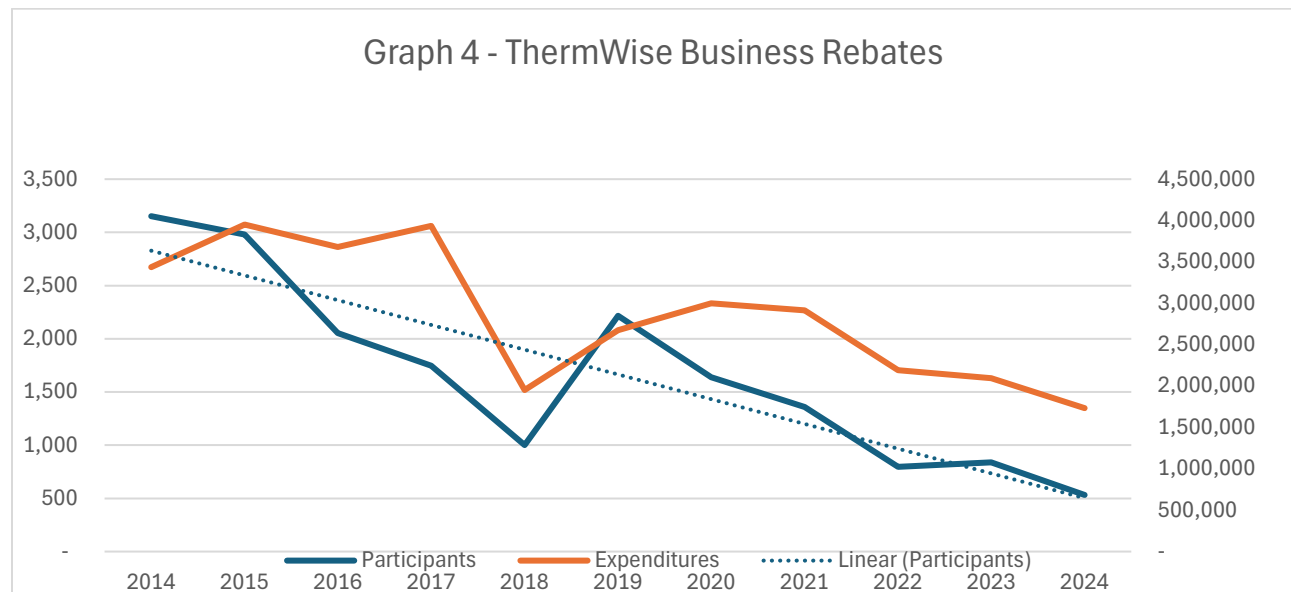
The ThermWise® Business Rebates Program is available to GS rate-class commercial customers. It will continue offering rebates to customers who purchase and install natural gas efficiency measures, such as the hydronic heating coil system mentioned previously.

Table 6 shows that the 2026 budget for the ThermWise® Business Program is \$3.1 million, or a 12% increase from the 2025 budget of \$2.8 million. The table also shows a projected 12% increase in program participants, a slight decrease in the TRC, and an increase in the UCT ratios relative to 2025.

² *Enbridge Gas Utah's Energy Efficiency Report*, Docket Nos. 24-057-22 and 25-057-05, Q3 Report, page 2, column 5, line 2 (November 14, 2025).

Table 6					
ThermWise Business Program					
				2026	2026
	2024	2025	2025	2026	\$ over/under
	Actual	Q3 Actual YTD	Budget	Budget	2025
1 Customer Rebates	\$ 1,299,342	\$ 1,087,830	\$ 1,394,641	\$ 1,711,123	\$ 316,482
2 Program Costs	\$ 433,756	\$ 354,901	\$ 1,295,540	\$ 1,432,464	\$ 136,924
3 Total Costs	\$ 1,733,098	\$ 1,442,731	\$ 2,797,991	\$ 3,143,587	\$ 453,406
4 Projected Dth Savings *	73,956	73,224	94,570	118,068	23,498
5 Participants	532	577	732	820	88
6 Total \$ / Dth Savings	\$ 23	\$ 20	\$ 30	\$ 27	\$ (3)
7 Total Resource Cost Test	1.02		1.11	1.06	
8 Utility Cost Test	1.25		1.68	1.71	
9	* Projected Dth savings for each program based on projected program participation and deemed savings estimates.				
10	Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22				

Graph 4 shows a linear decline in the number of participants in the ThermWise® Business Program over the past 11 years. The program had 532 participants in 2024 and is expected to have 732 participants in 2025 and 820 in 2026. However, per the Q3 Report,³ The ThermWise® Business program has recorded 577 participants as of September 2025.



