

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Enbridge Gas Utah to
Change the Infrastructure Rate
Adjustment

DOCKET NO. 25-057-23

ORDER

ISSUED: November 25, 2025

SYNOPSIS

The Public Service Commission (PSC) approves the verified application (“Application”) of Enbridge Gas Utah (EGU) to increase the Infrastructure Rate Adjustment (IRA). This approval results in a net average increase of \$0.093 to the monthly bill of a typical GS residential customer using 70 dekatherms (Dth) of natural gas, or a 0.17 percent increase from current rates. The Application is approved on an interim basis, subject to audit, effective December 1, 2025.

PROCEDURAL BACKGROUND

On October 31, 2025, EGU filed the Application, proposing a discrete rate increase and modification to EGU’s Utah Natural Gas Tariff No. 700 (“Tariff”), effective December 1, 2025. On November 7, 2025, the PSC issued a Scheduling Order and Notice of Virtual Hearing. On November 12, 2025, the Division of Public Utilities (DPU) filed comments and recommendations (“DPU Comments”). There were no other comments filed, no intervenors in the docket, and no opposition to the Application.

On November 20, 2025, the PSC held a virtual evidentiary hearing (“Hearing”) to consider the Application, during which witnesses for EGU and DPU provided sworn testimony.¹

¹ The recording of the November 20th hearing is at <https://www.youtube.com/live/eHLeFQ-YMVE>

FACTUAL BACKGROUND

EGU proposes to adjust its IRA applied to the distribution non-gas (DNG) portions of its GS, FS, IS, TSS, TSM, TSL, TBF, MT, and NGV rate schedules.² The PSC approved the IRA in 2010 as part of the Infrastructure Tracker Pilot Program (“ITP”)³ to allow EGU to track and recover, through incremental natural gas rate surcharges, costs directly associated with the replacement of aging gas distribution infrastructure. EGU assigns the IRA to each rate class based on the PSC-approved total pro rata share of DNG tariff revenue ordered in the most recent general rate case.⁴

The PSC authorized the continuation of the ITP in its 2022 GRC Order as being in the public interest.⁵ The PSC permitted any annual infrastructure investment over \$84.7 million on or after January 1, 2022, to be included in the ITP.⁶

The Application also presents the amount of infrastructure investments made, calculations showing the revenue increase required for EGU to recover its tracked investments, and revised tariff sheets reflecting the proposed rate adjustments in several exhibits, which reflect EGU’s calculation of the ITP-related incremental revenue requirement as follows:

² See Application at 1, and EGU Exhibit 1.2.

³ See *In the Matter of the Application of Questar Gas Company to Increase Distribution Non-Gas Rates and Charges and Make Tariff Modifications*, Docket No. 09-057-16, Report and Order, issued June 3, 2010.

⁴ See Application at 3, ¶ 5 (referencing Docket No. 22-057-03, Order issued December 23, 2022 (“2022 GRC Order”)).

⁵ See 2022 GRC Order at 15.

⁶ See *id.*

Incremental Revenue Requirement Calculation⁷

	Revised Revenue Requirement
1 Total Net Investment	\$265,208,346
2 Less: Amount currently in rates	(\$84,700,000)
3 Less: 2022-2024 Tracker Overspend	(\$9,406,956)
4 Replacement Infrastructure in Tracker	\$171,101,390
5 Less: Accumulated Depreciation	(\$8,647,171)
6 Accumulated Deferred Income Tax	(\$4,986,615)
7 Net Rate Base	<u>\$157,467,604</u>
8 Current PSC-Allowed Pre-Tax Rate of Return	8.46%
9 Allowed Pre-Tax Return	\$13,321,759
10 Plus: Net Depreciation Expense	\$3,302,257
11 Net Taxes Other Than Income	<u>\$1,952,598</u>
12 Total Revenue Requirement	\$18,576,614
13 Previous Revenue Requirement	<u>\$16,178,141</u>
14 Incremental Revenue Requirement	\$2,398,474

The Application reflects a revenue requirement of \$2,398,474, incremental to the total annual revenue requirement to be collected via the IRA, which equates to \$18,576,614.⁸ With the incremental revenue requirement, EGU estimates that a typical GS residential customer using 70 Dths per year will see a total annual bill increase of \$1.12, or 0.17 percent.⁹ The Application further represents that the requested rate increase “will only remain in effect until new base rates take effect in the pending Utah General Rate Case,^[10] at which [time the IRA] rates will be set to \$0.”¹¹

⁷ See Application, EGU Exhibit 1.1 at page 5.

⁸ See *id.* at 3, ¶ 4c.

