

June 11, 2013

BY COURIER (2 COPIES) AND EMAIL

Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

P.O. Box 2319

2300 Yonge Street, Suite 2700

Toronto, Ontario M4P 1E4

Email: BoardSec@ontarioenergyboard.ca

Dear Ms. Walli:

**Re: Environmental Defence Correspondence
EB-2012-0451 – Enbridge Gas Distribution Inc. (“Enbridge”)
GTA Pipeline Leave to Construct; EB-2012-0433, EB-2013-0074
Union Gas Ltd. (“Union”) – Parkway West and Brantford-Kirkwall
Parkway D Projects**

We are writing to advise the Board and the parties that Environmental Defence is seeking more complete interrogatory responses from Enbridge, and to enclose our letter to Enbridge outlining these issues.

Environmental Defence may seek an amendment to the schedule if a motion proves necessary or if full and complete interrogatory responses are not provided in sufficient time for our expert to prepare his evidence. However, we will endeavour to take all possible steps to ensure that this is not necessary. We hope that this issue can be resolved through discussions with Enbridge and/or at the technical conference.

Yours truly,



Kent Elson

cc: Applicant and Parties

June 11, 2013

BY EMAIL

Scott Stoll

Counsel, Aird & Berlis LLP
181 Bay Street, Suite 1800, Box 754
Brookfield Place
Toronto, Ontario M5J 2T9
sstoll@airdberlis.com

Dear Mr. Stoll:

**Re: Environmental Defence Correspondence
EB-2012-0451 – Enbridge Gas Distribution Inc. (“Enbridge”)
GTA Pipeline Leave to Construct; EB-2012-0433, EB-2013-0074
Union Gas Ltd. (“Union”) – Parkway West and Brantford-Kirkwall
Parkway D Projects**

We are writing on behalf of Environmental Defence to respectfully request revised, full, and adequate responses to the following interrogatories in this matter. As detailed below, we also request some clarifications regarding the responses provided. We hope that these issues can be addressed at the Technical Conference scheduled for Wednesday and Thursday of this week.

Many of the below-listed interrogatory responses simply omit a portion of the requested data without providing an explanation for why that information was omitted. Many of the responses do not even explicitly acknowledge that only a partial response has been provided. This is contrary to Rule 29.02, which reads as follows:

29.02 A party who is unable or unwilling to provide a full and adequate response to an interrogatory shall file and serve a response:

- (a) where the party contends that the interrogatory is not relevant, setting out specific reasons in support of that contention;
- (b) where the party contends that the information necessary to provide an answer is not available or cannot be provided with reasonable effort, setting out the reasons for the unavailability of such information, as well as any alternative available information in support of the response; or
- (c) otherwise explaining why such a response cannot be given.

Therefore, with respect to a large number of the below interrogatories, we do not know Enbridge's rationale for not providing the requested information.

Interrogatory No. I.A4.EGD.ED.3

This interrogatory requested, among other things:

...for each year from 2000 to 2025 inclusive the actual/forecast **average**: a) peak hour (GJ/hour), b) peak day (GJ/day) and c) annual demands (GJ/year) of Enbridge's incremental: i) residential, ii) commercial, iii) apartment and iv) industrial customers in the GTA Project Influence Area.

- (i) Enbridge did not provide the **average** (i.e. per customer) demands. Enbridge did not explain why that information was not provided. We ask that the omitted information be provided.
- (ii) Please explain why are some of the incremental historic loads are negative.
- (iii) Enbridge did not include the loads of its unbundled customers in the data and did not explain why that information was omitted. Please provide a revised interrogatory response including a best estimate of the unbundled customers, stating assumptions if necessary. Alternatively, please explain why this information cannot be provided.

Interrogatory No. I.A4.EGD.ED.4

This interrogatory requested "for each year from 2000 to 2025 inclusive Enbridge's actual/forecast total number of residential, commercial, apartment and industrial customers in the GTA Project Influence Area."

- (i) No data was provided for 2022 to 2025 and no explanation was provided for this missing data. We request this data be provided.
- (ii) The response states that "[t]o present historical information for the GTA Project Influence Area, customer numbers have been derived based on one or more data systems...." Please provide fully describe the assumptions and methodology used by Enbridge to derive this historical data in this and other interrogatory responses.