³ Docket Nos. 24-057-22 and 25-057-05, page 2, column 5, line 3.

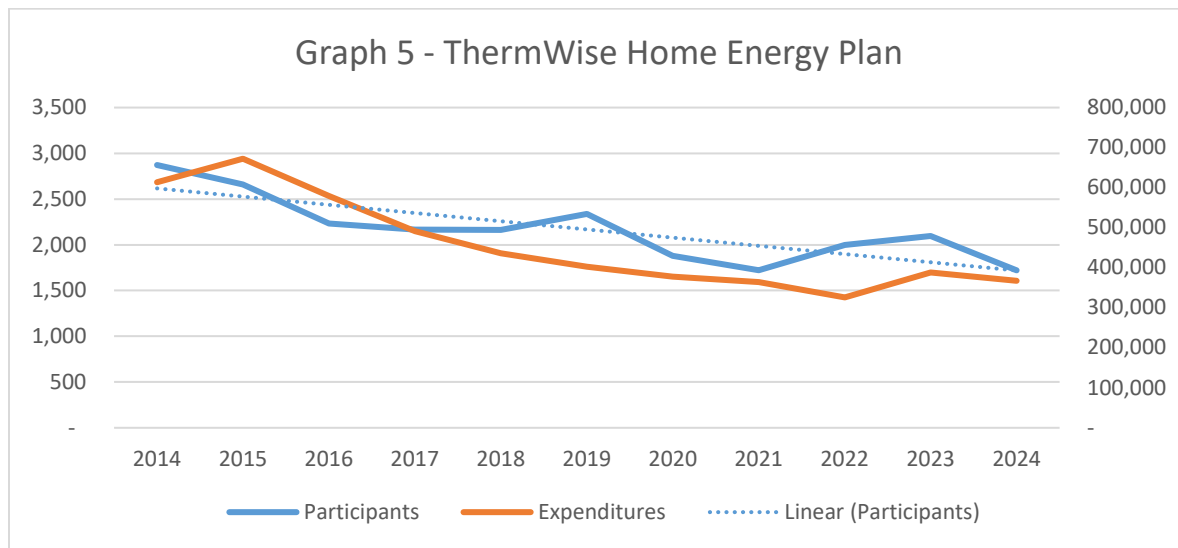
THERMWISE® HOME ENERGY PLAN PROGRAM

The ThermWise® Home Energy Plan Program is available to residential GS customers to have an in-home, mail-in, or virtual home energy audit. This program will continue to provide customers with customized insights to improve their in-home energy efficiency, with a focus on reaching underserved market segments. Table 7 shows that the 2026 budget for the ThermWise® Home Energy Plan Program has increased by 3%. Table 7 also shows a steady number of projected participants from 2024 to 2025. The TRC and UCT ratios increased between 2024 and 2025 but are expected to decrease slightly from 2025 to 2026.

Table 7					
ThermWise Home Energy Plan Program					
					2026
	2024	2025	2025	2026	\$ over/under
	Actual	Q3 Actual YTD	Budget	Budget	2025
1 Customer Rebates	\$ 26,450	\$ 23,000	\$ 48,720	\$ 48,720	\$ -
2 Program Costs	\$ 340,634	\$ 259,722	\$ 498,000	\$ 452,400	\$ (45,600)
3 Total Costs	\$ 367,084	\$ 282,722	\$ 486,720	\$ 501,120	\$ (45,600)
4 Projected Dth Savings *	19,823	18,564	36,166	36,166	-
5 Participants	1,721	1,422	2,240	2,240	-
6 Total \$ / Dth Savings	\$19	\$15	\$13	\$14	\$0
7 Total Resource Cost Test	1.96		2.19	1.98	
8 Utility Cost Test	1.93		2.15	1.94	
9	* Projected Dth savings for each program based on projected program participation and deemed savings estimates.				
10	Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22				

Graph 5 illustrates a downward trend in participants over the last 11 years. This tracks with the Q3 data.⁴ As of September 2025, the report includes 1,442 participants.

