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*Attorney for Enbridge Gas*

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF ENBRIDGE GAS FOR APPROVAL OF THE PICEANCE DEVELOPMENT PHASE II AS A WEXPRO II PROPERTY	Docket No. 25-057-10  <b>PICEANCE PHASE II SETTLEMENT STIPULATION</b>
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Pursuant to Utah Code Ann. § 54-7-1 and Utah Admin. Code R746-100-10.F.5, Questar Gas Company dba Enbridge Gas Utah (Enbridge Gas, EGU, or Company); Wexpro Company (Wexpro); the Utah Division of Public Utilities (Division); the Utah Office of Consumer Services (the OCS) (collectively Parties or singly Party) submit this Settlement Stipulation. This Settlement Stipulation shall be effective upon the entry of a final order of approval by the Public Service Commission of Utah (Commission or Utah Commission).

## **BACKGROUND**

1. On September 12, 2012, Wexpro, Enbridge Gas, the Division, and the Wyoming Office of Consumer Advocate (OCA) entered into the Wexpro II Agreement, subject to the approval of both the Utah Commission and the Wyoming Public Service Commission (Wyoming Commission). On March 28, 2013, the Utah Commission issued a Report and Order in Docket No. 12-057-13 approving the Wexpro II Agreement. On April 11, 2013, the Wyoming Commission held a public hearing and public deliberations upon the matter in Docket No. 30010-123-GA-12 and rendered a bench order approving the Wexpro II Agreement. On October 16, 2013, the Wyoming Commission issued a formal Memorandum Opinion, Findings and Order Approving the Wexpro II Agreement in Docket No. 30010-123-GA-12.

2. On November 5, 2013, Enbridge Gas filed an application seeking approval of the Trail Unit Acquisition as a Wexpro II property before the Utah and Wyoming Commissions. The Trail Unit Acquisition was an acquisition within a Wexpro I Development Drilling Area and, under the terms of the Wexpro II Agreement, Enbridge Gas was required to bring the property before both the Utah and Wyoming Commissions for approval.

3. On December 23, 2013, the Company, the Division, the OCS, and the OCA entered into a Settlement Stipulation for the Trail Unit Acquisition. The Utah Commission issued a report and order approving the Trail Unit Settlement Stipulation on January 17, 2014, and the Wyoming Commission issued an order approving the Trail Unit Settlement Stipulation on January 27, 2014.

4. The Trail Unit Settlement Stipulation provides that Wexpro generally designs its annual drilling program to provide cost-of-service production that is, on average, at or below the current 5-year Rockies-adjusted NYMEX price (5-Year Forward Curve). The Trail Unit Settlement Stipulation also provides that the Company and Wexpro will manage combined cost-of-service production from Wexpro I and Wexpro II properties to Enbridge Gas at or below 65% of Enbridge Gas's annual IRP forecast (referred to herein as the Wexpro Production Cap).

5. On August 31, 2015, Enbridge Gas filed an application seeking approval of the Canyon Creek Acquisition Area as a Wexpro II property before the Utah and Wyoming Commissions. The Canyon Creek Acquisition Area was an acquisition within a Wexpro I Development Drilling Area and, under the terms of the Wexpro II Agreement, Enbridge Gas was required to bring the property before both the Utah and Wyoming Commissions for approval.

6. On October 26, 2015, the Company, the Division, the OCS, and the OCA, entered into a Settlement Stipulation for the Canyon Creek Acquisition. The Utah Commission issued a report and order approving the Canyon Creek Settlement Stipulation on November 17, 2015, and the Wyoming Commission issued an order approving the Stipulation on February 24, 2016.

7. The Canyon Creek Settlement Stipulation provides clarification of and enhancements to the previous Wexpro II agreements and stipulations. First, it clarifies the calculation of the 5-Year Forward Curve established in the Trail Unit Settlement Stipulation. Second, it provides that all post-2015 development drilling and capital investment would earn

the commission-allowed rate of return. It also provides that Dry Hole and non-commercial well costs will be charged and shared on a 50/50 basis between Enbridge Gas customers and Wexpro. It further provides for sharing of cost savings from post-2015 volumes when the annual overall cost of service per dekatherm is less than the market price per dekatherm. In addition, the Settlement provides that Wexpro will manage its production from Wexpro I and Wexpro II wells to 55% of the IRP demand beginning in the 2020 IRP year. Finally, it provides that Enbridge Gas will maintain on its website a current copy of all relevant documents governing the cost-of-service arrangement between Wexpro and Enbridge Gas.

