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VIA RESS and EMAIL

May 27, 2020

Ms. Christine Long
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0066 – Enbridge Gas Inc. (“Enbridge Gas”) – Voluntary
Renewable Natural Gas (“RNG”) Program Application
Interrogatory Responses**

In accordance with the Ontario Energy Board’s (the “Board”) Procedural Order No. 1 for the above noted proceeding, enclosed please find Enbridge Gas’s interrogatory responses.

This submission has been filed through the OEB’s RESS and will be available on Enbridge Gas’s website at:

<https://www.enbridgegas.com/Regulatory-Proceedings>

Should you have any questions on this matter please contact the undersigned.

Sincerely,

(Original Signed)

Brandon Ott
Technical Manager, Regulatory Applications

Cc: David Stevens, Aird & Berlis LLP
All Interested Parties EB-2020-0066

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, p. 2 #5
Exhibit C, Tab 2, Schedule 1

Enbridge Gas states "As highlighted in Exhibit C, Tab 4, Schedule 1, market research suggests that 46% of customers will support a voluntary RNG program and are willing to contribute \$2 per month where no RNG volume commitment is specified." Enbridge Gas did not file an 'Exhibit C, Tab 4, Schedule 1', but it appears that the market research report in question was filed under 'Exhibit C, Tab 2, Schedule 1.' The IPSOS market research report indicates that some customers would be willing to pay \$2.00, \$5.00 or \$10.00 per month.

Question:

1. Please file Exhibit C, Tab 4, Schedule 1, or confirm that this reference should have been Exhibit C, Tab 2, Schedule 1.
2. Given that there is support from customers to pay \$5 or \$10 per month, please explain why Enbridge Gas chose to design the Program based on \$2.00 per month, rather than providing customers with a choice of whether to pay \$2.00, \$5.00 or \$10.00 per month?

Response

1. The reference to Exhibit C, Tab 4, Schedule 1 was correct, however this evidence was erroneously filed with a header labelled as Exhibit C, Tab 2, Schedule 1 (which is the reference to the Company's Participant Forecast in pre-filed evidence). A correction has been filed under separate cover concurrent with interrogatory responses.

2. While the market research conducted indicates that there is support from customers to pay \$5 or \$10 per month towards having a portion of the natural gas they consume in the form of RNG, the actual experience seen in other jurisdictions where voluntary RNG programs are offered does not support this finding. As such, Enbridge Gas has opted to initiate the Program at \$2.00 per month. The Company may consider adding additional price options to the Program at a future date subject to experience delivering the Program and customer interest.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit A, Tab 2, Schedule 1, p.1 # 3

Enbridge Gas states that in the November 2018 Made-in-Ontario Environment Plan, the Ontario Government's plans to meet Ontario's 2030 GHG target include increased use of clean fuels such as RNG and increased access to clean and affordable energy for families. Enbridge Gas states that "Taking these items into account, the Made-in-Ontario Environment Plan requires natural gas utilities to implement a voluntary RNG option for customers."

Question:

1. Please confirm that the Ontario Government has not passed legislation or regulation requiring natural gas utilities to implement a voluntary RNG program for customers.
2. Has Enbridge Gas had discussions with the Ontario Government indicating that it is considering legislation or regulation requiring natural gas utilities to implement a voluntary RNG program in the near future? If such discussions have taken place, please provide details in the form of exchanged communications, draft agreements, or similar.

Response

1. Confirmed.
2. Enbridge Gas has had discussions with representatives of the Ontario Government with respect to how a Voluntary RNG program could be structured and has made these individuals aware of the details of its Voluntary RNG Program proposal now before the Board. Enbridge Gas has not discussed possible legislation or regulations that would require natural gas utilities to implement voluntary RNG programs.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit A, Tab 2, Schedule 1, p. 2 #4
Exhibit B, Tab 1, Schedule 1, p. 5-6 #11-16
Exhibit B, Tab 2, Schedule 1, p. 8-9 #28, 29

In September 2011, Enbridge Gas Distribution Inc. and Union Gas Limited (the Utilities) filed applications with the OEB seeking approval for rates for the sale of natural gas that included the cost consequences of the purchase of RNG (referred to as "biomethane" in EB-2011-0242/EB-2011-0283). The OEB combined the applications into a single proceeding, and in its EB-2011-0242/EB-2011-0283 interim Decision, the OEB found that the Utilities had not provided enough evidence concerning some necessary elements of the program.