⁴ Docket Nos. 24-057-22 and 25-057-05, at 2.

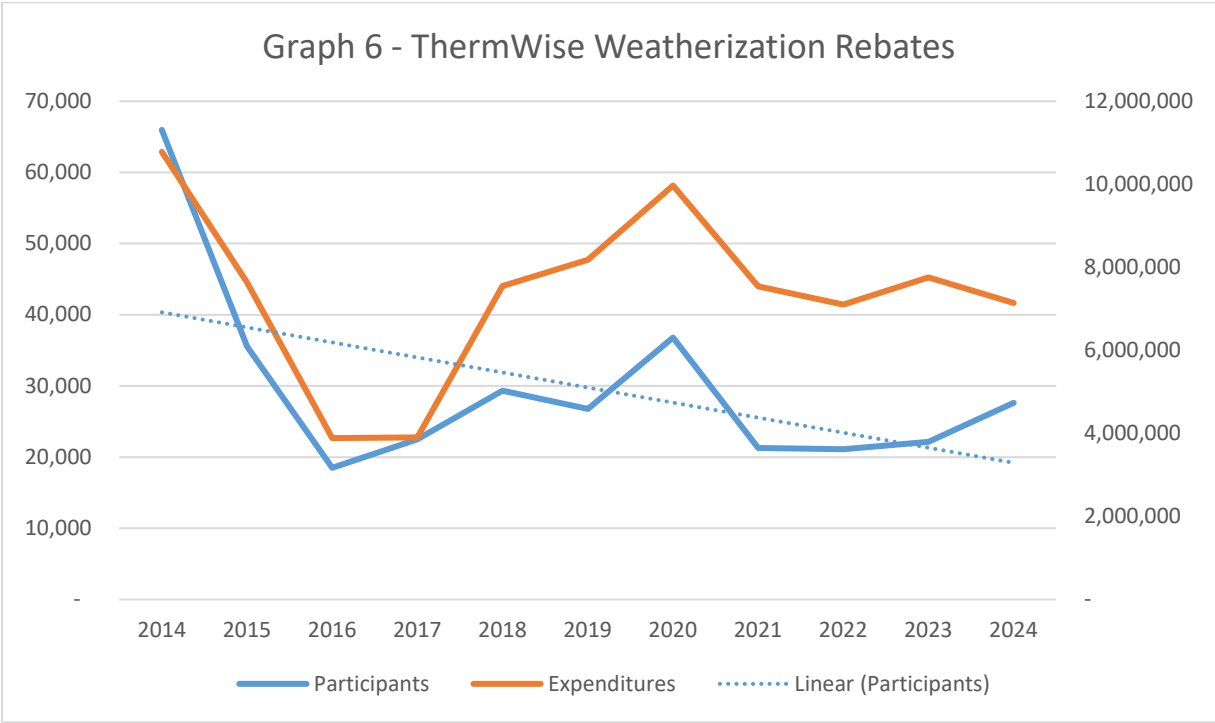


THERMWISE® WEATHERIZATION REBATES PROGRAM

The ThermWise® Weatherization Rebates Program is available to residential GS customers. It will continue offering rebates to customers who implement qualifying weatherization measures. Table 8 shows that the 2026 budget for the ThermWise® Weatherization Program is \$9.4 million, or a 14% increase from the 2025 budget of \$8.3 million. The table also shows a projected 11% increase in program participants and 13% increase in Dth savings. It is anticipated that the TRC ratio will increase slightly, while the UCT ratio will decrease from 2025.

