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Ontario Petroleum Institute Interrogatories

Ontario Energy Board Hearings
EB-2017-0224/0255/0275

Enbridge Gas Distribution Inc., Union Gas Limited and EPCOR Natural Gas Limited Partnership

Applications for approval to recover the costs associated with their 2018 cap and trade compliance plans

Preamble

The Ontario oil and natural gas production industry ("Industry") is a diverse sector with companies also involved in renewable energy development. Ontario upstream sector companies produce, transform and sell 5.5 billion cubic feet of natural gas to Ontario consumers through their relationship with the various downstream utilities and distributors including Enbridge Gas Distribution and Union Gas.

The Industry's upstream sector through its exploration and development of provincially produced and transformed natural gas is a contributor to the province's climate action plan to meet Ontario's green-house-gas emission targets. The sector's capability to develop offset credits will benefit the province's cap and trade program.

It is critical for the upstream Industry that any increase in costs do not adversely affect the sector's ability to develop, explore, produce and transform Ontario natural gas resources. It is equally critical that the Industry's capability to develop renewable natural gas through its innovation and technology is also not adversely affected.

Further, that a level playing field exists that will enable the Industry to receive equivalent support for its development of locally produced and transformed natural gas as is allocated for RNG development and any subsequent technology that may be pursued such as the injection of pure hydrogen into natural gas pipelines to form hydrogen enriched natural gas (HENG) or the capture of carbon dioxide from a process and blended with hydrogen to form Synthetic Natural Gas (SNG) for injection into natural gas pipelines, or used in industrial/commercial processes thereby offsetting the need to manufacture CO_2 for these processes. Collectively the Industry refers to these current and future sources of gas as "locally produced" natural gas.

Locally produced and transformed conventional natural gas already represents a lower emission profile by reduced and more efficient production and transportation compared to imported natural gas. The upstream industry further wishes to fully participate in providing reduced emission alternatives and to do so on a level playing field without artificial barriers to entry such as unfair connection costs, fuel specifications, transportation charges and allocation of the carbon offsets.

It is in this context that the OPI submits the following interrogatories to Enbridge Gas Distribution Inc., Union Gas Limited, and EPCOR Natural Gas Limited Partnership.

INTERROGATORIES for Enbridge Gas Distribution Inc. EB-2017-0224

Reference: Enbridge Gas Distribution Inc. (Enbridge)
2018 Cap and Trade Compliance Plan ("Application")
Ontario Energy Board ("Board") File Number EB-2017-0224

Questions:

A. What is the carbon benefit to Enbridge by receiving one 10^3m^3 of locally produced natural gas, regardless of its source, as compared to having to transport that same 10^3m^3 of gas from Alberta?

B. What is the carbon benefit to Enbridge by receiving one 10^3m^3 of locally produced natural gas, regardless of its source, as compared to having to transport that same 10^3m^3 of gas from eastern United States that has been produced using high pressure fracturing techniques? Please include the impact of the additional GHG produced using these fracturing techniques.

C. What would Enbridge be willing to pay for each of the four forms of locally produced natural gas noted above? What methodology would Enbridge use to establish these four prices?

D. How will Enbridge ensure that the **quality** of locally produced natural gas, regardless of its source, is treated fairly from a compensation and subsidy perspective, relative to the other sources?

E. How will Enbridge ensure that their tariffs and facility-related interconnect charges are just and reasonable for all locally produced natural gas?

INTERROGATORIES for Union Gas Limited EB-2017-0255

Reference: EB-2017-0255 an Application by Union Gas Limited ("Union"), pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order orders approving rates resulting from the 2018 Cap-and-Trade Compliance Plan.

Questions:

A. What is the carbon benefit to Union by receiving one 10^3m^3 of locally produced natural gas, regardless of its source, as compared to having to transport that same 10^3m^3 of gas from Alberta?

B. What is the carbon benefit to Union by receiving one 10^3m^3 of locally produced natural gas, regardless of its source, as compared to having to transport that same 10^3m^3 of gas from eastern United States that has been produced using high pressure fracturing techniques? Please include the impact of the additional GHG produced using these fracturing techniques.

C. What would Union be willing to pay for each of the four forms of locally produced gas noted above? What methodology would Union use to establish these four prices?

D. How will Union ensure that the quality of locally produced natural gas, regardless of its source, is treated fairly from a compensation and subsidy perspective, relative to the other sources?

E. How will Union ensure that their tariffs and facility-related interconnect charges are just and reasonable for all locally produced natural gas?

INTERROGATORIES for EPCOR Natural Gas Limited Partnership EB-2017-0275

Reference: EB-2017-0275 - EPCOR – 2018 Cap-and-Trade Compliance Plan

Questions:

A. What is the carbon benefit to EPCOR by receiving one 10^3m^3 of locally produced natural gas, regardless of its source, as compared to having to transport that same 10^3m^3 of gas from Alberta?

B. What is the carbon benefit to EPCOR by receiving one 10^3m^3 of locally produced natural gas, regardless of its source, as compared to having to transport that same 10^3m^3 of gas from eastern United States that has been produced using high pressure fracturing techniques? Please include the impact of the additional GHG produced using these fracturing techniques.

C. What would EPCOR be willing to pay for each of the four forms of locally produced natural gas noted above? What methodology would EPCOR use to establish these four prices?

D. How will EPCOR ensure that the **quality** of locally produced natural gas, regardless of its source, is treated fairly from a compensation and subsidy perspective, relative to the other sources?

E. How will EPCOR ensure that their tariffs and facility-related interconnect charges are just and reasonable for all locally produced natural gas?