



# UTAH

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**Date:** September 10, 2026

**Subject:** **Docket 26-057-02** – Initial Comments

**In the Matter of: Enbridge Gas Utah's Integrated Resource Plan for  
Plan Year: June 1, 2026 to May 31, 2027**

## INTRODUCTION

Enbridge Gas Utah ("EGU" or "the Company") filed its Integrated Resource Plan for the plan year June 1, 2026 through May 31, 2027 ("2026 IRP") with the Public Service Commission of Utah ("PSC") on June 16, 2026, docketed as No. 26-057-02. Following a scheduling conference held June 29, 2026, the PSC issued a scheduling Order on July 9, 2026, setting September 10, 2026 as the deadline for the initial comments and October 6, 2026 for reply comments. The Office of Consumer Services ("OCS") submits initial comments in accordance with that schedule, addressing:

- IRP vs. Technical Conference Detail
- Supplying Natural Gas to Data Centers
- Storage Analysis and RFP
- Transportation Contracts Renewals
- Wexpro / Cost-of-Service Gas / 55% Production Cap
- LNG Plant
- Long-Term Planning

## **IRP VS. TECHNICAL CONFERENCE DETAIL**

EGU's 2026 IRP reflects continued effort to bring technical conference material into the filed document. Most notably, the Company disclosed the outcome of its storage services RFP directly in the IRP, a solicitation that reached 54 potential providers and drew 15 proposals from 7 respondents<sup>1</sup>, along with an expanded discussion of the data center section. Two items remain an exception: the winter storm market price volatility analysis underlying the storage RFP and the data on the age of customer's gas meters which supports the Company's automated meter reading or AMR meter replacement timeline (upgrading to new advanced metering infrastructure or AMI meters) were both presented in the non-confidential sections of the Technical Conference but do not appear in the IRP itself. Both are addressed further below.

## **SUPPLYING NATURAL GAS TO DATA CENTERS**

Beginning with the 2024 IRP, EGU has included details on growing energy demand resulting from hyperscale data center expansion. In our 2024 IRP comments, OCS requested that additional Utah-specific information be included in future IRP filings to address the scale of large natural gas service requests as well as the potential impacts of data centers on the distribution system. OCS also recommended that EGU include a discussion of data center impacts in a future IRP technical conference. On May 6, 2025, EGU provided details on inbound data center inquiries in a confidential IRP technical conference. In our 2025 IRP Comments, OCS requested that future IRP filings provide additional details using non-confidential, aggregate information to describe data center requests, and reiterated the previous request to address potential system impacts. On May 5, 2026, EGU provided updated details on data center queries in a confidential IRP technical conference.

The 2026 IRP includes the requested aggregate information, reporting "seventeen separate inquiries related to either data center electric generation or onsite electric generation for an unknown purpose" for a total estimated load of 4 Bcf/day. The

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<sup>1</sup> Docket No. 26-057-02, EGU IRP Plan Year: June 1, 2026 to May 31, 2027, pp.10-16 to 10-17, filed June 16, 2026.

Company claims that “It is unlikely that all seventeen will be built,” stating that prospective customers often decline further contract discussions after learning the estimated costs.<sup>2</sup> While OCS agrees with this assessment, and appreciates the improved detail, an influx of large load customers with high load factors presents the potential for substantial system impacts. OCS acknowledges the often speculative and confidential nature of these large load contracts; thus, OCS recommends that the company leverages its existing gas network analysis (GNA) tools to provide a sensitivity analysis examining the system impacts of prospective data center demand in varying incremental load scenarios for a future IRP technical conference. This approach may avoid complexities associated with predicting specific project outcomes while providing a more comprehensive view of the risks associated with unprecedented demand growth.

EGU additionally states that the Company will not provide company-owned (Wexpro) supply to data center or power generation customers. OCS agrees and commends the Company’s explicit commitment to not adversely impacting customers when providing service to data centers. OCS also notes improved long-term planning details addressing the construction of a potential KRG T gate station near West Jordan: “Should data center or power generation growth occur in that area; there may be an opportunity to accelerate the construction of that gate station with cost support from these new customers.” OCS agrees with this approach: large customers should be called upon to directly fund such upgrades as infrastructure investments made in anticipation of large load customer growth introduce substantial stranded asset risk to EGU’s general service ratepayers.