Table 8					
ThermWise Weatherization Program					
	2024	2025	2025	2026	2026
	Actual	Q3 Actual YTD	Budget	Budget	\$ over/under
					2025
1 Customer Rebates	\$ 5,949,586	\$ 7,011,162	\$ 7,350,458	\$ 8,395,218	\$ 1,044,760
2 Program Costs	\$ 1,187,989	\$ 927,406	\$ (611,654)	\$ 1,019,210	\$ 1,630,864
3 Total Costs	\$ 7,137,575	\$ 7,938,568	\$ 8,287,608	\$ 9,414,428	\$ 2,675,624
4 Projected Dth Savings *	78,614	82,854	102,118	115,563	13,445
5 Participants	27,614	22,164	27,195	30,195	3,000
6 Total \$ / Dth Savings	\$ 91	\$ 96	\$ 81	\$ 81	\$ 0
7 Total Resource Cost Test	1.02		1.04	1.07	
8 Utility Cost Test	1.25		1.26	1.09	
9 * Projected Dth savings for each program based on projected program participation and deemed savings estimates.					
10 Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22					

Graph 6 illustrates the downward trend of participants in the Weatherization Rebates over the last eleven years.

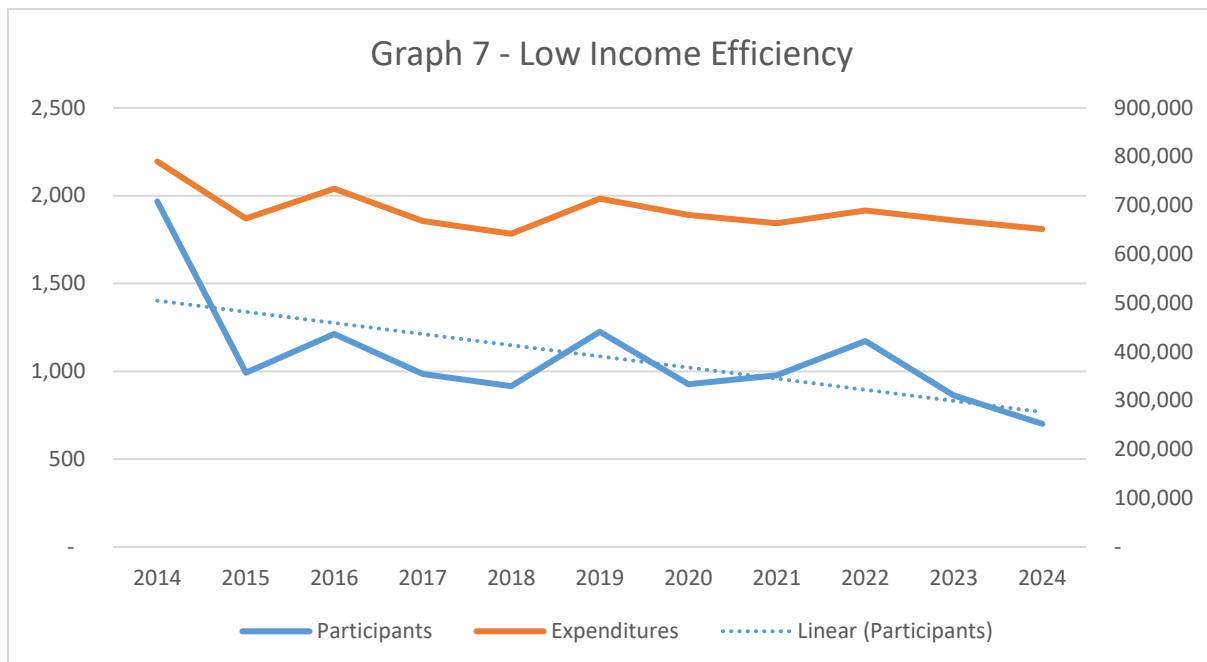


LOW-INCOME EFFICIENCY PROGRAM

The Low-Income Efficiency Program provides two separate funding streams: one to replace furnaces, and the other to the Utah Department of Workforce Services in the form of rebates. Table 9 shows that the 2026 budget for the Low-Income Efficiency Program has increased by 4% from 2025. The table also shows a 6% projected increase in program participants from 2025 to 2026. TRC and UCT ratios decreased for both from 2025 to 2026.

