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Division of Public Utilities
UTAH DEPARTMENT OF COMMERCE

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Commissioner

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
Doug Wheelwright, Utility Technical Consultant Supervisor
Savannah Torman, Utility Analyst

Date: August 20, 2026

Re: **Docket No. 26-057-15,** EGU Quarterly Integration Progress Reports

Recommendation (No Action Required)

The Division of Public Utilities (Division) has reviewed Enbridge Gas Utah's (Enbridge or Company) Quarterly Integration Progress Report (Commitment(s)) for the third quarter of 2025 as ordered in Docket No. 23-057-16. The Division recommends the Public Service Commission of Utah (Commission) take no action regarding this filing and the accompanying exhibits.

Issue

On May 16, 2024, the Commission issued its order approving the Application and the Settlement Stipulation regarding the sale of Questar Gas Company aka Dominion Energy Utah (DEU) to Enbridge (aka Fall West Holdco, LLC) to Enbridge Quail Holdings, LLC, aka Enbridge. The Settlement Stipulation included Exhibit A, EQ Holdings and Questar Gas Commitment Matrix. Commitment 36 addressed reporting to the Commission on "planned and accomplished" tasks related to the merger. It stated:

> Questar Gas will work with the Division and the Office of Consumer Services (OCS) on a collaborative basis to develop reporting requirements for an Integration

> Progress Report on planned and accomplished activities related to the Transaction. The report will also identify and include Transaction costs. Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2025, for the period ending December 2025 and will provide updates quarterly thereafter until the conclusion of the second general rate case.

It is the Division's understanding that the intent of the quarterly filing is simply to monitor the integration activity and the costs associated with the merger. The quarterly reports are not provided to justify such costs nor to seek recovery or approval of any actions or costs.

Background

On September 5, 2023, Dominion Energy, Inc. announced its intention to sell DEU to Enbridge. On September 8, 2023, Questar Gas Company, DEU, and Fall West filed an application for approval of a partial corporate reorganization to facilitate the planned sale of DEU to Enbridge. The Commission approved that application for reorganization by Order dated November 3, 2023.

Just prior to the above Order being issued, on October 20, 2023, an application was filed seeking approval of the actual sale of DEU to Enbridge. A Settlement Stipulation was filed five months later on March 21, 2024. On May 16, 2024, the Commission approved the application "subject to the terms and conditions presented in and as modified and supplemented by the Settlement."[1] One of those terms and conditions was Merger Commitment number 36, which required Integration Progress Reports.

On August 3, 2026, Enbridge submitted its 1st Quarter 2026 Integration Progress Report. On August 4, 2026, the Commission issued an Action Request to the Division directing it to review the filing for compliance and make a recommendation. On August 10, 2026, the Commission issued a Notice of Filing and Comment Period directing interested parties to

[1] *Joint Application of Questar Gas Company dba Dominion Energy Utah and Enbridge Quail Holdings, LLC for Approval of the Proposed Sale of Fall West Holdco, LLC to Enbridge Quail Holdings, LLC,* Docket No. 23-057-16, Order (May 16, 2024)

submit comments by September 9, 2026, with reply comments due by September 24, 2026. This memorandum is the Division's response to the Action Request.

Discussion

This filing is the sixth Integration Progress Report (IPR) following the purchase of the local gas utility by Enbridge. Exhibit A of the Settlement Stipulation included 36 specific merger commitments and requirements. The filed reports identify the Company's progress regarding meeting its merger commitments. In addition to the IPR, the Company has included two exhibits as follows:

Exhibit 20. (Commitment #11) An Excel spreadsheet that identifies the transaction costs associated with the merger thus far.

Exhibit 21. (Commitment #23) A copy of the customer satisfaction matrix results for the first quarter of 2026. This is an indicator that the gas utility's customers are not materially harmed by the acquisition.

In summary, there are 36 Commitments, many with subparts which, if counted individually, make a total of 58 Commitments. Of these 58, many Commitments have been completed, and the remaining Commitments are perpetual or are yet to be completed.

The Division compared the Q1 2026 transaction costs with the Q1 2025 transaction costs and noticed an increase in several areas over the last year. While the percentage increase appears large in select categories, the dollar spending is still generally minimal, with approximately $710,000 spent by Q1 2025 and approximately $1 million spent by Q1 2026. DPU Exhibit 1.1 provides a comparison by spending category between 2025 and 2026. The Q1 IPR matrix states specifically for Commitment 11 that, "…transaction costs have been booked below the line on Enbridge Gas Utah books. Transaction costs incurred by Enbridge Inc have been kept on their books and not pushed down to EGU." The Division will continue to monitor the transaction costs through upcoming quarterly filings.

Conclusion

The Division investigated the application with the continued objective of ensuring that the customers of the natural gas utility are held harmless by the acquisition of the natural gas utility service provider. The Division has not identified any issues in this filing that would indicate otherwise. The Division finds that the Company has materially met its requirement to report to the Commission on its merger progress as required in the Stipulation, and no action is requested or required by the Commission. The quarterly filing does not require Commission acknowledgement or approval but is intended to identify any changes that may occur that could impact rates, customer service, or system reliability.

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