OCS asserts that all incremental costs to serve new large loads should be assigned to those customers, and that large load customers should pay proportionally for their use of infrastructure identified in long-term planning. The OCS looks forward to further collaboration with the Company on large load cost allocation and risk mitigation.

Finally, the OCS is concerned with the potential impact that large data centers could have on EGU’s annual natural gas request for proposals (RFP) process to procure baseload and peaking supplies for its system. Assuming that large data centers would also require supplies of natural gas to power electricity generation, whether the data centers are on EGU’s system or supplied directly from an interstate pipeline, how might this additional demand affect the availability of EGU’s seasonal baseload and peaking contracts and the pricing of these contracts. Indeed, EGU has recently acknowledged the risk that data centers will be competing for this same supply of natural gas.<sup>3</sup> Therefore it may be prudent in EGU’s future IRPs to analyze the impact of multiple

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<sup>2</sup> *Id.* at 2-4.

<sup>3</sup> See Docket No. 26-057-16, Verified Redacted Application, page 2, In the matter of the Application of EGU for Approval of the Piceance III Properties as a Wexpro II Property.

operating large data centers on the region's supply and prices and develop a contingency plan to address potential shocks to natural gas supplies.

## **STORAGE ANALYSIS AND REQUEST FOR PROPOSALS (RFP)**

EGU conducted a substantive, quantified analysis of incremental storage needs this year, directly responsive to OCS's 2024 IRP comments. The Company identified incremental storage as a way to hedge against volatile market prices and supply shortfalls, citing benefits including reduced overall supply costs, mitigated customer exposure to price volatility, and enhanced system reliability and flexibility during peak winter conditions.<sup>4</sup> To support this, the Company calculated a Seasonal Balancing Requirement of 21 Bcf of additional storage capacity for the 2026-2027 timeframe. This finding was confirmed by an independent third-party review,<sup>5</sup> and the analysis was used as the basis for a competitive storage RFP that drew 15 proposals from 54 solicited companies. At the July 14, 2026, Technical Conference, EGU confirmed that its ongoing evaluation of these RFP proposals will not change what has already been filed in the 2026 IRP, and that it will present price terms and its final decision at a future technical conference before entering any long-term storage contract. OCS looks forward to reviewing that analysis when presented.

## **WEXPRO / COST-OF SERVICE GAS / 55% PRODUCTION CAP**

EGU brought its first Piceance Basin (Colorado) acquisitions online during the 2026 IRP year, following approval by both the Utah and Wyoming commissions in 2025. OCS supports this expansion of cost-of-service production because as discussed below, Wexpro is currently well below its 55% cap.<sup>6</sup>

The 2026 IRP's Executive Summary states that cost-of-service gas production of approximately 51.2 MMDth represents 45.7% of forecasted demand for the 2026-2027 IRP year.<sup>7</sup> In discovery response, EGU confirmed that this percentage "was not properly updated" and that the correct figure is 41.4% of the forecasted demand, calculated by dividing annual cost-of-service production of 51,223.05 Dth by annual demand of 123,586.14 Dth for the 2026-2027 IRP year.<sup>8</sup>

OCS also notes that the percentage of Wexpro gas of annual supply appears only once in the IRP, in the Executive Summary's key findings list. The IRP's dedicated cost-of-service Gas chapter, chapter 9, explains the calculation methodology itself but does not restate the percentage. A reader working from chapter 9 alone would have a difficult

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<sup>4</sup> EGU Presentation, May 26, 2026 Technical Conference, slide 8

<sup>5</sup> *Id.* at slide 12

<sup>6</sup> Docket No. 26-057-02, EGU IRP Plan Year: June 1, 2026 to May 31, 2027, pp.9-3, filed June 16, 2026.

<sup>7</sup> *Id.* at 1-1.