Enbridge Gas states that to the degree large commercial and industrial customers are interested in purchasing RNG, this opportunity exists in the market today. Enbridge Gas also notes that at present it is aware of one gas marketer offering a voluntary RNG program in Ontario, although this provider's offer is different from Enbridge Gas' proposed Program. Enbridge Gas states that it is of the view that its proposed Program does not compete with energy marketers that may attempt to offer an RNG supply option in the future, as gas marketers that seek to make RNG offers available in Ontario will be free to do so.

Question:

1. The EB-2011-0242/0283 interim Decision stated the following: "The Board concludes that the voluntary approach would be inappropriate. Such an approach would effectively place the utilities in the position of competing directly with marketers, as opposed to their current role, which is essentially that of default supplier. The Board concludes that this would be an inappropriate distortion to the competitive market" [interim Decision, p. 23]
The EB-2011-0242/0283 interim Decision also stated that "... to the extent the costs are borne by system gas customers, they should be borne by all system gas

customers and the distributors themselves should not run voluntary programs.”
[Interim Decision and Order; pg. 24].

- a. Please explain whether Enbridge Gas believes that offering RNG is a competitive industry in Ontario.
 - b. Please explain why it is appropriate for Enbridge Gas’ Voluntary RNG Program to be undertaken by the regulated utility business.
 - c. Please explain how Enbridge Gas’ proposed Voluntary RNG Program would not lead to an inappropriate distortion of the competitive market.
 - d. Please clarify why Enbridge Gas states its proposed Program does not compete with energy marketers that may attempt to offer a similar RNG supply option in the future.
 - i. Please discuss what examinations Enbridge Gas has performed to evaluate the impact of this Program on the retail market.
 - e. Please identify and discuss other regulators that have approved a similar Voluntary RNG Program that was part of the natural gas distributor’s regulated business.
2. The EB-2011-0242/0283 interim Decision summarizes the Utilities’ objections to implementing a Voluntary RNG Program: “The companies objected to a voluntary program, for three primary reasons: they do not have the marketing expertise to pursue such an approach; there is too much uncertainty around the level of take up to underpin the purchase commitments; and it would place them in direct competition with gas marketers with similar programs.” These views are also articulated in the Transcripts of the EB-2011-0242/0283 proceeding. [Transcript, vol 2, p.125-6], [Transcript, vol 3, p.126-130], [Transcript, vol 7, p.22-26]
 - a. Please explain whether Enbridge Gas’ marketing expertise to pursue such an approach has improved.
 - b. Please explain whether and why Enbridge Gas believes there is increased certainty around the level of uptake to underpin RNG purchase commitments.
 - c. Please explain why Enbridge Gas is now of the view that a Voluntary RNG program would not place Enbridge Gas in direct competition with gas marketers with similar programs.

Response

1.

- a) Enbridge Gas acknowledges that gas marketers may choose to supply RNG to consumers in Ontario. In that sense, the sale of RNG has the potential to be a competitive market activity. However, as described below, Enbridge Gas does not believe that a limited offering of RNG as a very small portion of a customer's overall gas supply cost is an option currently available or likely to be available in the market.

Enbridge Gas does not believe that the Voluntary RNG Program will distort the competitive market. Currently, more than 95% of Enbridge Gas general service customers receive their gas supply from Enbridge Gas, and approximately 5% of Enbridge Gas general service customers receive their gas supply from gas marketers. A customer who chooses to purchase their natural gas from a gas marketer must opt to receive all their gas supply in that fashion. No gas marketer is currently offering customers the opportunity to purchase only a very small portion of their gas supply as RNG. It does not seem likely that this would be a future offering because of the limited financial benefits that a marketer could achieve, especially where a customer demands that the rest of its gas supply be priced at or around the system gas price.

