

Ontario Energy Board

**IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Sch. B, as amended;**

**AND IN THE MATTER OF an Application by Enbridge
Gas Distribution Inc. for an order approving its 2018 Cap
and Trade Compliance Plan.**

**AND IN THE MATTER OF an Application by Union Gas
Limited Inc. for an order approving its 2018 Cap and
Trade Compliance Plan.**

Interrogatories

Energy Probe Research Foundation

January 26, 2018

ENBRIDGE IRs

Energy Probe EDG IR #1:

Reference: Exhibit B Tab 2 Schedule 1 and Appendix A

Please confirm either that the Volume forecast of 11,497,761 10³m³, is consistent with the evidence in Exhibit C1, Tab 2, Schedule 1 in the 2018 Rate Application, and/or provide/explain the differences in quantitative terms, including the heat content

Energy Probe EDG IR #2:

Reference: Exhibit B, Tab 4, Schedule 1, Page 2, Table 1

- a) Please update the Intercontinental Exchange (ICE) 21-day strip price for California Carbon Allowances (CCA) using December 2017 data and exchange rates.
- b) Is there a current spread between California and Ontario carbon prices? If so, what is that spread?
- c) If a spread were to exist between Ontario and California carbon prices, how will Enbridge deal with that spread (positive or negative)?

Energy Probe EDG IR #3:

Reference: Exhibit C Tab 1 Schedule 1

Preamble: Enbridge has assumed that in 2018 it will be a related person with Union Gas Limited (“Union”) in Ontario and Gazifère Inc. (“Gazifère”) in Québec, and will therefore be required to share and allocate the purchase and holding limits between the three entities. The Company’s planning further assumes that it will not be a related person to any additional entities in 2018.

- a) Please indicate how this fits with the Affiliate Relations Code.
- b) Please indicate how 2018 administrative costs will be allocated once Amalco is in place.

Energy Probe EDG IR #4:

Reference: Exhibit C, Tab 4, Schedule 1, Appendix A, page 5

Has Ontario updated any protocols other than the Landfill Gas Offset Protocol? If so, please provide a list, timing and any changes these protocols are expected to have on Enbridge’s application.

Energy Probe EDG IR #5:

Reference: Exhibit C, Tab 4, Schedule 1, Appendix A, page 8

Given that Enbridge will be purchasing offsets and, potentially, partnering in offset projects, how does Enbridge intend to deal with the risk of reversals? Will Enbridge's shareholder eat the cost of any reversals or will Enbridge recover those costs solely from ratepayers?

Energy Probe EDG IR #6:

Reference: Exhibit C, Tab 5, Schedule 1, page 7

Does Enbridge have a threshold for money it will allocate to individual pilot projects?

Energy Probe EDG IR #7:

Reference: Exhibit C, Tab 5, Schedule 1, page 9

- a) Within the GGEIDA, does Enbridge have a target percentage of administrative costs in relation to total costs?
- b) Has Enbridge/Clear Blue compared its 1.8% to other utilities in California, Quebec and to Union? If so please provide this comparison.

Energy Probe EDG IR #8:

Reference: Exhibit C, Tab 6, Schedule 1, page 6

Given the increased activity surrounding carbon markets and the increase in the number of credits traded in Over the Counter (OTC) markets, how will Enbridge deal with a situation where carbon credits in the OTC are selling below the floor price? Please discuss in detail.

Energy Probe EDG IR #9:

Reference: Exhibit C, Tab 6, Schedule 1, page 6

Will Enbridge seek to recover non-compliance costs from ratepayers or is its shareholder responsible for those costs?

Energy Probe EDG IR #10:

Reference: Exhibit C Tab 6 Schedule 1 Page 14

The Company notes that there is no contractual mechanism or rate class parameters for natural gas fired power generators on an unbundled distribution rate to comply with annual forecasts.

- a) Please indicate the Rates applicable to Power Generators

- b) Please provide the 2018 volume and emissions forecasts for Power Generators by rate class and total
- c) If there is a difference in volume during the year how will this be recorded and how will these costs be recovered? Please explain in detail

Energy Probe EDG IR #11:

Reference: Exhibit D, Tab 6, Schedule 1, page 5

- a) Given the proposed amalgamation of Union and Enbridge, have the utilities considered any consolidation of their cap and trade compliance activities? If there has been any consolidation, please provide evidence. Including cost reductions.
- b) How are compliance costs allocated to Gazifere? Please explain. Has this allocation been approved by the Regie?

Energy Probe EDG IR #12

Reference: Exhibit G, Tab 1, Schedule 1, p 6 & Appendices; Exhibit E Tab 1 Schedule 1

- a) Please calculate the 2018 cap and trade rate and bill impacts for customers including administrative and other carrying costs.
- b) For a residential customer, Cap and Trade charges will increase to \$86 in 2018 compared to 2017. Please explain in detail the drivers for the increase, including lower volumes, carbon price etc.
- c) How much funding has Enbridge received from the Province in 2017 and what is expected in 2018?
- d) Please provide Enbridge's view whether lack of Bill transparency is resulting in low customer understanding and acceptance of C&T
- e) How many customers accessed ("hits") and how many completed the on-line C&T calculator in 2017?

UNION IRs

Energy Probe UNION IR #1:

Reference: Exhibit 3, Tab 4, page 13

Preamble: Both Union and Enbridge are proposing \$2 million Low Carbon Initiative Fund (LCIF).

- a) Given that the two utilities are proposing to merge their operations, is there any overlap between the two utilities from money being collected in the LCIF?
- b) Have the two utilities coordinated their efforts and plans in regards to money from the LCIF?
- c) If there has been coordination, please provide any evidence that the money spent will not be duplicated.

Energy Probe Union IR #2:

Reference: Exhibit 3, Tab 4, page 14

Please provide references or evidence for other jurisdictions or regulators allowing utilities to use their regulated businesses to fund unproven technologies.

Energy Probe Union IR #3:

Reference: Exhibit 3, Tab 5, page 4

- a) Why does Union require more than 50% more FTEs – 12.5 versus – than Enbridge to carry out a similar level of cap-and-trade related activities?
- b) How does this compare to other companies in California and Quebec? Does Union or Clear Blue have this information?
- c) Please provide an organizational chart for the GGEIDA- funded C&T employees.

Energy Probe Union IR #4:

Reference: Exhibit 7, Tab 1, Schedule 1

- a) Please calculate the 2018 cap and trade rate and bill impacts for customers including administrative and other carrying costs.
- b) For a Union South residential customer, Cap and Trade charges will increase by \$5.27 compared to 2017. Please explain in detail the drivers for the increase, including lower volumes, carbon price etc.
- c) Please provide the Foreign Exchange Rate forecast for 2018
- d) How sensitive is the Unit Rate to foreign exchange? Please provide an illustrative example
- e) Please provide Union's view whether lack of bill transparency is resulting in low(er) customer understanding and acceptance of C&T