



## Jay Shepherd

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**BY EMAIL and RESS**

February 24, 2017  
Our File: EB20160296

Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, Ontario  
M4P 1E4

**Attn: Kirsten Walli, Board Secretary**

Dear Ms. Walli:

**Re: EB-2016-0296/300/330 – Cap & Trade Compliance Plans – SEC Interrogatories**

We are counsel to the School Energy Coalition (“SEC”). Enclosed, please interrogatories on behalf of SEC to Enbridge Gas Distribution Inc. and Union Gas Ltd.

Yours very truly,  
**Jay Shepherd P.C.**

*Original signed by*

Mark Rubenstein

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

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**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. 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 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 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 Natural Resource Gas Limited for an order or orders approving and/or accepting its 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 TO ENBRIDGE GAS**

**DISTRIBUTION INC. ("ENBRIDGE")**

**ON BEHALF OF THE**

**SCHOOL ENERGY COALITION**

**1-SEC-1**

[A-3-1, p.3] Please provide a copy of the referenced California Public Utilities Commission Decision.

**1-SEC-2**

[B-2-1] With respect to Enbridge's Volume forecast:

- a. What adjustments to the 2017 approved volume forecast have been made to account for the impact of additional cost to customers of Cap and Trade?
- b. Please discuss Enbridge's expectation regarding the impact on volume due to the additional cost to customers of Cap and Trade.
- c. [p.3] Please provide a copy of the list of Capped Participants provided to Enbridge from the Ministry of the Environment and Climate Change.

**1-SEC-3**

[B-4-1, p.3] Considering that 2017 will be a year where Ontario's carbon market is not linked to Quebec and California, does Enbridge believe that the ICE forecast price is a good proxy for the expected 2017 Ontario carbon price?

**1-SEC-4**

[C-1-1, p.16] Please provide a copy of all information, reports, studies and research undertaken by Enbridge or for Enbridge, regarding Cap and Trade best practices, jurisdictional reviews or any other information regarding potential compliance options.

**1-SEC-5**

[C] Please explain how Enbridge developed its 2017 Compliance Plan in the context of Ontario's initial 4 year compliance period.

**1-SEC-6**

[C-1-1, Appendix A, p.24] Please rank the listed reasons for the poor participation rates in WCI auctions to date.

**1-SEC-7**

[C-1-1, Appendix B, p.4] Please provide a copy of Enbridge's internal Marginal Abatement Cost Curve.

**1-SEC-8**

[C-2-1, p.8] Please provide examples of potential offset opportunities.

**1-SEC-9**

[C-3-6, p.4] Please provide a copy of all reports or other deliverables provided by ICF International.

**1-SEC-10**

If Enbridge met its entire compliance obligations through the purchase of allowances, how many would need to be purchased to meet its forecast 2017 GHG emissions?

**1-SEC-11**

[C-4-1] Please explain how Enbridge plans to manage risk of the Cap and Trade program being cancelled at some point after the purchase of any compliance instruments.

**1-SEC-12**

[Ex.C-4-1, p.17] With respect to the Cap and Trade holding and purchase limits under O.Reg 144/16:

- a. Please explain the risks of the holding and purchasing limits.
- b. If the Enbridge Inc. and Spectra Energy merger is approved, in which they would become related persons under O.Reg 144/16, does Enbridge expect to have a problem meeting its compliance needs due to the holding and purchase limits?

**1-SEC-13**

[C-6-1, p.2] Does Enbridge expect to require changes to its Undertaking with either, the Province of Ontario, the Ontario Energy Board Act itself, or any regulations made under it, or require a Government Directive under section 27.1 of the Ontario Energy Board, to undertake new business activities for the purposes of carbon initiatives it may propose in the future? If so, please describe.

**2-SEC-14**

With respect to potential conflicts of interest:

- a. Does Enbridge expect any of its affiliate or other related parties to be registered market participants? If so, please provide details.
- b. Please provide details of arrangements or protocols Enbridge will have in place to ensure that ratepayers are protected from any Cap and Trade related transactions with an Enbridge affiliate or related parties.
- c. Please explain if Enbridge believes any motorizing and reporting is appropriate.