- b) Enbridge Gas believes that its Voluntary RNG Program can benefit competitive gas marketer options in the future. First, the Program will enhance customer awareness of RNG as an option. Customers who are looking to increase their use of RNG can then turn to marketers for additional or enhanced RNG options. Second, the Program will increase demand for RNG, which will give developers confidence to proceed with new projects that will enhance RNG supply options. This will help support a more robust RNG market to supply Ontario consumers interested in RNG. Enbridge Gas's regulated business relates to the sale, distribution, transmission and storage of gas. RNG is included in the definition of "gas". As such, the sale of RNG by Enbridge Gas is a regulated activity, appropriately carried out within the regulated utility.

In addition, the Province of Ontario's Made in Ontario Environment Plan plainly states that it will require natural gas utilities to implement voluntary renewable natural gas options for customers (Exhibit C, Tab 4, Schedule 2, page 33). Given the Government's policy statement, Enbridge Gas believes it

is appropriate to conduct its Voluntary RNG Program as a regulated utility business activity.

- c) Please see a) above.
- d) As set out in Exhibit B, Tab 2, Sch. 1 Enbridge Gas is of the view that the Program does not compete with energy marketers that may attempt to offer an RNG supply option. Rather, it will become a complementary offering that would provide Ontario consumers with a renewable energy option that does not exist today. Gas marketers that seek to make RNG offers available in Ontario will be free to do so. Much like in the marketing of traditional natural gas, gas marketers will also have the freedom to design unique and innovative RNG products for customers that go beyond the scale, scope and format of Enbridge Gas's Program (e.g. RNG contracts providing 100% of a customer's consumption as RNG, contracts with fixed commodity prices over set terms, etc.). Further, the Program does not preclude existing direct purchase customers from approaching their current suppliers or RNG producers in pursuit of RNG supply, utilizing existing direct purchase and transportation services to facilitate delivery.
- e) The Michigan Public Service Commission ("MPSC") approved a similar voluntary RNG program for DTE Gas Company in 2012 on a pilot basis, which then was approved as a permanent program in 2015 (Case No. U-17628)¹. DTE Gas Company's BioGreenGas Program² provides natural gas customers the opportunity to pay a premium of USD \$2.50 per month to support the development and advance the utilization of renewable natural gas.

The BioGreenGas Program is now part of DTE's Rate Book³ as a rider, and participating customers are still required to pay the full applicable renewable energy surcharge necessary to facilitate compliance with Michigan's energy portfolio standard.

Like Enbridge's Voluntary RNG Program, the BioGreen Gas Program enables the blending of RNG into the utility's traditional natural gas supply mix serving all customers.

¹ https://www.michigan.gov/documents/mpsc/u-17628_4-23-15_569241_7.pdf

² <https://newlook.dteenergy.com/wps/wcm/connect/dte-web/home/service-request/residential/renewables/biogreen-gas>

³ https://www.michigan.gov/documents/mpsc/dtegas1cur_573672_7.pdf

For further discussion of RNG programs available in other jurisdictions please see Exhibit C, Tab 3, Schedule 1.

2.

- a) Enbridge Gas has been engaged in marketing activities for many years and has continued to develop new marketing channels and the expertise required to successfully promote the Company's Voluntary RNG Program. Enbridge Gas is confident that it has the marketing expertise needed to publicize and promote a modest voluntary RNG offering that is targeted to have an initial uptake of less than 20,000 customers.
- b) As noted in Exhibit B, Tab 2, Sch. 2 the Company's RNG procurement plan will require Enbridge Gas to seek enrollment from customers first, then approach the marketplace and use the forecast funds from enrolled participants to purchase RNG. Subsequent to the initial purchase of RNG, Enbridge Gas will continue to procure RNG using funds available from forecast proceeds at intervals (procurement intervals) determined based on market conditions and funds collected. This strategy is designed to maximize the degree of certainty around the level of uptake to underpin RNG purchase commitments.
- c) Please see the response to 1 d) above.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, p. 3 #8 & p. 7 #9
Exhibit B, Tab 2, Schedule 2, p.1-2 #3

Enbridge Gas states that it forecasts procurement of 6,047 GJ of RNG in the first 12 months of the Program. Enbridge Gas also notes that it is aware of two RNG production facilities currently under construction in Ontario and several more in the planning stage. Enbridge Gas further states that it is "...aware of a number of RNG producers in Ontario expected to be in-service in 2020 and 2021 respectively and expects there will be volumes of RNG available in the market."

