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February 4, 2020

Delivered by Email, RESS & Courier

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

Dear Ms. Long:

Re: Enbridge Gas Inc. 2020 Rates Application
Interrogatories of the Association of Power Producers of Ontario ("APPrO")
Board File No. EB-2019-0194

In accordance with the Decision on Settlement Proposal and Interim Rate Order dated December 5, 2019, please find attached APPrO'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
John Wolnik, Elenchus Research Associates Inc.
All Parties to EB-2019-0194

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, ch. 15 (Schedule B) (the “**Act**”);

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an order or orders made pursuant to section 36(1) of the Act approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of natural gas, commencing January 1, 2020.

EB-2019-0194

Interrogatories

To

Enbridge Gas Inc. (Enbridge)

From

The Association of Power Producers of Ontario (APPrO)

February 4th, 2020

Exhibit B: Rate Setting Mechanism

B-APPrO-1

Reference: Exhibit B Tab 1 Schedule 1 Appendix C

Preamble: Enbridge discusses the individual systems that were the subject of the cost allocation study. To account for certain major capital projects, Enbridge Gas is seeking Board approval of cost allocation methodology changes to the Panhandle System and St. Clair System, Parkway Station and Dawn Station.

Question:

a) Please provide a map for each system that clearly illustrates the assets that are subject to the cost allocation study and how such assets integrate into the surrounding assets.

B-APPrO-2

Reference: Exhibit B Tab 1 Schedule 1 Appendix C Table 1

Preamble: In Table 1, Enbridge provides a summary of the results of the 2019 cost allocation study directive using Board-Approved cost allocation methodologies and the proposed cost allocation methodologies provided in response to the Board's directive and as described in this evidence.

Enbridge proposes to defer the implementation of the cost allocation study until 2024. APPrO would like to understand the average customer impacts of the net revenue deficiency/sufficiency if the Board was to order Enbridge to instead implement the results of the proposed cost allocation methodology in the test year.

Questions:

a) Please provide an estimate of the difference in the annual costs for an average customer within each rate class as noted in Table 1, using the current rates and an estimate of the rates that would result if the Board were to require Enbridge to incorporate the proposed new revenue deficiency/sufficiency as noted in Table 1.
b) Please provide an estimate of the difference in annual costs for a T2 customer who has contracted for 3,000,000 m^3/d of capacity, using the current rates and an estimate of the rates that would result if the Board were to require Enbridge to incorporate the proposed new revenue deficiency/sufficiency as noted in Table 1.
c) Similarly for a M12 customer, please provide an estimate of the annual cost impact to a customer who has contracted for 120,000 GJ/d of capacity under current rates, and an estimate of the rates that would result if the Board were to require Enbridge to incorporate the proposed new revenue deficiency/sufficiency as noted in Table 1.
d) Please indicate if the annual costs noted in b) and c) above are reasonably linear for customers with more or less capacity under contract. If not, please explain clearly why not.

B-APPrO-3

Reference: Exhibit B Tab 1 Schedule 1 Appendix C Section 3.1
EB-2016-0186 Exhibit B.FRPO.6 c)

Preamble: In paragraph 28 of Reference i) Enbridge states that the C1 capacity on the Panhandle System is only being allocated for 214 days of the year, since during the winter months the imported gas is being used in the Windsor market. APPrO would like to better understand the rationale behind this logic.

Questions:

a) Please confirm that the Panhandle System includes:
   i. a transmission main between the international border and Ojibway
   ii. a transmission main between Ojibway and Dawn
   iii. Sandwich Compressor Station, metering and other station piping.

   If not confirmed, please explain.

b) Please provide the maximum import capability at Ojibway.
c) Please provide a list of the C1 import contracts at Ojibway, the respective contract capacities and the contractual delivery point. Please indicate if the sum of these capacities were used to allocate costs to C1, or if some other capacity was used.
d) Please confirm that for the contracts noted in c) above that Enbridge is obligated during the term of the contract to deliver gas to Dawn or another delivery point on a firm basis each day of the contract not just during the summer months.
e) Please provide the amount firm capacity that is used by Enbridge to secure system gas supplies imported at Ojibway.
f) Please explain if these system gas supplies imported at Ojibway attract any costs in the cost allocation methodology. Please explain why, or why not, and quantify the specific costs (if any).
g) Please provide the import capacity that is being used to allocate costs to C1. Please explain any differences between this capacity and the capacity referred to in Reference ii) and in the response to b) above.
h) Enbridge does not appear to explicitly indicate if the costs of the transmission mains between the international border and Ojibway are directly allocated to C1, as is done with the St. Clair and Bluewater pipelines. Please explain if such costs are directly allocated, and if not, why not.

B-APPrO-4

Reference: Exhibit B Tab 1 Schedule 1 Appendix C Section 3.1

Preamble: Enbridge states that the demand costs related to Enbridge's contracted capacity on the St. Clair Pipelines LP system is included in the demand costs of Enbridge's St. Clair System (i.e. the St Clair and Bluewater pipelines).

Questions:

a) Please explain why the demand costs of a third-party pipeline system are included in Enbridge's St. Clair demand costs.
b) Please provide the maximum import capacity of each of the St. Clair and Bluewater Pipelines and the capacity under contract by Enbridge.
c) Please provide Enbridge's usage history graph for each of the St. Clair Pipelines and the Bluewater Pipeline both by Enbridge and third parties for each of the last 5 years.

B-APPrO-5

Reference: Exhibit B Tab 1 Schedule 1 Appendix C Section 3.1

Preamble: Enbridge states that the Parkway measuring and regulating costs are allocated in proportion to the bidirectional design day demands.

Question:

a) Please provide the easterly and westerly design day flows at Parkway and explain how these are determined.

B-APPrO-6

Reference: EB-2017-0306/EB-2017-0307 Decision and Order dated August 30, 2018, amended September 17, 2018 (the “MAADs Decision”)

Preamble: Page 41 of the MAADs Decision states:

“**OEB Findings**

Amalco is expected to prepare and file a comprehensive cost allocation proposal to be filed with its next rebasing application following the five year deferred rebasing period.

However, the OEB is concerned about the cost allocation issues raised by parties for Union Gas’ Panhandle and St. Clair systems. The OEB therefore requires Amalco to file a cost allocation study in 2019 for consideration in the proceeding for 2020 rates that proposes an update to the cost allocation to take into account the following projects: Panhandle Reinforcement, Dawn-Parkway expansion including Parkway West, Brantford-Kirkwall/Parkway D and the Hagar Liquefaction Plant. This should also include a proposal for addressing TransCanada’s C1 Dawn to Dawn TCPL service. The OEB accepts that this proposal will not be perfect, but is intended to address the cost allocation implications of certain large projects undertaken by Union Gas that have already come into service.”

Questions:

a) Please explain how the OEB’s concerns about the cost allocation issues raised in the MAADs Decision are being addressed if Enbridge defers rate changes to Enbridge’s next rebasing in 2024?