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September 6, 2019

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Toronto, ON

Dear Ms. Walli:

**Re: EB-2019-00137 – Kitchener-Wilmot Hydro Inc. 2020 Cost of Service Rates
Enbridge Gas Inc. - 5 Year Gas Plan
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Enbridge Gas Distribution.

Yours truly,

A handwritten signature in black ink, appearing to read 'M Garner', is written in a cursive style.

Mark Garner
Consultants for VECC/PIAC

Email copy:

Ms. Laurie Klein, Ontario Energy Board, Laurie.Klein@oeb.ca
Enbridge Gas Distribution, Regulatory, EGIRegulatoryProceedings@enbridge.com

For interrogatory clarifications please contact Mark Garner at 647-408-4501 or markgarner@rogers.com

REQUESTOR NAME	VECC
TO:	Enbridge Gas Inc. (Enbridge or EGI)
DATE:	September 6, 2019
CASE NO:	EB-2019-0137
APPLICATION NAME	5 Year Gas Supply Plan

1.0-VECC-1

Reference: EGI Gas Supply Plan, page 37/46 & 72

- a) For the purpose of the design day calculation are all interruptible loads assumed to be off the system?
- b) Please explain how EGI attempts to optimize the least cost gas supply plan/design day through the sale of interruptible service.
- c) Please explain why curtailment remains constant throughout the gas supply plan (Table 8).

1.0-VECC-2

Reference: EGI Gas Plan, page 42, 57-

- a) Please confirm that the 26.4 PJ of market based storage held with third parties does not include any storage of the former Union Gas that is now owned by EGI or its affiliates.
- b) What portion (%) of EGI's market based storage is sourced from the Dawn system/sites and from the Michigan system/sites.
- c) What is the cost differential as between Ontario and Michigan storage?

1.0-VECC-3

Reference: EGI Gas Supply Plan, page 44

- a) Please explain why the number of nomination windows is an important aspect of transportation contracting.

1.0-VECC-4

Reference: EGI Gas Supply Plan, page 48

- a) Please explain more fully the statement: "*Should peaking supply fail to be delivered, EGI's risk mitigation strategy is to utilize the parameters of its existing firm transportation contracts; namely limited balancing agreement.*"
How are balancing agreements used to address peak load demands?

1.0-VECC-5

Reference: EGI Gas Supply Plan, Table 14, page 51

- a) Please explain why 'daily demand' increases from 2020 to 2021 but 'annual demand' decreases during the same period.

1.0-VECC-6

Reference: EGI Gas Supply Plan, page 53 & 93

- a) Please explain how EGI forecasted the price of gas at the various trading hubs shown in Tables 16 and 35

1.0-VECC-7

Reference: EGI Gas Supply Plan, page 63 & 70

- a) Please define the period of short, mid and medium-term weather forecasts and comment on the general accuracy/usefulness of these longer term weather forecasts.
- b) What impact, if any, has climate change had on the accuracy of these longer term weather forecasts?

1.0-VECC-8

Reference: EGI Gas Supply Plan, pages 29 & 68

- a) The Union and Enbridge rate zones offer different services (i.e. six in the Enbridge and 3 in the Union). From a transportation option perspective there appear to be the similarities in some of these zones. For example Union Northeast and Enbridge EDA are in similar areas and attract similar transportation services. During the term of this gas plan please explain what efforts EGI is making to offer its customers the same type of transportation service in all rate zones.

1.0-VECC-9

Reference: EGI Gas Supply Plan pages 31 & 69

- a) Please explain the methodological difference as between the demand forecasts used in the Enbridge rate zones as compared to the Union rate zones. Please provide the same for the average use methodology.
- b) If there are differences please explain why the Utility is not using a single consistent methodology for all franchise areas.
- c) Are the conclusion of the regression analysis shown at page 70 for the Union rate zones equally true of the Enbridge zones?

1.0-VECC-10

Reference: EGI Gas Supply Plan, page 75.

- a) Please explain the role, if any, of the Hagar LNG facility in the gas supply plan. Is/can this asset be used to lower UDC?
- b) Please explain the purpose of the Hagar facility when it was first installed by Centra Gas.

1.0-VECC-11

Reference: EGI Gas Supply Plan, pgs. 38, Table 5 & 77 Table 24

- a) Please explain why EGI does not source "U.S. Mid-Continent" for its CDA zone?
- b) What are the delivery points for "U.S. Mid-Continent" gas?
- c) Please amend Table 5 (pg.38) to show supply to the two Enbridge zones similar to that shown in Table 24 for the various Union zones.

1.0-VECC-12

Reference: EGI Gas Supply Plan, page 81

- a) What 151 day period is used under the aggregate excess methodology to compare to the difference of November 1 to March 31?

1.0-VECC-13

Reference: EGI Gas Supply Plan, page 82

- a) Why does EGI's Union North East experience UDC whereas Enbridge EDA which has access to similar or the same transportation options does not?

1.0-VECC-14

Reference: EGI Gas Supply Plan, pgs. 48 - & 85-

- a) Given the similar proximity of Enbridge EDA and Union EDA (North East) why is there not a single transportation gas supply plan for this region?
- b) If there is not a single plan how is EGI ensuring that the resulting supply-transportation arrangements are optimal as compared to a single plan which might provide more asset flexibility?

1.0-VECC- 15

Reference: EGI Gas Supply Plan, pgs. 60 & 98

The following scenario analysis tables were provided for the former Enbridge and Union rate zones:

	Rate Zone	Demand (% Change in Vol)	Portfolio Cost (% Change in Portfolio Cost)
High Price	EGD	+9%	+77%
Low Price	EGD	-7%	-17%

	Rate Zone	Demand (% Change in Vol)	Portfolio Cost (% Change in Portfolio Cost)
High Price	Union North West	+14%	+35%
	Union North East	-	+39%
	Union South	+7%	+46%
Low Price	Union North West	-5%	-31%
	Union North East	-15%	-11%
	Union South	-10%	-33%

- a) The results are significantly different both in demand (for example Union South and EGD) and especially with respect to portfolio cost. (+77% compared to -33%). Leaving aside the Union North West, please explain the reasons for the significant variances.

1.0-VECC-16

Reference EGI Gas Supply Plan, pgs. 63- & 101-

- a) The two former utilities have identical procurement policies with the following exception:
- Enbridge includes “*For contract terms shorter than one month*” – Union franchise does not include this term.
 - Union includes “*Price trigger contracts are a hybrid of fixed and index contracts. Initially, the contract is index and EGI has the right to fix the price over the contract term*” – Enbridge franchise does not include this term.

Please explain the reason(s) for the differences in procurement policies.

1.0-VECC-17

Reference: EGI Gas Supply Plan, page 107, Appendix J

a) Please comment on the inclusion as a gas supply plan metrics/objectives of:

- minimizing UDC;
- a unified/integrated gas supply by the year 2024 which integrates supply for all zones (or in the alternative moves to integration through the combining of all eastern franchises);
- a single demand forecast methodology; including a single average gas use methodology;

End of document