Question:

1. Please describe Enbridge Gas' understanding of the availability of supply and pricing of RNG in Ontario and neighbouring jurisdictions. Please provide any documentation or materials related to this understanding, including but not limited to studies, research, reports, and market scans.
2. Please describe how Enbridge Gas will ensure that its RNG procurement plan for customers participating in the Voluntary RNG program would ensure procurement of the least cost RNG available on the market

Response

1. **Supply:** Enbridge Gas noted in pre-filed evidence its awareness of two RNG production facilities currently under construction in Ontario and several more in the planning stage of development. The first of these facilities is the City of Toronto Dufferin RNG facility. For additional details please see the following link (<https://www.toronto.ca/services-payments/recycling-organics-garbage/solid-waste-facilities/renewable-natural-gas/>). The second RNG production facility under construction in Ontario is an expansion of the existing Storm Fisher biogas facility

near London, Ontario. Beyond these two facilities Enbridge Gas personnel have been involved in discussions concerning the development of thirty-five potential RNG production facilities that could be constructed in Ontario over the next five years. Enbridge Gas is also aware of one facility currently producing RNG in Ontario.

With respect to RNG supply in other Provinces, the Canada Biogas Association website has an interactive map of Canada with the locations of the different RNG projects. A screenshot of this map has been provided as Attachment 1 to this interrogatory, while the interactive map itself can be found at the following link:

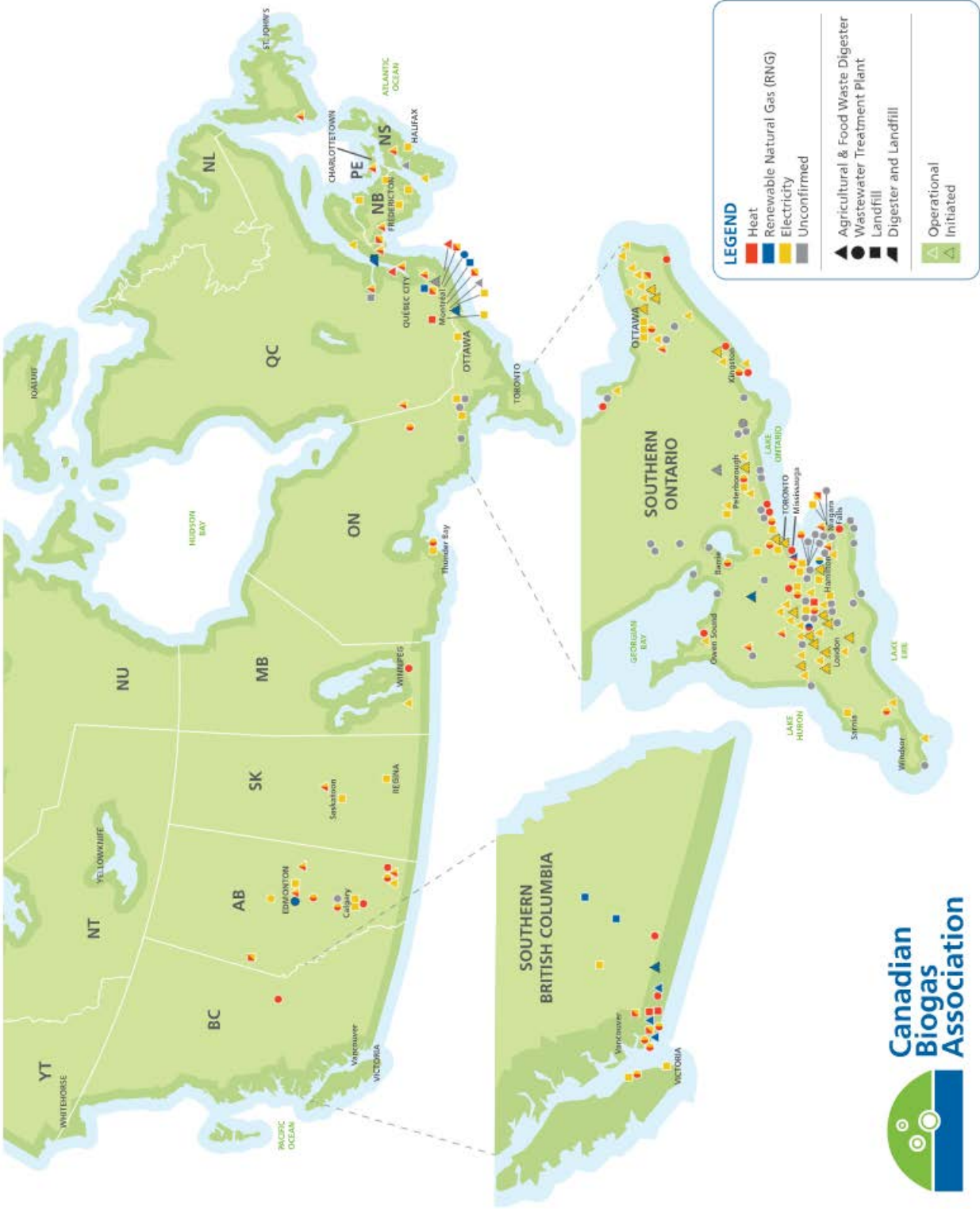
https://biogasassociation.ca/about_biogas/projects_canada

