



BY EMAIL and RESS

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Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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January 26, 2018
Our File: EB20170224

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2017-0224/255/275 – Cap & Trade 2018 Compliance Plans – SEC IRs

We are counsel to the School Energy Coalition (“SEC”). Pursuant to Procedural Order No. 1, please find SEC’s interrogatories to both Enbridge and Union Gas.

Yours very truly,
Shepherd Rubenstein P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicants and interested parties (by email)

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. for an order or orders approving and/or accepting its 2018 Cap and Trade Compliance Plan and approving or fixing rates and/or charges to recover the costs incurred undertaking its Cap and Trade Compliance Plan;

AND IN THE MATTER OF an Application by Union Gas Limited for an order or orders approving and/or accepting its 2018 Cap and Trade Compliance Plan and approving or fixing rates and/or charges to recover the costs incurred undertaking its Cap and Trade Compliance Plan;

AND IN THE MATTER OF an Application by EPCOR Natural Gas Limited Partnership for an order or orders approving and/or accepting its 2018 Cap and Trade Compliance Plan and approving or fixing rates and/or charges to recover the costs incurred undertaking its Cap and Trade Compliance Plan.

INTERROGATORIES

ON BEHALF OF THE

SCHOOL ENERGY COALITION

Enbridge

1-SEC-EGD-8

With respect to Union and Enbridge:

- a. Please confirm that Enbridge and Union are affiliates.
- b. If (a) is confirmed, please explain why Enbridge and Union require separate cap and trade groups within their companies considering they are now affiliates.
- c. Please confirm that subsection 65(3) and (4) of O.Reg 144/16 has been revoked.
- d. If (c) is confirmed, please explain any changes in how Enbridge and Union plan to participate in allowances auctions compared to 2017 when the provisions were in force.

1-SEC-EGD-9

[C-1-1, p.10] Please provide the internal memorandum, guide, and/or other document that sets out in detail the Abatement Construct.

1-SEC-EGD-10

[C-1-1, p.10] Please provide the internal memorandum, guide, and/or other document that sets out in detail the Abatement Construct.

1-SEC-EGD-11

[C-1-1, p.10] Please provide the internal memorandum, guide, and/or other document that sets out in detail the Abatement Construct.

1-SEC-EGD-12

[C-1-1, p.11] Please discuss what Enbridge has learned regarding its governance and accountability measures that it had in place in 2017. What improvements is it making going forward?

1-SEC-EGD-13

[C-1-1, p.13] Please provide a copy of Enbridge's Carbon Emissions Trading Agreement.

1-SEC-EGD-14

[C-2-1] Please describe all changes that Enbridge has made to its compliance plan strategy as compared to its previous compliance plan.

1-SEC-EGD-15

[C-2-2, p.3] With respect to the proposed Low Carbon Initiative Fund:

- a. Please provide a breakdown of the proposed \$2M in 2018.
- b. Union has proposed a similar fund. Please explain what type of coordination will be undertaken regarding the use of each utility's fund.
- c. Please discuss Enbridge position regarding a potential condition of approval that all research activities undertaken using these ratepayer funds should be made available to the public.
- d. Please confirm that there would be no subsequent review for prudence of the amount spent up to \$2M.

1-SEC-EGD-16

[C-5-2] Has Enbridge developed any formal or informal marginal abatement cost curve or similar tool to use in conjunction with the Abatement Construct, or for any other reason? If so, please provide a copy. If not, please explain why it has not.

1-SEC-EGD-17

[C-5-2] With respect to the Stage 2 of the Abatement Construct:

- a. Please provide a work plan for 2018 regarding each of the listed initiatives.
- b. For each listed initiative, please provide a copy of any memorandum, concept outline, and/or other internal document describing in full the potential initiative, costs, benefits and work that should be undertaken before it can be considered for Stage 3.

1-SEC-EGD-18

[C-6-1] Considering there is a provincial election scheduled for spring 2018, please discuss how Enbridge is mitigating the risk of a change in policy regarding the current Cap & Trade program.

