

REF: Exhibit B / Tab 1 / p. 6

Preamble: EGI's evidence states: *"As part of the MAAD's Decision and Order dated August 30, 2018 on the amalgamation of Enbridge Gas Distribution and Union Gas (EB-2017-0306), Enbridge Gas Inc. was directed to file a report on the issue of Unaccounted for Gas for both the legacy Union Gas and legacy Enbridge Gas Distribution service areas by December 31, 2019. Among the objectives of the UAF study is an analysis of UAF causes to identify possible points of gas losses and to review functional capabilities of the measurement system used to produce UAF values."*

We would like to understand better what EGI was doing in 2018 to find and mitigate sources of UAF.

- 1) Please describe the initiatives undertaken in 2018.
 - a) What was learned?
 - b) What material reductions were achieved?

REF: Exhibit B / Tab 1 / p. 21

- 2) Please provide the background provided by the OEB in billing its assessment.
 - a) Was the quantum of costs allocated associated in any way with the OEB's needs to hear and determine the merger of the two utilities while regulating the separate utilities?
 - i) If so, please provide factors and allocations
 - ii) If not, please provide the company's position on why the corporation should not bear some cost responsibility.

REF: Exhibit B / Tab 1 / Appendix A/ Schedule 2

Preamble: We would like to understand more about the evaluation process and range of parameters that EGD has received in this process. Specifically, please provide the deliverability parameters or curves that EGD would have seen in RFP process.

- 3) Using the Blind RFP process in place at the time for contracts acquired in 2017 for 2018 utilization, please provide EGI third party storage contract parameters and their respective rates without identifying counter-parties.

- a) Please provide the results of blind RFP for storage services that were used to contract for 2018 initiated contracts.

REF: Exhibit B / Tab 1 /Appendix A/ Schedule 2

Preamble: We would like to understand better the seasonality of the reported transactional revenue.

- 4) Please provide the monthly figures for the reported years.

REF: Exhibit B / Tab 2 /Appendix B/ Schedule 3

- 5) Please provide the monthly percentage targets that EGD used in 2018?
 - a) Please add any criteria that EGD uses during the shoulder seasons of fall and spring.

REF: Exhibit B / Tab 2 /Appendix B/ Schedule 4/ Table 1 & p. 4

- 6) Given the significant underspend in the System Improvements and Upgrades category, what will the 2020 Revenue Requirement impact be of this quantum of underspend?
 - a) What factor(s) has (ve) changed in EGI prioritization that results in the \$21M underspend in service replacements? Please describe fully including impacts on future expenditures.

REF: Exhibit B / Tab 2 /Appendix B/ Schedule 4/ p. 2

- 7) How much of the total cost of storage investment was allocated to the non-utility storage?
 - a) Please provide the basis for that allocation specifically given the benefits of these expenditures to on-going and reliable storage services from an integrated operation.

REF: Exhibit B / Tab 2 /Appendix C/ Schedule 1/ p. 5

Preamble: EGI evidence states: *"Property/asset use revenue 3rd party To eliminate asset use revenue (RP-2002-0133) and rental revenue from Tecumseh farm properties considered to be non-utility. (EBRO 464 & 365)*

We would like to understand this distinction better

- 8) Please produce the specific reference from the Board's decisions in EBRO 464 & 365 which distinguished this income as non-utility.

REF: Exhibit B / Tab 2 /Appendix D/ Schedule 2

- 9) Please provide a more detailed description of the reduction in the Other category and a breakdown to any components that were reduced significantly.

REF: Exhibit B / Tab 2 /Appendix F/ p. 5

Preamble: We would like to understand better the company's response to not meeting a Service Quality Indicator.

- 10) What did EGI change as a result of not meeting the Board standard?

REF: Exhibit C / Tab 1 / p. 2

- 11) With more Dawn discretionary purchases in the Union portfolio, how will EGI measure the efficacy of purchasing strategies (e.g., planned vs. spot purchases) between the legacy EGD and Union gas supply plans (e.g., reduction in planned UDC, etc.)?

REF: Exhibit C / Tab 1 / p. 6

- 12) Please provide a breakdown of the capacity and cost of UDC budgeted, capacity released and revenue realized by month for each of the North West and East.

REF: Exhibit C / Tab 1 / p. 7

Preamble: We would like to understand better the management of asset optimization of the utility.

- 13) At the end of 2018, did EGI have two separate departments to optimize the gas supply portfolios of the legacy EGD and Union?
- a) How is the company actively pursuing synergies to minimize ratepayer cost in sharing delivery rights or asset capabilities?

REF: Exhibit C / Tab 1 / p. 9-12

Preamble: We would like to understand better the management of short-term storage and other services of the utility with respect to non-utility operations.

- 14) Is the department that sells short-term storage and other service separate and distinct from the non-utility?
- a) If not, does the same person provide pricing for:
- i) short-term storage for the utility and non-utility?
 - ii) park, loan and other short term services for the utility and non-utility?
 - iii) how do they distinguish which entities assets provide the service?
- b) Please provide an organization chart that shows the respective utility and non-utility departments.
- i) What barriers are there to inhibit information flow that could lead to conflict of interest? Please describe.
 - ii) Please describe the legacy Union Operational Status Traffic Light system.
 - (1) What department has authority to change the traffic light colour?
 - (2) What specific criteria or methodology is used to change the light from green to yellow:
 - (a) In the fall for injections?
 - (b) In the spring for withdrawals?
 - (3) What specific criteria or methodology is used to change the light from green to yellow:
 - (a) In the fall for injections?
 - (b) In the spring for withdrawals?
- 15) For the past 4 years, please provide the dates that the Operational Status light for storage.