Pricing: Transactional pricing for RNG is not available as this information is typically confidential. The following sources provide a range of prices.

- i) "Renewable Natural Gas Developments in Ontario: An Evolving Outlook" August of 2017, prepared by the Canadian biogas association page 15 of the report indicates a price of \$21/GJ.
https://www.biogasassociation.ca/images/uploads/documents/2017/rng/RNG_Ontario_Outlook_Aug_2017.pdf
- ii) The British Columbia Clean Energy Act Greenhouse Gas Reduction (Clean Energy) Regulation under section 3.8 sets out a maximum price of \$30/GJ
http://www.bclaws.ca/civix/document/id/complete/statreg/102_2012
- iii) The Company is also in receipt of subscription-based market updates that provide pricing information from time to time. A Q1-2019 market update provided a \$14/GJ to \$26/GJ price range for Canadian RNG.

Due to propriety information by the publisher Enbridge Gas cannot share this documentation.

2. Please see Exhibit I.STAFF.6 2).



ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, p.2 # 4
Exhibit C, Tab 1, Schedule 1, p. 1

Enbridge Gas states that when considering the cost of RNG relative to other forms of renewable energy, "RNG compares favorably." Enbridge Gas provided a cost comparison of RNG and other renewable energy.

Question:

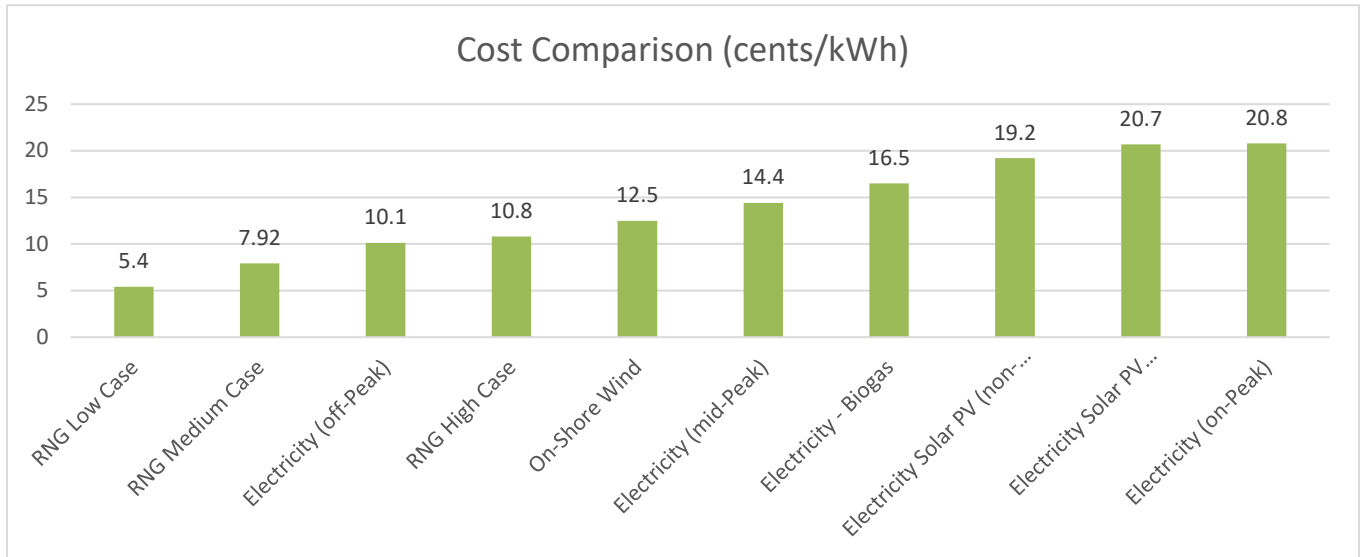
1. Please describe how Enbridge Gas arrived at the value of 5.4 cents/kWh for the "RNG Low Case"? Please provide the calculations, including assumptions used to arrive at this value.
2. Has Enbridge Gas calculated a "Middle Value" and "High Value" cost comparison of RNG? If so, please provide those calculations.
 - a. Please resubmit the graph provided in Exhibit C/ Tab 1/ Schedule 1/ p. 1 with the "Medium Value" and "High Value" RNG Cases
3. Does Enbridge Gas anticipate the "RNG Low Case" cost of RNG would be available in Ontario for it to procure?
 - a. If not, what is the likely cost of RNG available in Ontario or nearby jurisdictions that would be available for Enbridge Gas to procure? Please explain how Enbridge Gas arrived at a value for the likely cost of RNG available in Ontario.