**5-SEC-15**

With respect to cost recovery:

- a. Please explain Enbridge's understanding of when the Cap and Trade variance accounts will be reviewed and cleared.
- b. Please explain what information Enbridge believes it will be able to provide to all parties (i.e. not just the Board panel and Board Staff), when it seeks a review of its actual compliance plan costs, that it otherwise is not able to provide in this application.

Respectfully submitted on behalf of the School Energy Coalition this February 24<sup>h</sup>, 2017.

*Original signed by*

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Mark Rubenstein  
Counsel for the School Energy  
Coalition

**ONTARIO ENERGY BOARD**

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**AND IN THE MATTER OF** an Application Natural Resource Gas Limited for an order or orders approving and/or accepting its 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 TO**  
**UNION GAS LIMITED (“UNION”)**  
**ON BEHALF OF THE**  
**SCHOOL ENERGY COALITION**

**1-SEC-1**

[Ex.2] With respect to Union’s Volume forecast:

- a. What adjustments to the 2017 approved volume forecast have been made to account for the impact of additional cost to customers of Cap and Trade?
- b. Please discuss Union’s expectation regarding the impact on volume due to the additional cost to customers of Cap and Trade.
- c. Please provide a copy of the list of Capped Participants provided to Union from the Ministry of the Environment and Climate Change.

**1-SEC-2**

[Ex.3, p.12-15] Please explain what Union means by the principles of i) rate predictability and ii) flexibility in its compliance plan.

**1-SEC-3**

[Ex.3, p.29] Please describe the roles and responsibilities of the proposed 13.5 FTEs related to Cap and Trade.

**1-SEC-4**

[Ex.3, p.32] Please explain the basis for the forecasted 10% increase in bad debt expenses related to Cap and Trade.

**1-SEC-5**

[Ex.3] Does Union have its own internal Marginal Abatement Cost Curve? If so, please provide a copy.

**1-SEC-6**

[Ex.C-4-1, p.17] With respect to the Cap and Trade holding and purchase limits under O.Reg 144/16:

- a. Please explain the risks of the holding and purchasing limits.
- b. If the Enbridge Inc. and Spectra Energy merger is approved, in which they would become related persons under O.Reg 144/16, does Union expect to have a problem meeting its compliance needs due to the holding and purchase limits?

**1-SEC-7**

If Union met its entire compliance obligations through the purchase of allowances, how many would need to be purchased to meet its forecast 2017 GHG emissions?

**1-SEC-8**

Please explain how Union plans to manage risk of the Cap and Trade program being cancelled at some point after the purchase of any compliance instruments.

**1-SEC-9**

[Ex.3-D] With respect to the ClearBlue Compliance Instrument Purchasing Strategy report:

- a. Are there no parts of the report, similar to Alpha Inception LLC's report for Enbridge (See C-1-1, Appendix A) that can be made publically available? If there is, please provide it.
- b. Does ClearBlue disagree with any aspect of the publically available above-referenced Alpha Inception report? If so, please explain.

**2-SEC-10**

With respect to potential conflicts of interest:

- a. Does Union expect any of its affiliate or other related parties to be registered market participants? If so, please provide details.
- b. Please provide details of arrangements or protocols Union will have in place to ensure that ratepayers are protected from any Cap and Trade related transactions with an Enbridge affiliate or related parties.
- c. Please explain if Union believes any motorizing and reporting is appropriate.

**5-SEC-11**

With respect to cost recovery:

- a. Please explain Union understanding of when the Cap and Trade variance accounts will be reviewed and cleared.

- b. Please explain what information Union believes it will be able to provide to all parties (i.e. not just the Board panel and Board Staff), when it seeks a review of its actual compliance plan costs, that it otherwise is not able to provide in this application.

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