⁹ See *id.* at 4, ¶ 7, and EGU Exhibit 1.4.

¹⁰ Docket No. 25-057-06 (“2025 GRC”).

¹¹ Application at 4, ¶ 7.

DPU Comments

DPU states the rates proposed in the Application will only be in place for December 2025, because the IRA rates will be reset to \$0.00 when the new base rates approved by the PSC in its order in the 2025 GRC become effective.¹² DPU also states that the rates proposed in the Application comply with past PSC orders and recommends their approval on an interim basis, effective December 1, 2025, subject to audit and review.¹³

Testimony at Hearing

EGU witness T. Lowder provided a summary of the Application. Consistent with representations in the Application, Mr. Lowder also testified that the requested rate "will only remain in effect for one month, until the new base rates take effect in the" 2025 GRC, which is anticipated to be January 1, 2026.¹⁴ Thus, according to Mr. Lowder's testimony, the net effect of what the Application seeks is an increase of \$0.093 for only one month.¹⁵

Mr. Lowder further testified that EGU agrees with DPU's Comments, and that the proposed rate changes result in rates that are just, reasonable, and in the public

¹² See DPU Comments at 3.

¹³ See DPU Comments at 1.

¹⁴ Hearing at 7:49-7:59. See also *id.* at 8:12-9:42 for a more detailed explanation of the interrelation between the IRA and the 2025 GRC.

¹⁵ See *id.* at 11:30-11:42.

interest. Mr. Lowder recommended the rates be approved on an interim basis, effective December 1, 2025.

DPU witness E. Orton provided a summary of the DPU Comments. Mr. Orton also testified that he agreed with EGU witness T. Lowder's testimony that the net effect of what the Application seeks is an increase of \$0.093 for only one month.¹⁶ Mr. Orton further testified that approval of the Application would be just, reasonable, and in the public interest, and recommended the PSC approve the rates on an interim basis, effective December 1, 2025.

FINDINGS, CONCLUSIONS, AND ORDER

In the Application and at Hearing, EGU offered sworn testimony and accompanying documentation that included detailed accountings of historical costs and revenues and cost and revenue projections, and detailed calculation models and supporting explanations describing the costs it seeks to recover, the rates it seeks to implement, and its methods of allocating costs and revenues to rate classes. DPU's written comments represented, and DPU's witness testified at a hearing before the PSC, that it conducted a preliminary review of the Application, including an analysis of EGU's proposals and supporting documentation. DPU testified that based on this review, the rates proposed in the Application are just, reasonable, and in the public

¹⁶ See *id.* at 16:00-16:18.

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interest, and recommended that we approve them on an interim basis. There was no opposition to the Application, EGU's testimony, or DPU's testimony and recommendation.

Accordingly, we find substantial evidence supports the conclusion that the rate changes requested by EGU in the Application are more likely to reflect EGU's actual costs than current base rates and, accordingly, are just, reasonable, and in the public interest. Though DPU's preliminary review shows that the proposed rates are just, reasonable, and in the public interest, DPU states that it has not yet conducted a final audit and will provide final recommendations at a later date.

We therefore approve the proposed rates on an interim basis to ensure that the rates may be "trued-up" after DPU completes its final audit, such that EGU recovers no more or no less from customers than the actual costs incurred.

ORDER

Therefore:

1. The rates proposed in the Application are approved on an interim basis, effective December 1, 2025, pending the results of DPU's forthcoming audit; and
2. The proposed Tariff modifications in the Application are approved, effective December 1, 2025.

DATED at Salt Lake City, Utah, November 25, 2025.

/s/ John E. Delaney
Presiding Officer

Approved and confirmed November 25, 2025, 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#342815

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. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on November 25, 2025, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

Jenniffer Nelson Clark (jenniffer.clark@enbridge.com) and
(jenniffer.clark@dominionenergy.com)
Austin Summers (austin.summers@enbridge.com) and
(austin.summers@dominionenergy.com)
Enbridge Gas Utah

Patricia Schmid (pschmid@agutah.gov)
Patrick Grecu (pgrecu@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Assistant Utah Attorneys General

Madison Galt (mgalt@utah.gov)
Division of Public Utilities

Alyson Anderson (akanderson@utah.gov)
Cameron Irmas (cirmas@utah.gov)
Asami Kobayashi (akobayashi@utah.gov)
Jennifer Ntiamoah (jntiamoah@utah.gov)
Bela Vastag (bvastag@utah.gov)
Alex Ware (aware@utah.gov)
(ocs@utah.gov)
Office of Consumer Services

/s/ Melissa R. Paschal
Lead Paralegal