Response

1. Enbridge Gas assumed the RNG Low Case price to be at \$15 per GJ. Using the conversion factor of 1 kilowatt hour (kWh) = 0.0036 gigajoules (GJ):

- $0.0036 \text{ multiplied by } 15 \text{ (kWh to GJ)} = 0.054 \text{ \$ per GJ, multiplied by } 100 = 5.4 \text{ cents per GJ}$

2. Enbridge Gas provided a RNG High Case as the third bar in Exhibit C, Tab 1, Schedule 1.
 - a. The graph below includes a RNG Medium Case:



3. Please see Exhibit I.STAFF.4.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 2, p.1 #1
Exhibit B, Tab 2, Schedule 1, p.4 #12

Enbridge Gas states that its plan to procure RNG will seek to maximize the quantity of RNG purchased based on "the most current data available". As such, Enbridge Gas will purchase RNG based on forecast funding derived from actual participation numbers. For the purpose of forecasting, Enbridge Gas assumes program participants will remain in the Program for a period of 12 months from their enrollment, and that while some participants may leave the Program each month, new participants are expected to at least offset any reduced funding.

Enbridge Gas also notes that it proposes to begin RNG procurement using short-term contracts (e.g. seasonal or annual contracts).

Question:

1. Please explain what Enbridge Gas' source is for the "most current data available."
2. Will Enbridge utilize a tendering process (RFPs or similar) for RNG supply?
 - a. If so, would the terms of the tendering process will be subject to pre-defined criteria or terms and conditions? If so, what would these be?
 - b. If not, by what other mechanism will Enbridge Gas procure RNG to ensure that they are acquiring RNG cost-effectively?
3. Please explain what criteria Enbridge Gas will apply when it selects RNG suppliers. For example, will Enbridge Gas consider environmental or other attributes, or will Enbridge Gas only consider price and availability of RNG? Please explain.
4. If Enbridge Gas signs an annual contract and participants drop out of the Voluntary RNG program, how would Enbridge Gas propose to deal with the cost consequences of the contractual obligation?