- 16) Please produce the webpage describing EGI's park services found at <https://www.uniongas.com/storage-and-transportation/services/storage/park>
- a) Under Receipt and Delivery Points, a bullet states: "Other system points are negotiable with a hyperlink to the Storage & Transportation system map."
 - i) Please produce that map.
 - ii) Please identify the alternate points for receipt and delivery.
 - iii) Please describe how EGI provides this service.
- 17) For what period is the 2018 storage requirement determined i.e., the 2017/18 gas supply plan, 2018/19 plan or using the 2018 volume forecast and calculating an imputed storage allocation?
- a) Using the other timeframes (not the one used for the calculation), what amount of storage would the aggregate excess formula determine as the storage need?

Preamble: EGI evidence states: *"During the 2018 injection season, the non-utility storage balance peaked on October 16, 9 2018 at 88% full with a balance of 98.1 PJ compared to available space of 111.8 PJ."*

- 18) For the total of 111.8PJ of storage, please provide how much is:
- a) Former Union Gas legacy storage
 - b) Former EGD (Tecumseh) legacy storage
 - c) Other storage outside of Ontario
 - i) For storage outside of Ontario, please describe the assets used, and the ownership of those assets, to move gas to and from Dawn.
 - ii) Please provide a detailed description or preferably policy that ensures that former Union or EGD legacy is accountable to the same priority of service as any other contract held by a non-utility or third-party entity.

REF: Exhibit C / Tab 1 / p. 21

- 19) Please provide the calculation (data and source) used for the calculation of the storage space needed/allocated to in-franchise customers for the 2017/18 Gas Supply plan.
- a) For what period are the space requirements intended to be sufficient for?
 - i) Please show the data and calculation for the base storage space and the determined NAC storage space.
 - b) Please provide the calculation for the deliverability required from that storage as determined in the 2017/18 Gas Supply plan.
 - i) How is the cost of deliverability calculated?
 - ii) What was the cost allocated for space and deliverability?

- 20) Please provide the same data (and source) for the calculation of the storage space needed/allocated to in-franchise customers for the 2018/19 Gas Supply plan.
- a) For what period are the space requirements intended to be sufficient for?
 - b) Please provide the calculation for the deliverability required from that storage as determined in the 2018/19 Gas Supply plan.
 - i) How is the cost of deliverability calculated?
 - ii) What was the cost allocated? For space and deliverability
- 21) For the purposes of determining the costs of storage space and deliverability for an aggregate excess calculation for 2018, and the resulting deferral account disposition, how are these amounts determined and costed?

REF: Exhibit C / Tab 1 / p. 29-30

- 22) Please provide the historic actual UFG? What has EGI done to investigate the source of the high incremental UFG?
- a) What is the source of the monthly heat value that Union uses for DP customers?
 - b) Please provide the monthly values for the EDA for the last 4 years.
 - c) Please describe steps that EGI has undertaken over time to reconcile volume and energy received with TCPL.
 - i) Specifically, what has EGI done to verify heat values that are provided by TCPL?

REF: Exhibit C / Tab 1 / p. 41-42

Preamble: EGI evidence states: *“Exhibit C, Tab 1, Appendix A, Schedule 9 provides the calculation of the Parkway Obligation Rate Variance deferral account balance. The calculation of the deferral account balance is consistent with the 2014 Rates PDO Settlement Framework.”*

- 23) Please provide the expected recording of this evolution in the Board-ordered framework to track the costs and benefits of the PDO framework as outlined in EB-2017-0306.

REF: Exhibit C / Tab 1 / p.44 / Table 14

Preamble: We would like to understand better the determination of this variance including the volume variance as it relates to the company's assurance that customer supplied fuel meets actual fuel required?

- 24) Did EGI reconcile customer supplied forecasts with actual for a true-up with customers on a regular basis?

25) Please provide a more detailed calculation of the price variance.

- a) Please provide an explanation as to why the quarterly adjustment of fuel provided does not provide for sufficient adjustment to customer supplied volumes over the course of the year?
- b) Please provide the aggregate gas recovered by month and each of the aggregated quarterly adjustment to demonstrate the shortfall.

REF: Exhibit C / Tab 1 / p. 50

26) Please provide the comparable deferral account and balance for the legacy EGD franchise.

- a) If there is none, please provide EGI's perspective on the efficacy of such a charge moving forward.

REF: Exhibit C / Tab 1 / p. 51 and Appendix A, Schedule 10

Preamble: *“By November 2018, the surplus capacity has been deemed to be sold long-term and the revenue credit for November and December 2018 24 is calculated based on the 2018 approved Dawn-Parkway demand rate of \$3.716 GJ/m 25 (30,393 GJ/d x 2 x \$3.716 GJ/m).”*

27) As of November 1st, what was the total amount of Dawn-Parkway sold Long-Term?

- a) What was the total amount of capacity turned back as of Oct. 31/18?
- b) What is the net capacity requirement for D-P capacity for the winter of 2018/19?
- c) As a result, what is the surplus or deficit as of Nov. 1/18? Please clarify whether this amount includes the “deemed to be sold” capacity of 30 TJ/day.

28) Please provide the monthly revenue from all D-P capacity sold either through IT or exchange in 2018?

- a) For each month, please provide the peak daily commitment to each IT and exchange transactions.

29) Please provide the actual revenue generated and percentage of total surplus (columns b and c of Schedule 10)

REF: Exhibit C/ Tab 1/ Appendix A/ Schedule 3

30) Please provide the monthly figures for each of the respective categories of revenue.

- a) Are the O&M costs for 2018 based on 11.3PJ?
 - i) If so, why is this amount appropriate when the actual amount used was 7.6PJ?

REF: Exhibit C / Tab 2/ Appendix B/ Schedule 1/ column b

31) Please provide the values for column b for the years 2014-2018,