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Division of Public Utilities
UTAH DEPARTMENT OF COMMERCE

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Ryan Daigle, Utility Technical Consultant

Date: September 30, 2025

Re: **Docket No. 25-057-T03,** In the matter of Enbridge Gas Utah's Proposed Tariff revisions to its Utah Natural Gas Tariff's No. 700

Recommendation (Approve)

On April 23, 2025, the Public Service Commission of Utah ("Commission") issued an Action Request to the Division of Public Utilities ("Division") for a review of Enbridge Gas Utah's request to modify Section 5.08 of its Utah Natural Gas Tariff No. 700 ("Tariff"). The Division recommends the Commission approve the proposed tariff revisions.

Issue

On April 23, 2025, the Company filed revised tariff sheets to change the language in Section 5.08 of its Utah Natural Gas Tariff No. 700. The proposed changes will adjust the penalty calculation to encourage compliance with daily imbalance restrictions. On May 8, 2025, the Division filed a Request for Extension to change the due date to June 9, 2025. On May 9, 2025, the Commission granted the extension for review until the requested date of June 9, 2025. On May 29, 2025, the Division filed a second Request for Extension to change the due date from the amended due date of June 9, 2025, to September 30, 2025. On June 4, 2025, the Commission granted the extension for review until the requested date of September 30, 2025.

Discussion

The Division has reviewed the request to amend section 5.08 of EGUs Tariff. The suggested amendment seeks to "encourage compliance with daily imbalance". The extension for additional time was requested in order to provide the Commission with a more complete analysis of the proposed tariff language modification.

This amendment to the tariff language will not necessarily affect all transportation customers, as these daily penalties only impact agents (and the customers they represent) when the Company enacts a restriction on daily balances and that restriction is not followed.

As part of its review, the Division asked a series of questions in a data request[1] to gain greater understanding and gather additional information. The response from the Company is provided as DPU Exhibit 1.01 with the key points summarized below.

1. Number of customers impacted during each of the time periods identified.

   The Confidential Attachment shows information regarding the May, October, and January restrictions and is summarized by agent.

2. Which customers will be affected by the proposed change.

   "The change would apply to all transportation customers that did not comply with the conditions of the restriction. Although individual customers could potentially see a penalty charge on their bill and are responsible to pay it, some agents end up crediting them back the penalty amount, so the actual customer is not impacted. Agents ultimately determine how the penalties are allocated among their customers."

3. Dollar amount paid to the utility for the existing rates.

   Based on the spreadsheet filed with the data request, the total penalty for the May 2022 event using the existing calculation was $1,537, for the October 2023

[1] DPU Exhibit 1.01

event, the total penalty was $35,322, and for the January 2024 event, the total penalty was $161,988.[2]

4. Dollar amount that would have been paid to the utility if the proposed rates were in effect.

   Based on the spreadsheet filed with the data request, the total penalty for the May 2022 event using the proposed penalty calculation would be $8,013, for the October 2023 event, the total penalty would be $124,661, and for the January 2024 event, the total penalty would be $248,412.[3]

5. Possible impact to the 191 balancing account.

   "When an agent pays a penalty, that penalty is recorded in the 191 account as an offset to the cost of gas paid for by firm sales customers. Using the proposed tariff language would effectively reduce gas costs for these customers."

6. How is revenue from the current and the proposed penalty collected?

   "Penalties are calculated by the Enbridge Gas Supply Department and sent to the Agents. The Agents then allocate the total penalty amount among their customers. The customers are then billed according to the Agents desires."

7. Future anticipated revenues from this change.

   "Based on the calculations in the yellow tabs the May restriction would have resulted in $6,476 in incremental revenue, the October restriction would have resulted in $89,439 and the January restriction would have resulted in $86,424. However, it is hard to estimate how much revenue to anticipate going forward because the intent of this change is to motivate agents to better-comply with the restrictions. It will also provide a greater incentive to trade imbalances with agents who have complied with the restriction. This could actually reduce the

[2] Confidential DPU Exhibit 1.02
[3] Confidential DPU Exhibit 1.02

amount of penalties charged overall but also reduce the transportation customer imbalances during restriction, which is a preferred outcome."

The information contained in the data requests provides insight into how and whom the amended tariff language would impact. With the responses above, the Division is comfortable with the proposed change in language to section 5.08 of the Tariff.

Conclusion

The Division finds the request to change the Tariff language in section 5.08 to be in the public interest and would results in just and reasonable rates.

Approval of the proposed language in the Company's Application will not result in additional burdens, excessive fees, or other detriment to the TSS, TSM, TSL, and MT customers.

cc: Austin Summers, Enbridge Gas Utah
Michele Beck, Office of Consumer Services