5. Please confirm whether Enbridge Gas has entered into discussions regarding an agreement with potential RNG suppliers for the procurement of RNG.
 - a. If such discussions have taken place, please provide further details in the form of exchanged communications, draft agreements, letters of intent or similar.
 - b. If not, when does Enbridge Gas intend to enter into discussions with RNG suppliers? Please explain.

Response

1. The source of “most current data available” in reference noted is the forecasted revenue based on actual participation.
2. Enbridge Gas will procure RNG in accordance with its “Gas Supply Procurement Policies and Practices”. Enbridge Gas intends to primarily use an RFP process to attract offers from the marketplace and will place a high importance on cost when evaluating offers. Suppliers will be required to share the source of the RNG and provide information to confirm it is RNG. Suppliers will also be required to provide the offered price of RNG per GJ and the terms of its availability. Information on Enbridge Gas’s RNG RFP will be communicated to industry groups, interested parties and others via appropriate methods, including media, to maximize RFP response.

Enbridge Gas may at times reach out directly to suppliers to source RNG or accept direct unsolicited offers for RNG spot supply, adhering to the “Gas Supply Procurement Policies and Practices”. This would be infrequent and only if Enbridge Gas felt it would lead to more cost-effective supply and could adequately demonstrate that the price paid is reflective of the RNG market at the time of purchase.

3. Initially, Enbridge Gas will only consider price and availability of RNG, and conformance with the definition of biomethane in the Greenhouse Gas Pollution Pricing Act. As changes occur to applicable Provincial and/or Federal laws and

regulations, Enbridge Gas may apply additional criteria when evaluating offers to purchase RNG.

4. Enbridge Gas will seek enrollment of participants first before approaching the marketplace to purchase RNG. It is anticipated that additional Program enrollment will at least offset those leaving the Program and Enbridge Gas will take a conservative approach to forecasting available Program funds. At least initially Enbridge Gas will use contracts of one year or less in length to mitigate the cost exposure of long-term contracts. In the unlikely event that Program funding falls short of covering the increased cost of RNG over traditional gas, Enbridge Gas will defer entering into further RNG purchase agreements until Program funding has replenished to fund RNG procurement contract commitments.
5. Enbridge Gas has not entered into discussions regarding an agreement to purchase RNG with potential RNG suppliers. Enbridge Gas intends to enter discussions with RNG suppliers after the Program receives OEB approval, as part of the RNG procurement process.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, p.4 #13

Enbridge Gas states that the RNG it procures will "form a part of Enbridge Gas' system gas supply, subject to measures to ensure its inclusion does not result in increased gas supply costs for non-participating customers."

Question:

1. Please describe the "measures" Enbridge Gas plans to employ to ensure that the inclusion of RNG in system gas does not result in increased gas supply costs for non-participating customers.

Response

1. As outlined in Tab 2, Schedule 2, page 2, RNG procured through the Program will displace traditional gas supply purchases that would otherwise have been procured at Dawn in the Union South Gas Supply Plan. At least initially, displacing traditional gas supply purchases at Dawn is the most cost-effective option since there is no requirement to account for upstream transportation capacity that would go unutilized if gas purchases at a point other than Dawn were displaced.

In order to ensure that RNG purchases do not impact the gas supply costs for non-participating customers, Enbridge Gas will account for all RNG purchases in the Union South PGVA. Any forecast RNG purchases will be valued in the Union South PGVA at the same prospective price as planned Dawn purchases during each 12 month forward period when setting gas supply rates through the QRAM. Therefore, the increased cost of RNG over traditional supply will not be captured as a prospective adjustment in the Union South PGVA.

On an actual basis, the difference between the actual cost of RNG purchased and the Dawn Reference Price will be booked as a debit to the Union South PGVA. Enbridge Gas will then book a monthly credit to the Union South PGVA equal to the volume of RNG purchased multiplied by the incremental cost of RNG purchased, which will be calculated as the difference between the actual cost of RNG and the actual average cost of Dawn purchases in the Union South system supply portfolio for each month. This monthly adjustment will remove the incremental cost of RNG from the Union South PGVA and move it to the same balance sheet account used to track funds collected from the Voluntary RNG Program. The net result is that gas supply costs to system customers will be equivalent to what they would have been had Enbridge Gas purchased traditional gas supply rather than RNG.