1-SEC-EGD-19

[D-1-1, p.5] With respect to the proposed FTEs:

- a. Please provide a breakdown of the staffing costs into the following categories: i) total salary, ii) total benefits, iii) total compensation, and iv) total overhead.
- b. Do the 8 listed FTEs include 2 proposed to be included as part of the Low Carbon Initiative Fund (see for example C-5-1, p.11)? If not, please provide another version of the requested breakdown in part (a) to include those positions.

4-SEC-EGD-11

[D-1-2] Please work with Union to provide a single response to this interrogatory:

- a. Please provide a table showing a comparison broken down by common categories of the 2016 actual administrative costs. Please provide an explanation of any differences +/- 10% between utilities per category.
- b. Please provide a table showing a comparison broken down by common categories of the 2017 actual administrative costs. Please provide an explanation of any differences +/- 10% between utilities per category.
- c. Please provide a table showing a comparison broken down by common categories for the 2018 administrative costs. Please provide an explanation of any differences +/- 10% between utilities per category.

Union Gas

1-SEC-UG-7

With respect to Union and Enbridge:

- a. Please confirm that Enbridge and Union are affiliates.
- b. If (a) is confirmed, please explain why Enbridge and Union require separate cap and trade groups within their companies considering they are now affiliates.
- c. Please confirm that subsection 65(3) and (4) of O.Reg 144/16 has been revoked.
- d. If (c) is confirmed, please explain any changes in how Enbridge and Union plan to participate in allowances auctions compared to 2017 when the provisions were in force.

1-SEC-UG-8

[3-4, p.10] Please provide the internal memorandum, guide, and/or other document that sets out in detail the Abatement Construct.

1-SEC-UG-9

[3-4, p.10] Has Union developed any formal or informal marginal abatement cost curve or similar tool to use in conjunction with the Abatement Construct, or for any other reason? If so, please provide a copy. If not, please explain why it has not.

1-SEC-UG-10

[3-4, p.13, 25] With respect to the Stage 2 of the Abatement Construct:

- a. Please provide a work plan for 2018 regarding each of the listed initiatives.
- b. For each listed initiative, please provide a copy of any memorandum, concept outline, and/or other internal document describing in full the potential initiative, costs, benefits and work that should be undertaken before it can be considered for Stage 3.

1-SEC-UG-11

[3-4, p.13] With respect to the proposed Low Carbon Initiative Fund:

- a. Please provide a breakdown of the proposed \$2M in 2018.
- b. Enbridge has proposed a similar fund. Please explain what type of coordination will be undertaken regarding the use of each utility's fund.

- c. Please discuss Union's position regarding a potential condition of approval that all research activities undertaken using these ratepayer funds should be made available to the public.
- d. Please confirm that there would be no subsequent review for prudence of the amount spent up to \$2M.

1-SEC-UG-12

[3-4, p.44] Please provide a copy of the Facilities Abatement Study.

1-SEC-UG-13

[3-5, p.6] With respect to the proposed FTEs:

- a. Please provide a breakdown of the staffing costs into the following categories: i) total salary, ii) total benefits, iii) total compensation, and iv) total overhead.
- b. Do the listed 12.5 FTEs include all incremental FTEs that are being recovered in any part of the 2018 administrative costs? For example, is Union planning to add FTEs as part of its proposed Low Carbon Initiative Fund? If not, please provide another version of the requested breakdown in part (a) to include those positions.
- c. Please explain why 9 of the 12.5 FTE positions are 'managers'.

1-SEC-UG-14

[3-6] Considering there is a provincial election scheduled for spring 2018, please discuss how Union is mitigating the risk of a change in policy regarding the current Cap & Trade program.

4-SEC-UG-15

[3-5] Please work with Enbridge to provide a single response to this interrogatory:

- a. Please provide a table showing a comparison broken down by common categories of the 2016 actual administrative costs. Please provide an explanation of any differences +/- 10% between utilities per category.
- b. Please provide a table showing a comparison broken down by common categories of the 2017 actual administrative costs. Please provide an explanation of any differences +/- 10% between utilities per category.
- c. Please provide a table showing a comparison broken down by common categories for the 2018 administrative costs. Please provide an explanation of any differences +/- 10% between utilities per category.

Respectfully submitted on behalf of the School Energy Coalition this January 26, 2018.

Original signed by

Mark Rubenstein
Counsel for the School Energy Coalition