

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order or Orders approving a new firm transportation service for gas distributors under the rate M17 rate class, effective December 1 , 2019;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order or Orders modifying the applicability of the existing Rate M9 and Rate T3 rate schedules for existing gas distributors;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in in the Municipality of West Grey and the Township of Chatsworth;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order or Orders approving the form of various land agreements.

Energy Probe

Interrogatories to ENGLP

January 24, 2020

EP-ENGLP-1

Reference: ENGLP evidence, page10

Preamble: “This approach ignores the first step in the EBO 134 test and emphasizes the second step, except Enbridge does not detail how the expansion actually results in an undue impact such that ENGLP should be required to pay a CIAC.”

Question:

- a) Please explain ENGLP’s understanding of the “first step in the EBO 134 test”.
- b) Please provide ENGLP’s calculation of the “first step in the EBO 134 test” showing all numbers.
- c) Please explain ENGLP’s understanding of the term “an undue impact”.
- d) Please provide the threshold number rate impact between due rate impact and undue rate impact.

EP-ENGLP-2

Reference: ENGLP evidence, page 10

Preamble: “ENGLP does not agree that its demand was the sole driver for either the need or the timing of the expansion.”

Question:

- a) Please list all drivers for the need for this project, including load forecast for each driver.
- b) Please list all drivers for the timing of this project including timing date for each driver.

EP-ENGLP-3

Reference: ENGLP evidence, page 15

Preamble: “If the Enbridge policy is to exempt customers from paying a CIAC because an incremental demand at Dawn hub increases the liquidity, then ENGLP can similarly claim an exemption as its increase in demand at Dawn will also proportionately increase liquidity.”

Question:

- a) Please explain how ENGLP increases liquidity at Dawn hub.
- b) Please provide ENGLP’s estimate of liquidity at Dawn with and without ENGLP’s estimated load.

EP-ENGLP-4

Reference: ENGLP evidence, pages 15 and 16

Preamble: “The implication of this approach is that ENGLP is required to fully pay for the expansion capacity that ENGLP requires, but also is required to contribute its proportionate share of all Other Transmission projects that have a $PI < 1.0$. ENGLP notes in contrast, that a 3-stage economic test analysis is offered to Dawn-Parkway expansion capacity contracted by customers in Eastern Ontario, Quebec and the Northeast US”.

Question:

- a) In ENGLP’s opinion what would be a fair way to allocate the cost for expansion capacity between EGI and ENGLP ratepayers?
- b) Please explain ENGLP’s understanding of when it is appropriate for an Ontario natural gas distributor to use a 3-stage economic test analysis and when it is not.

EP-ENGLP-5

Reference: ENGLP evidence, page 16

Preamble: “Also, in response to an ENGLP interrogatory asking for the annual impact to a Union South residential if the CIAC was not recovered from ENGLP, Enbridge noted that the bill impact would be \$0.12, which represents less than 0.1% of their annual bill.”

Question:

- a) Please confirm that ENGLP does not believe that a residential bill impact of \$0.12 is not an undue subsidy.
- b) Please explain what factors the OEB should take into account in determining if a subsidy is undue.

EP-ENGLP-6

Reference: ENGLP evidence, page 21

Preamble: “If in fact Enbridge has reserved the capacity for the Saugeen Project in priority to ENGLP’s request, despite its lack of OEB approval of the Saugeen Project facilities, the implication is that the 3,848 m³/h²⁷ of amount of the expansion capacity required to service ENGLP’s total capacity request, and the related CIAC, is overstated.”

Question:

- a) Does ENGLP believe that EB-2019-0183 Owen Sound and EB-2019-0187 Saugeen projects should not be looked at in isolation due their timing and the impacts of the two projects on system capacity?
- b) Would ENGLP consider filing a motion requesting the OEB to combine the EB-2019-0183 and EB-2019-0187 proceedings?

EP-ENGLP-7

Reference: ENGLP Expert Evidence, page 1

Preamble: “The current proceeding is not only a critical step in completing the South Bruce project, but also a critical step in fleshing out the OEB’s vision of competitive community expansion. A central issue addressed by this evidence is the extent to which the terms and conditions of gas service provided by Enbridge Gas Inc. (“Enbridge”) to new distributors will be compatible with the principles of a level playing field between existing and new distributors. Based on my analysis of the issues I have concluded that the Enbridge Gas proposals, if accepted by the OEB as filed, will establish precedents that will result in an approach that would provide a competitive advantage to existing distributors in any future competitive process.”

Question:

- a) Why should there be a level playing field between existing and new customers in gas distribution in Ontario?
- b) Is there a level playing field between existing and new customers in electricity distribution in Ontario?
- c) Should existing gas customers be required to subsidize the creation of a level playing field that will only benefit new customers?
- d) If competitive advantage enjoyed by existing distributors results in lower rates for existing customers would not existing customers be better off if existing distributors are allowed to retain their competitive advantage?

EP-ENGLP-8

References: ENGLP Expert evidence page 3; *EBO 188 Final Report of The Board, January 30, 1998, page 19*

Preamble: “Unless a standardized Stage 1 PI is established by the OEB, as well as clear guidelines for the Stage 2 and 3 tests, the proposed CIAC would set a precedent by tilting the playing field in favour of Enbridge and it would violate the principle of ensuring that the playing field is as level as practical for competitive community expansions.”

“In order to ensure fairness and equity in the application and design of contribution requirements, the Board finds that all projects must achieve a minimum threshold P.I. of 0.8 for inclusion in a utility's Rolling Project Portfolio”.

Question:

- a) Is Elenchus suggesting that the OEB set a standardized PI number such as it did when it approved a PI of 0.8 in its EBO 188 Final Report of The Board for inclusion of projects in the Rolling Project Portfolio? If the answer is yes, what PI would Elenchus consider appropriate?
- b) Please list the existing guidelines for the Stage 2 and Stage 3 tests and explain how each guideline could be made clear.

Respectfully submitted on behalf of Energy Probe Research Foundation by its consultant,

Tom Ladanyi
TL Energy Regulatory Consultants Inc.