Interrogatory No. I.A4.EGD.ED.5

This interrogatory requested the "total peak hour demands (TJ/hour) and **average** peak hour demands (GJ/hour)" of certain customer classes from 2000 to 2025.

- (i) Enbridge did not provide the **average** (i.e. per customer) peak hour demands as requested and did not explain why that information was not provided. We ask that the omitted information be provided.

- (ii) Enbridge did not include the loads of its unbundled customers in the data and did not explain why that information was omitted. Please provide a revised interrogatory response including a best estimate of the unbundled customers, stating assumptions if necessary. Alternatively, please explain why this information cannot be provided.

Interrogatory No. I.A4.EGD.ED.6

This interrogatory requested “for each year from 2000 to 2025 inclusive the actual/forecast hourly demands (TJ/hour) for all customers in the GTA Project Influence Area for the 10 days of each year containing the highest peak hourly demand.”

Enbridge simply did not provide the demands for the 10 days of each year containing the highest peak hourly demand as requested. Enbridge did not explain why that information was not provided. We ask that the omitted information be provided.

Interrogatory No. I.A4.EGD.ED.7

This interrogatory requested “for each year from 2000 to 2025 inclusive the actual/forecast total peak day demands (TJ/day) and average peak day demands (GJ/day) of” certain customer classes.

- (i) Enbridge did not provide the average peak day demands, per customer, of its residential, commercial, apartment and industrial customers for each year from 2000 to 2025. Enbridge did not explain why that information was not provided. We ask that the omitted information be provided.
- (ii) Enbridge did not include the loads of its unbundled customers in the data and did not explain why that information was omitted. Please provide a revised interrogatory response including a best estimate of the unbundled customers, stating assumptions if necessary. Alternatively, please explain why this information cannot be provided.

Interrogatory No. I.A4.EGD.ED.8

This interrogatory requested “for each year from 2000 to 2025 inclusive the actual/forecast total annual demands (TJ/year) and average annual demands (GJ/year)” for certain customer classes.

Enbridge did not provide the total or average demands as requested. Instead, it referred to a portion of the evidence containing the incremental demands of new customers, which is not the information requested in this interrogatory.

Enbridge also stated that “[p]ipeline and facilities requirements are based on total peak hourly demand.” However, that does not mean that the requested data is irrelevant. The annual demands are relevant to DSM as a possible alternative. For example, DSM

programs are often described in terms of annual demands. Furthermore, annual demands could be a factor in determining the economic cost/benefit analysis of DSM as an alternative.

We therefore ask that a complete response (existing and incremental) be provided.

Interrogatory No. I.A4.EGD.ED.9

Part (b) of this interrogatory requested the following:

For each year from 2014 to 2025, please provide the forecast total peak hour demands (TJ/hour) and average peak hour demands (GJ/hour) from: a) the above-described incremental load growth from new customers, and b) Enbridge's existing customer base in the GTA Project Influence Area. Please also break out your results by residential, commercial, apartment and industrial customers.

Enbridge did not provide the requested information, and in particular did not provide the demands as between new and existing customers. Enbridge did not explain why that information was not provided. We ask that a full and complete response to parts (b) and (c) of this interrogatory be provided, including the total and average (i.e. per customer) demands for new and existing customers. This information is key to testing and understanding Enbridge's load forecast.

Interrogatory No. I.A4.EGD.ED.12

This interrogatory requested that Enbridge "fully describe the methodology and assumptions for Enbridge's annual residential, commercial, apartment and industrial customer load growth forecasts from 2013 to 2025 inclusive in the GTA Project Influence Area..."

- (i) Enbridge did not explain the methodology and assumptions used to derive its incremental customer forecast, and we therefore ask that this be provided.
- (ii) Enbridge's response states that an "additional reduction factor" was applied for that GTA Project and that this additional factor is explained in the response to Environmental Defence Interrogatory No. 13 (c). However, that reduction factor is not in fact explained therein. We ask that an explanation be provided.

