

ONTARIO ENERGY BOARD

Enbridge Gas Distribution Inc.

**Application for natural gas distribution, transmission and storage
rates commencing January 1, 2018.**

INTERROGATORIES TO ENBRIDGE GAS DISTRIBUTION INC. (EGD)

From

INDUSTRIAL GAS USERS ASSOCIATION (IGUA)

1. **Reference:** Exhibit C1, Tab 2, Schedule 1, Appendix C, Page 2

EGD notes that the impact of Cap and Trade was captured within the regression models through the gas price variable as an addition to the commodity, load balancing, and distribution components of Rate 1 gas prices and Rate 6 gas prices.

- (a) What was the amount of the cap and trade obligation that EGD used for modelling purposes and why?

2. **Reference:** Exhibit C1, Tab 2, Schedule 1, Appendix C, Page 3

EGD notes that for 2018 Contract Market forecasts, account executives have engaged large volume customers in assessing their individual participation in Cap and Trade as well as how they may be pursuing abatement that would result in operational changes. The resulting grassroots forecast includes large volume customer's considerations of the impact of Cap and Trade.

- (a) Is this the first year that EGD has included large volume customers' considerations of the impact of Cap and Trade on EGD's Contract Market forecasts in developing its volume forecasts?

- (b) What does EGD believe the impact on its Contract Market forecasts will be, if any, in terms of forecast error by virtue of the inclusion of large volume customers' considerations of the impact of Cap and Trade? (see comment made in Exhibit C1, Tab 2, Schedule 1, Appendix C, Page 2 of 4, paragraph 5)

3. **Reference:** Exhibit D1, Tab 2, Schedule 3, Page 10

EGD notes that for purposes of the 2018 gas cost forecast, the Company has assumed the amount and value of storage set to expire be extended. The company plans to acquire an additional 2 – 3 PJs of storage effective April 1, 2018. For gas cost purposes in 2018 the Company has assumed a value for this incremental storage equivalent to the current value of the storage contracts scheduled to expire March 31, 2018. Any variation between the assumed storage costs and the actual cost of storage will be captured in the 2018 S & TDA.

- (a) Please comment on the reasonableness of this assumption.
- (b) What evidence or information does EGD have to demonstrate that this assumption is reasonable?

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