Table 9					
Low Income Efficiency Program					
					2026
	2024	2025	2025	2026	\$ over/under
	Actual	Q3 Actual YTD	Budget	Budget	2025
1 Customer Rebates	\$ 638,382	\$ 636,094	\$ 210,306	\$ 241,957	\$ 31,651
2 Program Costs	13,309	\$ 9,954	\$ 526,000	\$ 526,000	\$ -
3 Total Costs	651,691	\$ 646,048	\$ 736,306	\$ 767,957	\$ 31,651
4 Projected Dth Savings *	6,068	3,018	18,750	18,407	(343)
5 Participants	701	558	1,512	1,602	90
6 Total \$ / Dth Savings	\$107	\$214	\$39	\$42	\$ -
7 Total Resource Cost Test	0.73		1.71	1.36	
8 Utility Cost Test	0.78		1.78	1.42	
9 * Projected Dth savings for each program based on projected program participation and deemed savings estimates.					
10 Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22					

Graph 7 shows a declining trend among participants over the last 11 years.



THERMWISE® MARKET TRANSFORMATION INITIATIVE

The ThermWise® Market Transformation Initiative involves lasting changes across the natural gas marketplace, including conservation in both existing and new construction markets. In its application, the Company states that “targeted behavioral and awareness programs sustain adoption levels 25-40% higher than those achieved through rebates alone.”⁵ The Company views this program as necessary to promote consumer literacy on energy efficiency.

Table 10					
ThermWise Market Transformation Initiative					
					2026
1	2024	2025	2025	2026	\$ over/under
2	Actual	Q3 Actual YTD	Budget	Budget	2025
3 Customer Rebates		\$0	0		\$0
4 Program Costs	1,115,594	\$860,064	\$1,320,000	\$1,380,000	\$60,000
5 Total Costs	1,115,594	\$860,064	\$1,320,000	\$1,380,000	\$60,000
6 Projected Dth Savings *	N/A	N/A	N/A	N/A	N/A
7 Participants	N/A	N/A	N/A	N/A	N/A
8 Total \$ / Dth Savings	N/A	N/A	N/A	N/A	N/A
9 Total Resource Cost Test	0.0	0.0	0.0	0.0	N/A
10 Utility Cost Test	0.0	0.0	0.0	0.0	N/A
* Projected Dth savings for each program based on projected program participation and deemed savings estimates.					
Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22					

The 2026 MTI budget of \$1.38 million is a 5% increase from the 2025 budget of \$1.32 million. This will include “\$900,000 in advertising and media purchases; \$350,000 for valuation, 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.”⁶

In EGU’s general rate case (“GRC”), Docket No. 25-057-06, the Division’s witness, Mr. Eric Orton, stated, “I further recommend that in the future, funding for the Market Transformation

⁵ Docket No. 25-057-22, EE 2026 Year Budget Verified Application, page 8.

⁶ Docket No. 25-057-22, EE 2026 Year Budget Verified Application, page 17.

Initiative (“MTI”) be eliminated.”⁷ He then explains that “Since 2007, the Company’s EE program has cost \$31.1 per Dth of reported average annual savings (\$25.9 per Dth for the last five years), as shown in [DPU Table 10.1], where I compare the program’s actual costs to the Dth saved.”⁸ Mr. Orton presents DPU Table 10.1, which shows the total actual costs of the EE programs and the total annual gross Dth savings (displayed as whole numbers) for the years 2007 to 2024.

