

John A.D. Vellone
T (416) 367-6730
F 416.367.6749
jvellone@blg.com

Ada Keon
T (416) 367-6234
F 416.367.6749
akeon@blg.com

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada M5H 4E3
T 416.367.6000
F 416.367.6749
blg.com



November 3, 2017

Delivered by Email, RESS & Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2701
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc.
2018 Rate Adjustment Application (EB-2017-0086)
Interrogatories from The Association of Power Producers of Ontario**

Pursuant to Procedural Order No. 1, please find enclosed Interrogatories from the Association of Power Producers of Ontario.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Original signed by Ada Keon

Ada Keon

cc: Intervenors of record in EB-2017-0086

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 or fixing
rates for the sale, distribution, transmission and storage of
gas.

EB-2017-0086

Interrogatories From

The Association of Power Producers of Ontario (APPrO)

November 3, 2017

D1.APPrO.1

Reference: i) Exhibit D1 Tab 2 Schedule 3 paragraph 36 states:

For 2018 Enbridge has used a gross heating value of 38.42 MJ/m³ to convert quantities (i.e., GJ, Dth) into volumes (i.e., 10³m³, MMcf). Quantities are the units specified in many of Enbridge's gas purchase and transportation service agreements, whereas Enbridge rates are volumetric. Enbridge also committed to use an updated monthly heat value for purposes of converting Direct Purchase deliveries from GJ's to m³ for Banked Gas Reporting.

ii) Exhibit D1 Tab 2 Schedule 11 paragraph 39

For the purposes of developing its 2018 gas supply costs, the Company has used a conversion factor of 38.42 MJ/m³, which is more closely aligned with recent heat value observations made by the Company.

iii) Exhibit H2 Tab 6 Schedule 1 Page 48 of the Rate Handbook states:

The conversion factor is 37.74MJ/m³, which corresponds to Union Gas' System Wide Average Heating Value, as per the Board's RP-1999-0017 Decision with Reasons

Preamble: In Reference ii), Enbridge discusses the average heat content for system supplies. In Reference i) Enbridge also indicates that this same 38.42 MJ/m³ will be used for conversion of volumes in transportation agreements. Reference iii) mentions Union's system wide heat content. APPrO would like to understand the implications of these conversion factors for a direct purchase customer that has sourced natural gas from Dawn and delivered to Enbridge via Union and/or TransCanada.

- a) Please describe how Enbridge's system wide average heat content is calculated. In particular please note if this heat content is based on volume weighted average system purchases at the respective points of purchase or some other methodology.
- b) Please confirm that deliveries to Enbridge from both Union and TransCanada are energy based in GJs.
- c) Which heat content does Enbridge use for a direct purchase customer to convert energy to volume when the customer delivers gas to the Enbridge system from either Union and/or TransCanada? How does this heat content compare to the heat

content used by the pipeline immediately upstream of the Enbridge distribution system.

- d) Please describe the implications, if any, and provide by way of numerical example, the impact on the ultimate energy delivered by Enbridge to a direct purchase customer using Enbridge's heat content referred to in c) above. For the numerical example, please assume that the direct purchase customer requires 1,000 GJs of energy to be delivered to its meter.

D2.APPrO.2

Reference: i) Exhibit D2 Tab 2 Schedule 1 Discontinuance of Site Restoration Cost Rider (Rider D) in 2018

Preamble: Enbridge proposes to discontinue the Rate Rider D credit to customers one year ahead of the original approved schedule, as the total amount of the refund is now expected to be exhausted by the end of 2017. APPrO would like information to demonstrate how these funds were originally intended to be distributed and information to compare how the actual funds were actually distributed by rate class.

a) For each year from 2014 to 2018 please complete the following table to compare the projected forecast and actual SRC credit amounts and volumes by rate class. Please ensure you provide complete information for each rate class, including Rate 125 for each year:

		<i>Year (provide a separate table for each year 2014 to 2018)</i>					
		<i>Rate Class (include all applicable rate classes)</i>					TOTAL
1	Forecast Volume ¹ (m ³)						
2	Forecast Rate Rider D ¹ (\$/m3)						
3	Forecast Credit (\$)						
4	Actual Volume ^{2 3} (m ³)						
5	Actual Rate Rider D ³ (\$/m3)						
6	Actual Credit (\$)						
7	Volume Variance (Actual-Forecast) (m3)						
8	Credit Variance (Actual-Forecast) (\$)						

Table 1 Forecast and Actual SRC Credit by Year

Notes

1. Provide forecast volume and Rate Rider amounts by rate class based on the original EB-2012-0459 filing. If a volume for any specific year was not forecast during this proceeding, then provide

the annual volume and/or Rate Rider forecast at the time of the specific year's rate filing. For 2018, assume that the Actual Rate Rider is zero as proposed. If the Rate Rider was not forecast for any specific year, then calculate the Rate Rider based on the EB-2012-0459 forecasted credit amount and the forecast volume.

2. For 2017, please provide projected annual volume to year end.
3. Assume that Actual Volumes are the same as the Forecast Volume for 2018.

b) Please summarize the information provided in Table 1 in a) above illustrating the variances from forecast by rate class by year.

Credit Variance (Actual-Forecast) (\$) From Table 1						
	Rate Class <i>(include all applicable rate classes)</i>					TOTAL
2014						
2015						
2016						
2017						
2018						
Sum 2014-2018						

Table 2 SRC Variance by Rate Class

c) Please summarize the volume variances from Table 1 in a) above by rate classes in the table below.

Volume Variance (Actual-Forecast) (\$) From Table 1						
	Rate Class <i>(include all applicable rate classes)</i>					TOTAL
2014						
2015						
2016						
2017						
2018						
Sum 2014-2018						

Table 3 Volume Variances Among Rate Classes

d) Assuming that the Board required Enbridge to true-up the credits by rate class to match the forecasted amounts, please provide alternative reasonable methodologies to make such true-ups, and specify any resulting adjustments.

- e) When did Enbridge first notice that SRC payments were exceeding forecast and describe any resulting actions taken.

D1.APPrO.3

Reference: i) Exhibit D1 Tab 2 Schedule 4,
ii) Rate Handbook Exhibit H2 Tab 6 Schedule 1

Preamble: Enbridge illustrates the actual unaccounted for gas (UAF) volumes in graphic format in Figure 1, including a trend line for the period post 2001. APPrO would like to better understand this trend.

- a) The trend line that was illustrated Figure 1 shows the trend line 2002-2016. All of the actual observations after approximately 2007 have been higher than the illustrated trend line. Please explain how this trend line was developed and why it is still appropriate?
- b) Enbridge notes that:

the Settlement Proposal for EB-2015-0114, parties agreed that it is not appropriate to update UAF forecasting methodology during the Custom IR term

Given that the IR term is proposed to end in 2018, please indicate how Enbridge will be addressing UAF at the end of the IR term.

- c) Please confirm that for all new construction projects, and in particular the GTA reinforcement project, Enbridge purchases an amount of incremental gas supply for the initial 'fill' of the pipelines up to the operating pressure of the pipe, rather than treating this gas as UAF.
- d) Enbridge discusses the differences in gate station measurement between TransCanada's meters and Enbridge's check measurement meters, and states that this difference:

only represents a .75% metering variance

This statement seems to suggest that this difference in metering may be insignificant. Given that Enbridge's total proposed UAF percentage from its Rate Handbook is 0.70%, please explain why this level of difference in measurement with TransCanada meters is not significant?

- e) Enbridge receives significant volumes directly from Union Gas; has Enbridge also compared metering differences between Union and Enbridge. If so, please provide the results. If not please explain.
- f) For all the rate classes listed in the Rate Handbook, please indicate if any of the rate classes do not attract a UAF fee in some form. If there are any that do not attract a UAF fee, please explain why.