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Filed on RESS and Sent via Courier

Kirsten Walli
Board Secretary
2300 Yonge Street, Suite 2700
Toronto, ON
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Dear Ms. Walli:

Re: EB-2016-0004 – Generic Proceeding on Natural Gas Expansion

We are counsel to Anwaatin Inc. (**Anwaatin**) in the above-mentioned proceeding. Please find attached the responses from Anwaatin to the interrogatories received from Environmental Defence.

Should you have further questions on this matter, please do not hesitate to contact me.

Yours very truly,

Lisa (Elisabeth) DeMarco

Encl.

ANWAATIN RESPONSE TO ENVIRONMENTAL DEFENCE INTERROGATORY #1

Interrogatory: 1

Reference: Evidence of Anwaatin Inc., p. 2

Question: The submissions at page 2 state: “A Universal Service Fund is an appropriate, and proven, alternative approach to recover costs of expanding natural gas service to communities that are not currently served.”

Would it be appropriate for the Universal Service Fund to also recover the costs of cost-effective home energy retrofit and renewable energy (e.g., solar thermal, heat pump) investments?

If “no”, please fully justify your response.

Response: Eligible Union Gas customers receive free natural gas energy efficiency measures installed by Union representatives as well as a financial incentive to upgrade their existing furnace to an energy efficient furnace when it needs to be replaced. As part of the Aboriginal program, customers that do not have a carbon monoxide detector will receive one at no cost. Similarly, the Union Gas Aboriginal Program combines delivery of the Union Gas Home Weatherization and Furnace-End-of-Life Upgrade programs on Aboriginal Reserves.

We expect that natural gas utility home energy efficiency programs may fall within the scope of Demand Side Management Budgets as considered by the Board in EB-2015-0029 and EB-2015-0049.

Expanding natural gas service yields new opportunities for grid-connected renewables across rural, remote and First Nation communities. For many First Nation communities, natural gas service for home/building heat will remove the very large winter electrical “heatload” from the electricity grid, freeing up the existing electricity grid for renewable investments that may be technically blocked when an electricity grid is running at capacity to heat homes and buildings.

This is one of the benefits of natural gas expansion – in rural, remote and First Nations where the electrical grid cannot accommodate renewables due to high winter electrical heat loads, natural gas service for thermal energy can substantially reduce electrical grid loads enabling renewables to get grid-connected.

A Universal Service Fund is an appropriate, and proven, alternative approach to recover costs of expanding natural gas service to communities that are not currently served.

ANWAATIN RESPONSE TO ENVIRONMENTAL DEFENCE INTERROGATORY #2

Interrogatory: 2

Reference: Evidence of Anwaatin Inc.

Question: Does Anwaatin agree that existing gas consumers should be required to subsidize expansions of Ontario's natural gas distribution system only if all of the following criteria are met:

a) The expansion will lead to a net reduction in Ontario's greenhouse gas emissions [e.g., this could occur if the new customers' previous energy source (e.g., heating oil) had higher greenhouse gas emissions];

b) Expanding the gas system is the most cost-effective, feasible option to achieve the greenhouse gas emission reductions [i.e., do not expand the gas distribution system using existing customer subsidies if the emission reductions could be achieved at a lower cost by energy efficiency or renewable energy investments (e.g., home energy retrofits, heat pumps)]; and

c) The subsidy is necessary to make the project happen [e.g., do not require existing customers to subsidize an expansion of the gas system if the cost could be recovered from the new customers via a surcharge on their gas rates]?

If "no", please fully justify your response. Please specifically address each of the three criteria in your response. Note that the above three criteria would not be to the exclusion of other criteria required for community expansion.

Response: Anwaatin does not agree that existing gas consumers should be required to subsidize expansions of Ontario's natural gas distribution system only if all of the above criteria are met. Many First Nation communities and peoples do not have the range of low-carbon heat energy sources available to the majority of people in Ontario. When

First Nation communities and peoples have access to the same range of low-carbon heat energy sources as others in Ontario, including natural gas, then they will have the luxury of choosing among appropriate technologies and energy sources.