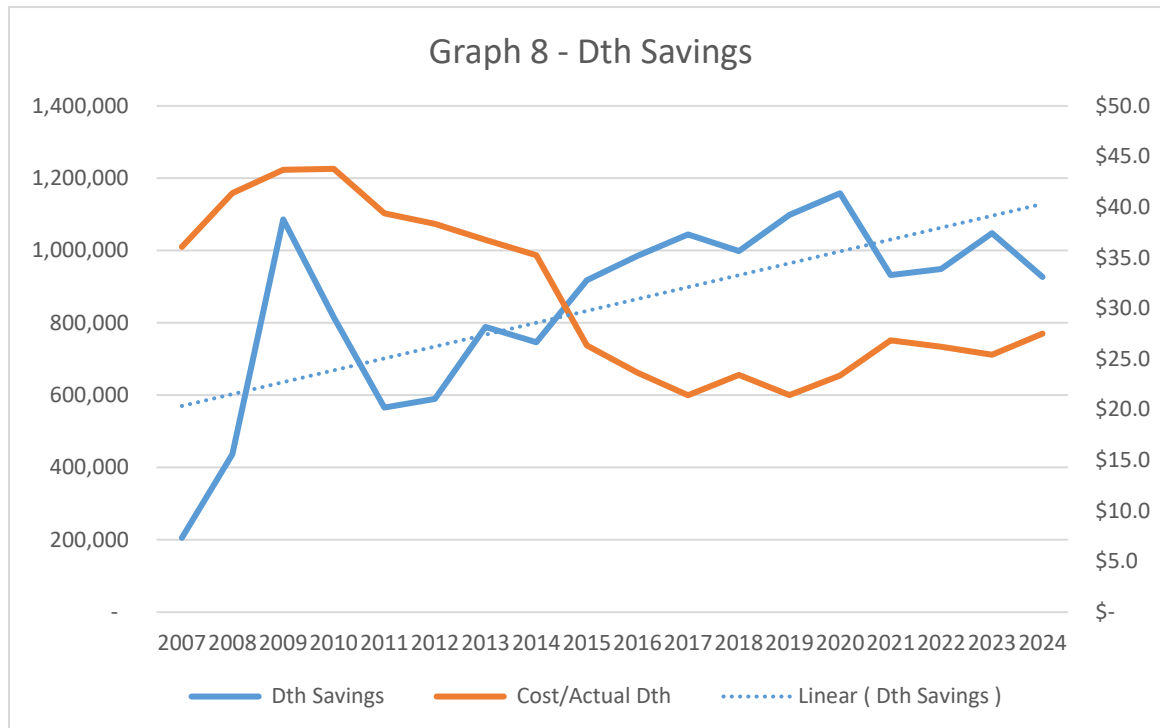
DPU Table 10.1

EE Program Actual Cost / Total Dth Savings			
Year	Actual Cost	Total Annual (Gross) Dth Savings	Annual Cost/Actual Savings
2007	\$7,413,141	\$205,472	\$36.1
2008	\$18,076,356	\$436,702	\$41.4
2009	\$47,449,149	\$1,086,249	\$43.7
2010	\$35,686,266	\$815,000	\$43.8
2011	\$22,288,542	\$565,633	\$39.4
2012	\$22,618,393	\$589,740	\$38.4
2013	\$28,983,731	\$788,471	\$36.8
2014	\$26,293,425	\$746,115	\$35.2
2015	\$24,187,461	\$917,919	\$26.4
2016	\$23,319,412	\$985,745	\$23.7
2017	\$22,373,837	\$1,044,308	\$21.4
2018	\$23,408,281	\$998,419	\$23.4
2019	\$23,580,797	\$1,099,047	\$21.5
2020	\$27,070,627	\$1,158,448	\$23.4
2021	\$25,028,933	\$931,950	\$26.9
2022	\$24,894,778	\$949,449	\$26.2
2023	\$26,630,078	\$1,047,764	\$25.4
2024	\$25,508,595	\$927,035	\$27.5
	\$454,811,802	\$15,293,467	\$31.1

⁷ Docket No. 25-05706, In the Matter of the Application of Enbridge Gas Utah to Increase Distribution Rates and Charges and Make Tariff Modifications, Division Witness Mr. Eric Orton, Direct Testimony Exhibit No. DPU 1.0 DIR, page 6, line 122 to 124.

⁸ Ibid, page 13, line 301 to 303

In the last column, he calculates the annual costs over the actual Dth savings, rounding to the tenth of a dollar. The figure of \$31.1 is the result of summing the cost per actual Dth (not excluding rounding) and dividing by 18 years. When the total cost per actual Dth is calculated by dividing the total actual costs of \$54,811,802 by the total Dth savings of 15,293,466, the result is \$29.7 per Dth. The Dth saved continues to increase, as illustrated in Graph 8 – Dth Savings.