Interrogatory No. I.A4.EGD.ED.13

This interrogatory is related to Enbridge's growth forecast and the reduction factor applied to account for DSM and customer losses.

- (i) What are the units for the data in Table 1? Are they per customer averages?

- (ii) In the response to part (a) of this interrogatory, Enbridge did not include the loads of its unbundled customers in the data and did not explain why that information was omitted. Please provide a revised interrogatory response including a best estimate of the unbundled customers, stating assumptions if necessary. Alternatively, please explain why this information cannot be provided.
- (iii) With respect to part (c) of this interrogatory, please provide a break out of the reduction factor according to efficiency gains and customer losses as requested.
- (iv) Part (c) of this interrogatory asks that Enbridge fully explain how its DSM reduction factor is calculated. Enbridge's response states that "The reduction factor was developed using gate station daily demand trends in the GTA" Please provide the time period of the trend analysis and explain how the trend was calculated.
- (v) With respect to part (c) of this interrogatory, Enbridge simply states that the reduction factor is 0.65. Please explain what units the 0.65 reduction factor is in and explain how the factor is applied.
- (vi) With respect to part (c) of this interrogatory, please explain whether the reduction factor was applied to existing loads.
- (vii) Please provide a response to part (d) of this interrogatory.

Interrogatory No. I.A4.EGD.ED.14

- (i) Part (a) of this interrogatory requested the forecast impact of DSM as calculated using the "reduction factor" for each year from 2014 to 2025. However, the response provided just one number, 13,000 cubic metres per hour. Please provide the values for each year or an explanation of why the result is constant over time.
- (ii) Part (b) of this interrogatory asked that Enbridge "state the amount of DSM, in addition to that assumed in Enbridge's forecast, that would be needed to meet Enbridge's customers' needs in the GTA Project Influence Area in each year from 2014 to 2025 inclusive." Enbridge's response provided annual data, but not hourly data, even though required pipeline facilities are a function of peak hourly demand. Please provide the amount of DSM in cubic metres per hour on peak that is needed to avoid the pipeline in each year from 2014 to 2025 inclusive.
- (iii) According to Enbridge's response, additional annual DSM savings of 77,811,000 cubic metres per year would be needed in the GTA to meet growth needs without the pipeline. According to Enbridge this would entail an annual increase of the DSM budget of approximately \$33.8 million.

Environment Defence requested Enbridge's "analyses" to support its incremental DSM estimates. However, Enbridge has not provided us with its inputs or

calculations to support the above estimates. Please provide these inputs and calculations so we can understand how \$33.8 million cost was calculated. Please also provide Enbridge's estimate of the net TRC benefits of these incremental DSM programs (see also ED IR No. 40).

Interrogatory No. I.A4.EGD.ED.17

According to the response to ED IR No. 17, the GTA system has a peak hour capacity of 3,037,000 cubic metres. According to the response to ED IR No. 3, the peak hour demand in 2015/16 will be 2,978,023 cubic metres. Thus, according to those figures, there will be a capacity surplus of 58,977 cubic metres in 2015/16. This is equivalent to a surplus of 2.2 TJ since there are 37.69 MJ/cubic metres (ED IR No. 3).

However, according to response to ED IR No. 25, in 2015/16, there is capacity deficit of 15,000 cubic metres per hour.

Please explain the error or discrepancy.

Interrogatory No. I.A4.EGD.ED.19

This interrogatory asks:

When did Enbridge start to analyse the potential for incremental DSM programs and budgets to defer the need for some or all of the proposed GTA Pipeline Project? Please provide copies of the written materials prepared by Enbridge in this regard corresponding to this start date.

The response does not provide (i) the date when DSM was first considered and screened out as an alternative, (ii) the analyses used to screen out DSM, or (iii) the written materials prepared by Enbridge in this regard. Enbridge did not explain why that requested information was omitted, and we therefore ask that it be provided.

Interrogatory No. I.A4.EGD.ED.24

Part (c) of this interrogatory asks:

Assuming that the load growth to be addressed by the proposed facilities were to be instead addressed by targeted DSM (and assuming that this is possible), could that DSM be implemented in any of the 152 smaller geographic areas inside the larger GTA Project Influence Area? For example, would targeted DSM need to be predominantly located in an area nearby to station B or in areas served by proposed segment B?

