

Ms. Christine Long
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

February 4, 2020

**Re: EB-2019-0194 EGI 2020 Rates
Phase 2 Interrogatories to Enbridge**

Dear Ms. Long:

In accordance with the Board's Decision on Settlement Proposal and Interim Rate Order dated December 5, 2019, please find attached Pollution Probe's Interrogatories for Phase 2 of the 2020 Enbridge Rate proceeding.

Respectfully submitted on behalf of Pollution Probe.

Original signed by

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cc: Mark Kitchen, Enbridge (email via EGIRegulatoryProceedings@enbridge.com)
David Stevens, Aird & Berlis (via email)
Interested Parties (via email)
Richard Carlson, Pollution Probe (via email)

ONTARIO ENERGY BOARD

**Enbridge 2020 Rates
Phase 2**

POLLUTION PROBE INTERROGATORIES

February 4, 2020

**Submitted by: Michael Brophy
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Consultant for Pollution Probe**

Below are the requests on the above noted proceeding from Pollution Probe.

Pollution Probe #1

Reference: Enbridge Asset Management Plan 2019-2028, Section 1.8.9

“EGD’s Community Expansion Strategy is to continue assessing and pursuing opportunities to provide gas distribution service to under-served communities. The process will require submitting applications to the Ontario Ministry of Infrastructure for approval to proceed as well as the subsequent submissions of Leave to Construct (LTC) applications to the OEB”

- a) Please provide details on any additional approval requests Enbridge will make to the OEB in 2020 related to community expansion (e.g. leave to construct)?
- b) For each project, please indicate if the request is incremental to the projects outlined in the above note Asset Management Plan.

Pollution Probe #2

[Exhibit B, Tab 2]

- a) Enbridge is presently requesting Board approval for a \$203.5 million transmission pipeline project through EB-2019-0159 and intends for rate recovery through the ICM mechanism. Please provide project details and explain how this \$203.5 million amount is factored into the incremental capital module details included in this proceeding.
- b) If the OEB does not approve Enbridge’s request in EB-2019-0159, how will this impact the ICM?
- c) Please explain how Enbridge determines what projects to include as incremental projects and why a business case for the above noted project was not included in the filing.
- d) Please provide the status of all projects proposed to be funded under the ICM that require additional OEB approvals.

Pollution Probe #3

Reference: In EB-2019-0159 Enbridge Gas brought forward an IRP Proposal¹

- a) Please explain what integrated resource planning (IRP) considerations Enbridge included in development of its Utility System Plan and/or Asset Management Plan.
- b) If Enbridge did not include IRP considerations in development of its Utility System Plan and/or Asset Management Plan, please explain why these issues were not considered.

Pollution Probe #4

[Exhibit B, Tab 3, Sch. 1]

- a) Prior to implementing the e-billing changes in 2019, did Enbridge undertake a best practice assessment? If so, please provide a copy of any best practice reports commissioned or reviewed.
- b) Please provide any materials and presentations that Enbridge has that supports its decision to convert customers to e-bill without express consent.
- c) Enbridge indicates that behavioral science supports using e-billing as a default option. Please explain if Enbridge believes that there is a difference between a default option for a new customer and switching an existing customer without consent. If so, please explain the difference.

Pollution Probe #5

Reference: UAF Report

- a) Please file a copy of the RFP and contract scope for the UAF Report.
- b) Please provide a list of the firms that were considered for development of the UAF Report and the criteria for selecting Scott Madden Management Consultants.
- c) Did Scott Madden Management Consultants identify “best practices” or just industry “practices”? If “best practices” were identified, please provide all material related to these best practices identified by Scott Madden Management Consultants.

¹ EB-2019-0159 Exhibit A Tab 13

- d) *Please provide all decks related to UAF provided by Scott Madden Management Consultants.*
- e) Please describe how carbon pricing is applied to UAF natural gas and how those costs are allocated to Ratepayers
- f) The study indicated a legacy Union and legacy EGD average UFG level of 0.31 percent and 0.81 percent of gas receipts, respectively, over the past 10 years. Please provide the cumulative total dollar value of these UFG volumes.
- g) Please provide an explanation why the “gas station meter variation” for legacy Enbridge is 33 times that of legacy Union.
- h) Please provide an explanation of how Enbridge allocates UAF to Ratepayers vs. Affiliate transactions.

Pollution Probe #6

Reference: UAF Report page 33

“Enbridge has an ongoing effort to identify and standardize “best practices” across the legacy Companies”.

- a) Please provide a summary of the “best practices” Enbridge has identified and standardized across the legacy companies.
- b) Please provide a summary of the “best practices” Enbridge has identified, but not yet standardized across the legacy companies.
- c) Does Enbridge have a policy outlining the frequency of UAF review at the utility? If so, please provide a copy of this policy.

Pollution Probe #7

Reference: UAF Report pages 48 and 49.

“Legacy Union’s UFG forecast is based on forecasted throughput volumes multiplied by a UFG ratio, currently approved by the Ontario Energy Board for rate-setting purposes to be 0.219 percent.”

“Legacy EGD uses a regression model to forecast the UFG which relies on the total number of unlocked customers as its primary explanatory variable to proxy for the size of the distribution system.”

- a) Does Enbridge plan to harmonize the approach for forecasting UFG? If so, please explain which approach Enbridge intends to use and why this is the best approach for the combined utility.
- b) In Phase 1 of this proceeding Enbridge confirmed that it will undertake an assessment of its regression model. Please confirm that use of the model for UFG will be in scope for this assessment.