Mr. Orton goes on to provide the Company's EE programs' cost per rebate and audit costs. He states, "[DPU Table 10.2] below shows the program cost for each rebate and audit. The Company's EE program has cost approximately \$323.60 per reported rebate over its history (\$425 per rebate for the last 4 years)."⁹ The costs used in DPU Table 10.2 are the exact total program costs (including administrative costs) from DPU Table 10.1, not isolated rebate or audit costs. He states that EE rebates and audits have declined from a high of 154,008 in 2010 to 59,500 in 2024.¹⁰

⁹ Ibid., page 14, line 309 to 311.

¹⁰ Ibid, page 15, line 219 to 322.

DPU Table 10.2

EE Program Actual Cost / Number of Rebates & Audits			
Year	Actual Cost	Number of Rebates Paid & Home Energy Audits Completed	Actual Cost/Total Rebates & Audits
2007	\$7,413,141	26,988	\$275
2008	\$18,076,356	61,136	\$296
2009	\$47,449,149	147,576	\$322
2010	\$35,686,266	154,008	\$232
2011	\$22,288,542	83,283	\$268
2012	\$22,618,393	71,998	\$314
2013	\$28,983,731	118,040	\$246
2014	\$26,293,425	106,361	\$247
2015	\$24,187,461	80,555	\$300
2016	\$23,319,412	74,976	\$311
2017	\$22,373,837	76,049	\$294
2018	\$23,408,281	78,852	\$297
2019	\$23,580,797	79,418	\$297
2020	\$27,070,627	86,169	\$314
2021	\$25,028,933	57,768	\$433
2022	\$24,894,778	53,429	\$466
2023	\$26,630,078	54,897	\$485
2024	\$25,508,595	59,500	\$429
\$454,811,802		1,471,003	\$323.6

As of January 1, 2025, EGU's customer base in Utah was approximately 900,000 residential households and business establishments. In the past 18 years, 1.5 million rebates or audits have been conducted. Because we don't know how many of those customers have used more than one rebate or audit, we cannot calculate the saturation of energy efficiency measures.

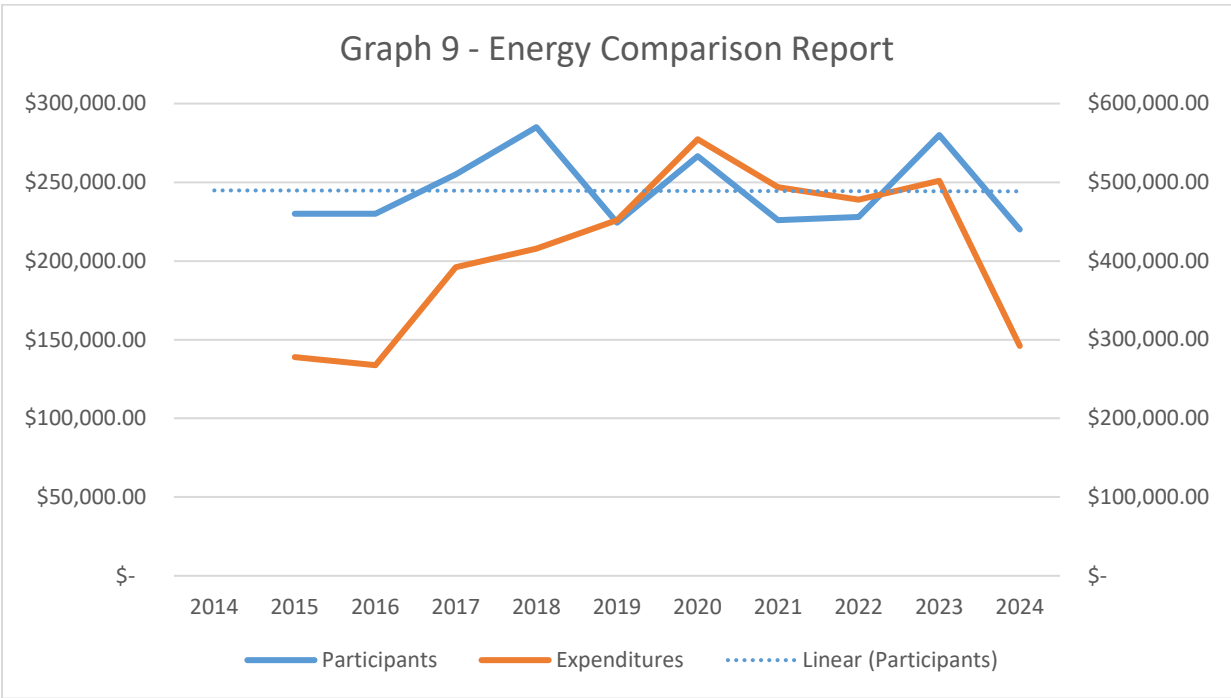
After further review of Mr. Orton's testimony, the Division recommends that the Commission instruct the ThermWise® Advisory Group to investigate rebates that would incentivize residential consumers and determine whether the MTI should be eliminated.