<sup>8</sup> EGU Response to OCS Data Request No. 1.02, July 20, 2026.

time locating this figure or would have to pull numbers from multiple sections to calculate it.

Due to the cap set in the Wexpro Canyon Creek Stipulation, EGU's annual cost-of-service production is limited to 55% of forecasted annual demand, reduced from an original 65% cap beginning with the 2020 IRP year. A conditional process exists for EGU to petition for production up to 65% for a defined period; the Company states it has not sought to use that process, and current planning does not exceed the 55% cap.

The IRP contains no multi-year table showing the Wexpro percentage in prior years. As filed, there is no way to determine whether the corrected figure of approximately 41.4% represents a typical, rising, or declining share relative to history or relative to the 55% cap.

OCS requests that EGU present the cost-of-service percentage in future IRPs together with approximately five years of historical figures and a three-year forward projection, in a single location, so that a reader can assess the trend without cross-referencing the Executive Summary against Chapter 9. This is particularly important given the layered cap structure described above: without historical context, a reader cannot assess how a given year's percentage relates to that structure over time, or whether this year's gap between the reported figure and the limitation is typical or unusual.

## **LNG PLANT**

### **Cycling Policy**

EGU confirmed in the 2026 IRP that while the Magna LNG facility's tank is normally kept full<sup>9</sup> during the heating season to maximize system reliability, it may also be used to offset significant gas price increases.<sup>10</sup> This directly answers the question OCS raised in its 2025 comments regarding whether the facility serves reliability alone or also price shock mitigation. Per the Commission's Order in Docket No. 25-057-02, issued January 16, 2026, EGU has engaged with OCS and the Division of Public Utilities to develop a brief statement of principles concerning the optimal timing of the LNG plant cycling requirement for customer benefit, targeted for inclusion in the 2027 IRP. OCS looks forward to reviewing that statement once complete.

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<sup>9</sup> Note that EGU must vaporize at least 20% of the tank volume annually to maintain gas quality and this "cycling" occurs late in the heating season if the LNG facility has not already been used for reliability purposes. See page 11-1 of the 2026 IRP.

<sup>10</sup> Docket No. 26-057-02, EGU IRP Plan Year: June 1, 2026 to May 31, 2027, pp.11-2, filed June 16, 2026.

## **Future LNG Satellite Facilities**

Once again in the 2026 IRP, EGU mentions potential future satellite LNG facilities without providing any context or additional information, under the “Additional Reliability Options” heading. This same language has now appeared in the IRP for at least three consecutive years without elaboration.

In discovery response, EGU confirmed that it views small satellite LNG facilities as a potential reliability enhancement option, particularly for localized peak-day support, but has not conducted a detailed evaluation, including site specific assessments, engineering studies, or cost estimates. As a result, the Company has not identified specific locations for potential facilities and has no rough cost estimates available.<sup>11</sup> EGU states it will consider the option further only if future system reliability needs, operational considerations, or economic analyses warrant additional study, and that no development commitments have been made.<sup>12</sup>

OCS agrees that EGU should continue to monitor satellite LNG facilities as a potential future option but emphasizes that if the Company advances this option beyond its current preliminary stage, supporting analysis should be presented in future IRPs.

## **LONG-TERM PLANNING**

### **Advanced Metering Infrastructure (AMI)**

The Company plans to replace its existing Automated Meter Reading (AMR) infrastructure with AMI technology. The oldest AMR devices, installed in 2012 with a known 20-year design life, will fully age out by 2032. EGU proposes to begin replacement ahead of that timeline, given its experience with premature AMR failures. The implementation plan anticipates a slow ramp-up in 2027 and 2028, full-scale deployment beginning in 2029, and substantial completion by 2039.<sup>13</sup>

In a discovery response, EGU confirmed that vendor selection process for both AMI equipment and data management software is ongoing, with a decision expected by fall 2026. Preliminary cost estimates are not available given the confidentiality of the vendor RFP process; EGU states it will provide cost information once vendor selection is complete and implementation costs are settled.<sup>14</sup>

OCS supports the transition to AMI technology in principle, given its potential benefits for meter accuracy, operational efficiency, and customer access to usage data. However, given the scale and multi-year duration of this program, OCS recommends

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<sup>11</sup> EGU Response to OCS Data Request No. 2.01, August 21, 2026.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 5-26.

