

February 24, 2017

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: EB-2016-0300/EB2016-0296/EB-2016-0330 – Cap and Trade Compliance Plans – Union Gas Limited and Enbridge Gas Distribution Inc.

Please find, attached, interrogatories for Union Gas Limited and Enbridge Gas Distribution on behalf of the Consumers Council of Canada pursuant to the above-referenced proceeding.

Please feel free to contact me if you have questions.

Yours truly,

Julie E. Girvan

Julie E. Girvan

CC: All Parties

INTERROGATORIES FROM THE CONSUMERS COUNCIL OF CANADA

FOR UNION GAS LIMITED

EB-2016-0296

GENERAL QUESTIONS:

CCC-1

Could the proposed merger between Spectra Energy and Enbridge Inc. have any impacts on Union's proposed Compliance Plan? For example, will Union and Enbridge be permitted to have separate strategies once the merger takes place? Please explain how the merger could impact the plan.

COMPLIANCE PLAN:

CCC-2

Reference: Ex. 3/p. 2

The evidence states that Union has not included abatement or long-term investments in its 2017 Compliance Plan beyond existing initiatives such as DSM. Does Union intend to pursue any actual such projects in 2017 that could lower GHG emissions from its own facilities or from customers beyond the current DSM initiatives. If so, please list those activities.

CCC-3

Reference: Ex. 3/p. 9

What is the cost of the ClearBlue consulting work (actual and forecast) and how are these costs to be recovered? What is the cost (actual and forecast) of all other related consulting engagements related to Union's Cap and Trade Compliance Plan development, and how are these costs to be recovered?

CCC-4

Reference: Ex. 3/p. 14

The evidence states that Union's 2017 Compliance Plan demonstrates prudent procurement and compliance practices. How does Union intend to demonstrate to its customers that its activities related to Cap and Trade are prudent in light of the confidentiality restrictions?

CCC-5

Reference: Ex. 3/p. 28

What is the current balance in the Greenhouse Gas Emissions Impact Deferral Account?

CCC-6

Reference: Ex. 3/p. 32

Please provide a detailed breakdown of the \$670,000 in consulting costs. Does this include work undertaken in 2016?

CCC-7

Reference: Ex. 3/p. 34

The evidence sets out a list of risks that Union has identified related to its 2017 Compliance Plan. These include:

- Forecast volume and auction purchase variability
- Price and foreign exchange risk
- Liquidity risk
- Credit and counterparty risk
- Non-compliance risk
- Government and legislation risk

For each of the risks identified, please explain who will bear that risk. Will it be Union's ratepayers or its shareholders?

CUSTOMER OUTREACH:

CCC-8

Reference: Ex. 5/p. 1

What is the total cost of Union's customer outreach related to the Cap and Trade Program? Please provide all costs incurred to date and the forecast cost for the remainder of 2017. What is the expected annual on-going cost? Has Union collaborated with Enbridge with respect to customer outreach and messaging? If not, why not? Has Union sought funding from the Provincial Government to support customer outreach given this is a government mandated program? If not, why not? How will these costs be recovered? What relief is Union seeking from the OEB in this proceeding regarding these costs?

**INTERROGATORIES FROM THE CONSUMERS COUNCIL OF CANADA
FOR ENBRIDGE GAS DISTRIBUTION INC.**

EB-2016-0300

GENERAL:

CCC-1

Could the proposed merger between Spectra Energy and Enbridge Inc. have any impacts on Enbridge's proposed Compliance Plan? For example, will Union and Enbridge be permitted to have separate strategies once the merger takes place? Please explain how the merger could impact the plan.

COMPLIANCE PLAN:

CCC-2

Reference: Ex. C/T3/S6/p. 3

The evidence states that in 2016 Enbridge assembled a Cap and Trade focused team of four employees at a forecasted cost of \$750,000, which will be sought for recovery through the 2016 GGEIDA. Please provide evidence to demonstrate that these costs are incremental to EGD's normal business activities.

CCC-3

Reference: Ex. C/T3/S6/p. 13

What relief, in any, is Enbridge seeking with respect to the 2017 Forecast Cost Elements and Amounts set out in Table 2?

CCC-4

Reference: Ex. C/T4/S1/p. 1

Enbridge has set out a list of risks inherent to Ontario's Cap and Trade market:

- Allowance price variability
- Volume variability
- Emission unit availability
- Market risk
- Non-compliance
- Financial transaction risks
- Risk of data dissemination to market participants

For each of the risks identified, please explain who will bear that risk. Will it be Enbridge's ratepayers or its shareholders?

CUSTOMER OUTREACH:

CCC-5

Reference: Ex. E/T1/Appendix A

What is the proposed cost of the 2017 Customer Outreach and Communication Plan? What relief is Enbridge seeking from the OEB with respect to the plan? Has Enbridge collaborated with Union Gas with respect to customer outreach and messaging? If not, why not? Has Enbridge sought funding from the Provincial Government to support its customer outreach given this is a government mandated program? If not, why not?

CCC-6

Reference: Ex. E/T1/S1/p. 5

Enbridge intends to include a Cap and Trade message on the bills as of April 2017. Will customers be able to determine how much of their bill is specifically related to Cap and Trade? If not, why not?

CCC-7

Reference: Ex. E/T1/S1/Appendix B/p. 2

Enbridge has not included its administration costs in its customer impact numbers? Please explain why these are not included?

CCC-8

In light of the confidentiality restrictions, how does Enbridge intend to demonstrate to its customers that its activities with respect to Cap and Trade are prudent?