THERMWISE® ENERGY COMPARISON REPORT

The Company sent the Energy Comparison Report (“ECR”) to 280,000 customers via U.S. mail in 2025. It plans to increase the delivery of these reports by 22% in 2026, while maintaining a control group of 100,000 customers who do not receive the report. Aside from the control group, all customers can view their ECR online at www.enbridgegas.com/utwyid. Table 11 shows that the 2026 budget for the ECR Program is mainly attributed to increased postage costs. The table also shows a slight decrease in both compared to 2025.

Table 11					
ThermWise Energy Comparison Report					
	2024	2025	2025	2026	2026
	Actual	Q3 Actual YTD	Budget	Budget	\$ over/under
					2025
1 Customer Rebates		\$ -			\$ -
2 Program Costs	292,012	\$ 423,465	\$ 521,960	\$ 607,000	\$ 85,040
3 Total Costs	292,012	\$ 423,465	\$ 521,960	607,000	\$ 85,040
4 Projected Dth Savings *	281,600	218,880	291,840	356,480	64,640
5 Participants	220,000	171,000	228,000	278,500	50,500
6 Total \$ / Dth Savings	\$1	\$2	\$2	\$2	\$ -
7 Total Resource Cost Test	0.73		2.74	2.51	
8 Utility Cost Test	0.78		2.74	2.51	
9	* Projected Dth savings for each program based on projected program participation and deemed savings estimates.				
10	Source: DPU Files using information from Docket No. 24-057-22 and 25-057-22				

Graph 9 illustrates the flat linear trend line of the Energy Comparison Report participants. For the most part, costs and participants track closely together. The program provides customers with the necessary feedback on changes in their behavior and/or on the measurement of the rebate they receive.



FINAL COMMENTS

It appears that the Company’s projected 2026 budget increase aligns with rising participant numbers across most programs. Additionally, the passing TRC and UCT ratios demonstrate the continued cost-effectiveness of these programs. The Division notes, however, that cost-effectiveness ratios for both the TRC and UCT have decreased over time, indicating that the programs may be less effective than they once were.

As seen in Graphs 2, 4, and 6 for ThermWise® Appliance, ThermWise® Business, and the ThermWise® Weatherization programs, respectively, participation has steadily declined since the programs' implementation. The Division questions whether current rebates incentivize average residential and small commercial customers to participate, or if rebates are geared toward wealthy consumers who do not need an incentive to purchase and install expensive energy-efficient equipment, such as the hydronic heating coil system. Furthermore, because we cannot determine how many customers have implemented multiple energy efficiency measures, we cannot accurately estimate the market saturation of energy efficiency measures. Thus, the Division also questions the validity of the MTI

program and supports additionally addressing this issue in the ThermWise® Advisory Group meetings.

The Division will continue to monitor these metrics and assumes the Company will adjust its programs as needed to provide the best possible service to its customers.

Conclusion

The Division continues to find value in the overall program objectives. All programs have met their TRC and UCT cost-effectiveness ratios, demonstrating savings and benefits. However, additional information is needed regarding incentive measures. The Division recommends that the Commission approve the requested 2026 Energy Efficiency and Market Transformation Initiative Budget. The Division recommends that the Commission instruct the Company, along with the ThermWise® Advisory Group, to investigate rebates that would incentivize consumers and determine whether the MTI should be eliminated. The Division has also reviewed the tariff sheets filed with the application and recommends that the Commission approve them as filed, effective January 1, 2026.

cc: Michael Orton, Enbridge Gas Utah
Michele Beck, Office of Consumer Services