Enbridge did not respond to part (c) or (d) of this interrogatory and instead simply stated that "Enbridge does not believe that targeted DSM can eliminate the need for some or all of the proposed facilities." However, Environmental Defence was not asking whether

targeted DSM can eliminate the need for the project. Instead, we were asking, in essence, *where* targeted DSM would need to be located *if* it were the case that DSM could sufficiently address load growth issues. We ask that a full response be provided to parts (c) and (d) of this interrogatory.

Interrogatory No. I.A4.EGD.ED.25

Please provide the annual demand forecast from 2013 to 2025 as requested. No explanation has been provided for what this information was omitted.

Interrogatory No. I.A4.EGD.ED.26

Please provide a response to part (e) of this interrogatory, which requested “Enbridge’s forecast of its Ontario customers’ peak hour, peak day and annual demands for natural gas (net of DSM) for each year from 2013 to 2025 inclusive.” Enbridge has stated that this information is not available, but there is no apparent reason why it cannot be created. Environmental Defence wishes to know the annual demands of all of Enbridge’s Ontario customers to evaluate whether this proposal (which is predicated on steadily increasing gas usage in the GTA) is consistent with Ontario’s greenhouse gas emission reduction targets.

Interrogatory No. I.A4.EGD.ED.39

Parts (a)(ii) and (iii) of this interrogatory requested the following:

Please provide a table indicating the following estimates for each year from 2014 to 2025 for the GTA Project Influence Area:

...

- ii. The estimated reduction in peak hourly consumption (GJ/hour) resulting from the implementation of all industrial DSM programs with a TRC benefit cost ratio of 1 or greater; and
- iii. The estimated yearly resource acquisition industrial DSM budget needed to implement all industrial DSM programs with a TRC benefit cost ratio of 1 or greater.

Enbridge responded as follows: “The data required to provide this analysis is not available to Enbridge. A 2008 DSM Potential Study filed as EB-2011-0295 Ex.B, Tab 2, Sch. 7, estimated the potential results from implementation of all industrial DSM programs with a TRC benefit-cost ratio of 1 or greater across the franchise area. While the GTA Project Area represents approximately 48% of the customers across the franchise area, it does not represent 48% of the industrial customers. As a result, the Company cannot extrapolate the Potential Study results to the GTA Area.”

It is not apparent why an estimate of the cost-effective industrial DSM potential cannot be produced as long as certain assumptions are made, such as assumptions relating to the

proportion of Enbridge's industrial customers that are located in the GTA Area. We ask that Enbridge estimate the cost-effective industrial DSM potential (as requested in the interrogatory) based on a reasonable set of assumptions. As indicated in the interrogatory, we ask that you "show your analysis and state all assumptions."

Interrogatory No. I.A4.EGD.ED.40

This interrogatory requested "Enbridge's best estimates of the economic benefits in each year from 2013 to 2025 inclusive of DSM measures that would be sufficient to avoid the need for increased pipeline capacity to meet the forecast rising demand for natural gas in the GTA Project Influence Area."

Enbridge did not calculate all of the gas supply savings on the grounds that "Enbridge does not believe that increased DSM can realistically be expected to offset the forecast load growth." However, this is not a valid reason to not provide an interrogatory response. Environmental Defence requests that a full and adequate response be provided.

Environmental Defence requires this key information to calculate the net benefits of DSM programs. That is, the net benefit of DSM programs is the avoided gas supply costs minus the incremental costs of the DSM measures

Interrogatory No. I.A4.EGD.ED.42

This interrogatory requested that Enbridge:

Please state the current total number of Enbridge's commercial customers. Please also provide a breakdown of those customers by type (such as schools, hotels, office buildings, etc.). Please provide all breakdowns of commercial customers by type that are available.

Enbridge's response included a category entitled "other" that accounts for almost 2/3 of the customers and half of the volume. Please provide a further breakdown of the "other" category and explain what it contains.

Please do not hesitate to contact me if you would like to discuss this matter.

Yours truly,



Kent Elson

cc: Board Staff and Parties