8. In 2017, the Utah Commission and the Wyoming Commission approved the inclusion of the Vermillion Acquisition as a Wexpro II property in Docket No. 17-057-01 and Docket No. 30010-162-GA-17, respectively.

9. On February 3, 2022, the Company, the Division, the OCS, and the OCA, filed Applications in Utah and Wyoming seeking Commission approval of a Settlement Stipulation that would modify the Wexpro Production Cap in order to allow Wexpro to take advantage of potentially lower production costs. *See* Utah in Docket No. 22-057-04 and Wyoming in Docket No. 30010-203-GA-22 (the Production Cap Docket).

10. The Settlement Stipulation in the Production Cap Docket modified the terms of the Canyon Creek Settlement Stipulation by allowing Wexpro to produce more than 55% of the Company's IRP demand. The Production Cap Settlement Stipulation provides that Wexpro may be permitted to manage combined cost-of-service production from Wexpro I and II properties to exceed the 55% threshold if: (a) Wexpro shows that the planned production will be provided at a cost lower than the five-year forecast curve together with shut-in costs;

(b) the planned production does not exceed (i) 65% of Enbridge Gas’s annual forecasted demand identified in its Integrated Resource Plan (IRP) or (ii) 65% of the minimum threshold as defined in the Trail Settlement Stipulation; (c) the Company identifies the date by which Wexpro I and Wexpro II production levels will again be reduced to a level at or below 55% of Enbridge Gas’s annual IRP forecast; and (d) the Commission finds the plan to be in the public interest. The Utah Commission approved the Production Cap Settlement Stipulation on April 13, 2022, and the Wyoming Commission approved the Production Cap Settlement Stipulation on August 8, 2022.

11. Also in 2022, the Utah Commission and the Wyoming Commission approved the inclusion of the Alkali Gulch Acquisition as a Wexpro II property in Docket No. 22-057-05 and Docket No. 30010-204-GA-22, respectively.

12. In 2023, the Utah Commission and the Wyoming Commission approved the inclusion of the Horseshoe Bend Development as a Wexpro II property in Docket No. 24-057-03 and 30010-222-GA-24, respectively.

13. In 2025, the Utah Commission and the Wyoming Commission approved the inclusion of the Piceance Development as a Wexpro II Property in Docket No. 25-057-03 and 30010-232-GA-25, respectively.

14. The Wexpro Agreement, the Wexpro II Agreement, and the settlement stipulations described herein, are referred to collectively as the “Wexpro Agreements.”

**ENBRIDGE GAS' APPLICATION**  
**REGARDING THE PICEANCE PHASE II DEVELOPMENT**

15. On June 11, 2025, Enbridge Gas filed its Application seeking approval of the Piceance Phase II Development (Development) as a Wexpro II property (Piceance II Application) before the Utah and Wyoming Commissions. The Development is not located within the Development Drilling Area, and under the terms of the Wexpro II Agreement, Enbridge Gas is not required to bring this property before both the Utah and Wyoming Commissions for approval. However, Wexpro opted to bring the Development before both Commissions for approval. The Applications were accompanied by Exhibits A through P and the direct testimonies of Mr. Kelly B Mendenhall and Mr. Brady B. Rasmussen.

16. Enbridge Gas submitted applicable data in support of the Application, including gas pricing assumptions, market data, historical production and remaining reserves of current wells, forecasted production/reserves for future wells, forecasted decline curves for current and future wells, drilling costs, operating expenses, ownership interests, taxes, gathering and processing costs, forecasted long-term cost-of-service analysis, impact on Enbridge Gas' gas supply, geologic data, future development plans, applicable guideline letters, and other data as requested by the Parties. Additionally, the Hydrocarbon Monitor's Report regarding the Development was provided to Utah and Wyoming Parties before the Application was filed with the Commission.

17. On June 25, 2025, the Utah Commission issued its Scheduling Order, Notice of Technical Conference, and Notice of Hearing, setting dates for filing testimony, technical conferences, and hearings.

18. On July 9, 2025, a technical conference was held in Utah to discuss and provide information to the Division, the OCS, and the Staff of the Utah Commission relating to the Development.

19. Since the Application was filed, the Division, the OCS, OCA, Utah Commission Staff, and Wyoming Commission Staff have asked, and Enbridge Gas has responded to, more than 20 data requests and inquiries.

20. On July 22, 2025, the Division and the OCS filed direct testimony in this docket.

21. On July 30, 2025, the Company filed rebuttal testimony, addressing issues brought up in the direct testimony of the Division.

22. During late July and subsequently thereafter, the Company met with the Parties separately and discussed possible resolution and settlement of the issues raised by the Parties in their direct testimonies.

