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May 10, 2019

Delivered by Email, RESS & Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Inc.
Cap and Trade-related Deferral and Variance Accounts
Board File No. EB-2018-0331
Interrogatories to Applicant from The Association of Power Producers of
Ontario**

In accordance with Procedural Order No. 4, please find enclosed the Association of Power Producers of Ontario's interrogatories in the above noted proceeding.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Original signed by Flora Ho

Flora Ho

cc: David Butters, APPrO
All Parties to EB-2018-0331

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., Union Gas Limited and EPCOR Natural Gas Limited Partnership for an Order or Orders approving the disposition of Cap and Trade-Related Deferral and Variance accounts for the period 2016-2018.

EB-2018-0331

Interrogatories

To

Enbridge Gas Inc. (“Enbridge Gas”)

From

The Association of Power Producers of Ontario (APPrO)

May 10, 2019

APPrO-1

Reference: EB-2018-0331 Exhibit D Tab 1 page 4-5
EB-2018-0331 Exhibit D Tab 2 page 5
EB-2018-0249 APPrO Letter dated October 23, 2018

Preamble: In Enbridge Gas Distribution Ltd.'s ("EGD") October 2018 QRAM Proceedings (EB-2018-0249), EGD failed to address Rate 125 customers' concerns around the electricity market distortions arising directly from the interim volumetric refund of Cap-and-Trade variances over October 2018. As set out in APPrO's letter in the above reference, unexpected changes in volumetric gas distribution rates arising from sudden regulatory account dispositions can have a dramatic impact on the IESO administered contracts held by gas fire generators. APPrO had explicitly asked that EGD consult directly with its Rate 125 customers to avoid unexpected electricity market distortions arising from unusual regulatory account clearances.

In the current proceeding, Enbridge Gas is proposing to clear the final remaining balances for the EGD rate zone as a one-time billing adjustment on customers' bills in October 2019. For customers taking service under rate 125, Enbridge Gas determined the final disposition of remaining balances on an account specific basis.

In Union Gas Ltd. ("Union") rate zones, for general service Rate M1, Rate M2, Rate 01 and Rate 10 customers, Enbridge Gas proposes to dispose of the final Cap-and-Trade deferral and variance account balances over a three-month period beginning with the QRAM following OEB approval. For in-franchise contract and ex-franchise rate classes, Enbridge Gas will dispose of the final Cap-and-Trade deferral and variance account balances as a one-time adjustment with the monthly bill that corresponds with the timing of the QRAM following OEB approval.

Questions:

- a) Did EGD and Union (Enbridge Gas) consult with gas fire generators prior to proposing the disposition methodologies for the final Cap-and-Trade deferral and variance account balances for both EGD and Union rate zones?
- b) If the answer to a) is no, how does EGD and Union (Enbridge Gas) propose to address electricity market distortions that arise from the proposed disposition methodologies noted above?