<sup>14</sup> EGU Response to OCS Data Request No. 1.03, July 20, 2026.

EGU report actual cost and effectiveness data from the 2027-2028 ramp-up period before proceeding to full-scale deployment in 2029, so that the Commission and other stakeholders have a basis to evaluate the program's cost-effectiveness ahead of its largest phase of investment.

### **Demand Forecast Growth Assumptions**

EGU's demand forecast relies on housing permit data from the University of Utah's Kem C. Gardner Policy Institute, split between single-family and multi-family units, with the Company assuming 98% of permits become housing starts based on U.S. Census Bureau data. This housing starts series feeds a statistical time-series model that predicts residential customer additions; the model also incorporates changes to average usage from increasing shares of high-efficiency appliances, dual-fuel heat pumps, smart thermostats, and smaller heating spaces.<sup>15</sup>

The forecast continues to assume multi-family units will occupy a higher share of new residential additions going forward. Neither the IRP nor EGU's response to OCS's data request states whether this forecast assumes all multi-family construction includes a gas hookup, particularly given industry trends toward all electric new construction. EGU separately confirmed that it does not forecast or maintain historical usage-per-customer data separately for single-family and multi-family customers.<sup>16</sup>

OCS requests that EGU clarify, in future IRPs, the basis for this assumption and describe how new multi-family construction is expected to translate into new gas customers, including evaluating the impact of all electric new construction.

### **Transportation Migration**

Two customer migrations to transportation service are reflected in EGU's forecast, both beginning July 2026. The IRP states that a migration of 19 sales customers will increase annual sales demand by approximately 405,000 Dth,<sup>17</sup> while a separate migration of 16 commercial GS customers will reduce annual GS demand by approximately 360,000 Dth.<sup>18</sup>

In discovery response, EGU confirmed that the statement contains a typographical error: the 19 customer migration is estimated to decrease, not increase, annual sales by approximately 405,000 Dth. The 16 commercial GS customers are a subset of the 19,

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<sup>15</sup> EGU Response to OCS Data Request No. 1.04(a), July 20, 2026.

<sup>16</sup> *Id.* at 1.04(b).

<sup>17</sup> Docket No. 26-057-02, EGU IRP Plan Year: June 1, 2026 to May 31, 2027, page 3-1.

<sup>18</sup> *Id.* at 3-3.

accounting for approximately 360,000 Dth of that reduction; the remaining three customers are FS customers, accounting for the balance.<sup>19</sup>

OCS notes EGU's clarification and recommends the Company correct this figure in the docket record.

## **RECOMMENDATIONS**

OCS recommends the PSC acknowledge the 2026 IRP as filed. Looking ahead, OCS asks that EGU address the following in its reply comments or in its next IRP filing:

- Perform a sensitivity analysis examining the system impacts of prospective new large data centers in varying incremental load scenarios.
- Analyze the impact of multiple operating large data centers on the region's natural gas supply and prices and develop a contingency plan to address potential shocks to natural gas supplies.
- Reconcile the discrepancy between the 45.7% cost-of-service percentage stated in the Executive Summary and the corrected 41.4% confirmed in discovery response to OCS.
- Present the cost-of-service production percentage together with five years' historical figures and a three-year forward projection, in a single location in the IRP.
- Report actual cost and effectiveness data from the AMI 2027-2028 ramp-up period before proceeding to full-scale deployment in 2029.
- Correct the typographical error identified in discovery response to OCS regarding the estimated impact of the 19-customer transportation migration on annual sales demand.
- Clarify the basis for EGU's assumption that new multi-family construction will translate into new gas customers including whether all such construction is assumed to include a gas hookup.

cc:

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<sup>19</sup> EGU Response to OCS Data Request No. 1.05, July 20, 2026.