23. The following terms and conditions represent the resolution and settlement of the issues presented in Enbridge Gas' Piceance II Application pending before the Utah and Wyoming Commissions, and the testimonies that have been filed in each respective jurisdiction.

#### **TERMS AND CONDITIONS**

24. The Parties agree for purposes of settlement that the Piceance Phase II Development, as identified in the Application, should be approved as Wexpro II properties.

25. The Parties agree for purposes of settlement that before the next Wexpro acquisition, the Parties will meet and discuss the issues raised in the Division's Testimony.

26. The Parties agree for purposes of settlement that before the next Wexpro acquisition, the Parties will meet and the Company will show how it has made its reporting of shared savings more transparent in the Company's monthly reports.

27. The Parties agree for purposes of settlement that under no circumstance will any Party claim that this Settlement Stipulation invokes Section 11.2 of the 1981 Utah Stipulation; Section 11.2 of the Wyoming 1981 Stipulation; or Wexpro I Agreement, Article IV-6(c). The Parties further agree that nothing in this Settlement Stipulation may be interpreted or claimed by any Party under any term or combination of terms of the 1981 Utah Stipulation and the 1981 Wyoming Stipulation to allow Wexpro to either revoke any Wexpro I or Wexpro II properties, release Wexpro or the Company from their obligations under either the Wexpro I or Wexpro II Agreements, or subject Wexpro to the jurisdiction of either the Utah or Wyoming Commissions.

### **GENERAL**

28. The Parties agree that settlement of those issues identified above is in the public interest and that the results are just and reasonable.

29. The Parties agree that no part of this Settlement Stipulation or the formulae or methods used in developing the same, or a Commission order approving the same shall in any manner be argued or considered as precedential in any future case. All negotiations related to this Settlement Stipulation are privileged and confidential, and no Party shall be bound by any position asserted in negotiations. Neither the execution of this Settlement Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of ratemaking; nor shall they be



construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Settlement Stipulation.

30. Enbridge Gas, Wexpro, the Division, and the OCS each will make one or more witnesses available to explain and support this Settlement Stipulation to the Utah Commission. Such witnesses will be available for examination. As applied to the Division and the OCS, the explanation and support shall be consistent with their statutory authorities and responsibilities. So that the records in these dockets are complete, all Parties' filed testimony, exhibits, and the Confidential Applications and their exhibits shall be submitted as evidence.

31. The Parties agree that if any person challenges the approval of this Settlement Stipulation or requests rehearing or reconsideration of any order of the Utah Commission approving this Settlement Stipulation, each Party will use its best efforts to support the terms and conditions of the Settlement Stipulation. As applied to the Division and the OCS, the phrase "use its best efforts" means that they shall do so in a manner consistent with their statutory authorities and responsibilities. In the event any person seeks judicial review of a Commission order approving this Settlement Stipulation, no Party shall take a position in that judicial review opposed to the Settlement Stipulation.

32. This Settlement Stipulation shall not be final and binding on the Parties until it has been approved without material change or condition by the Commission. This Settlement Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is

rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Settlement Stipulation or impose any material change or condition on approval of this Settlement Stipulation, or if the Commission's approval of this Settlement Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Settlement Stipulation consistent with the order. No Party shall withdraw from the Settlement Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Settlement Stipulation, any Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses, with respect to issues resolved by the Settlement Stipulation, and no Party shall be bound or prejudiced by the terms and conditions of the Settlement Stipulation.

33. This Settlement Stipulation may be executed by individual Parties through two or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

**RELIEF REQUESTED**

Based on the foregoing, the Parties request that the Commission issue an order approving this Settlement Stipulation and adopting its terms and conditions.

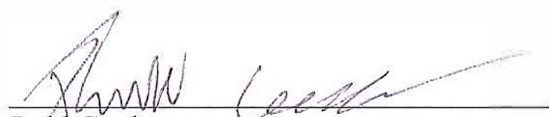
RESPECTFULLY SUBMITTED: August 6, 2025.

  
Chris Parker  
Director

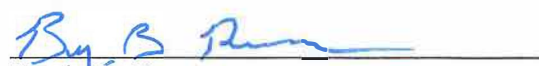
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Director

*Office of Consumer Services*

  
Judd Cook  
Vice President & General Manager

*Enbridge Gas*

  
Brady B. Rasmussen  
Vice President & General Manager

*Wexpro Company*

## CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the Piceance Phase II Settlement

Stipulation was served upon the following persons by email on August 6<sup>th</sup>, 2025:

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A handwritten signature in purple ink, reading "Douglas Johnson", is written over a horizontal line.