For administrative simplicity, the monthly RNG entries will only be accounted for in the Union South PGVA to offset Dawn purchases for Union South system customers, however, the incremental RNG cost will be funded by all rate zones in proportion to their revenue contributions toward the Program. Given that natural gas molecules are fungible, including RNG molecules, the benefit of RNG is realized in all rate zones even though the purchase is only recorded in the Union South PGVA. This approach will simplify procurement and regulatory accounting while ensuring that the cost of RNG does not impact non-participants.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 3, p. 1

Enbridge Gas provided a table including forecast funds collected from the Voluntary RNG Program, as well as RNG Volumes (in GJ and m³).

Question:

1. Please add new rows to this table that detail:
 - a. the estimated amount of funds that will be directly used to procure RNG in each year, and
 - b. the assumed settlement price (\$/GJ or \$/m³) of this procurement.
2. Please explain Enbridge Gas' assumptions behind the assumed settlement price for procuring RNG.
3. Please describe how Enbridge Gas' assumptions on the settlement price to procure RNG compare with the estimates in Chapter 3 of the final report for Marginal Abatement Cost Curve for Assessment of Natural Gas Utilities' Cap and Trade Activities (EB-2016-0359).

Response

1. a) & b)

TEN YEAR PROGRAM FORECAST

[illegible]

2. Enbridge estimated the RNG price to be \$21 per GJ, and the traditional natural gas price to be \$4 per GJ. Since RNG volumes will replace traditional natural gas volumes, the incremental cost of RNG is \$17 per GJ. Please also see Exhibit I.STAFF.4 1).
3. The Marginal Abatement Cost Curve for Assessment of Natural Gas Utilities' Cap and Trade Activities (EB-2016-0359) assumes the following levelized cost of energy (LCOE) ranges for RNG, based on various sources of feedstock. Enbridge Gas's estimated RNG price of \$0.78 per m³ falls within the LCOE ranges for all feedstock, and is lower than the combined average of LCOE for all potential feedstock referenced below.

Table 22 Summary of the National and Ontario Provincial RNG Potential in 2028 by Feedstock

Feedstock	National Potential by 2028 (million m ³ /yr)	National Potential by 2028 (tCO ₂ /yr)	Ontario Potential by 2028 (million m ³ /yr)	Ontario Potential by 2028 (tCO ₂ /yr)	LCOE (\$/m ³)	Notes
Landfill gas	290	540,000	113	210,000	\$0.33-\$0.82	Evaluated 5 different sized facilities based on survey referenced in Canadian Biogas Study; linked to study for Environment Canada
WWT gas	180	340,000	71	135,000	\$0.48-\$3.73	Evaluated 4 different sized facilities – ICF analysis
Animal manure	874	1,640,000	191	360,000	\$0.87-\$1.66	Considered 3 different farms (Electrigaz study): baseline, large, and co-op
SSO residential & commercial	300	560,000	110	210,000	\$2.90	Assumed a single facility capable of processing 60,000 tonnes/yr per Canadian biogas study. Larger/smaller facilities conceivable

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, p.4 # 10

Enbridge Gas states that the federal government is developing a Clean Fuel Standard (CFS), which will require fossil fuel producers, importers and distributors to reduce the carbon intensity of fuels. Enbridge Gas states that under the CFS it would be required to procure RNG as part of its supply portfolio.

Question:

1. Please explain how Enbridge Gas' CFS obligations would relate to a Voluntary RNG Program.
2. Please explain whether, as part of the CFS, Enbridge Gas could seek to obtain any GHG reduction credits from the Voluntary RNG Program
 - a. If so, would these credits result in financial benefit to Enbridge Gas shareholders or customers? Please explain.

Response

1. Enbridge Gas expects that RNG attributable to the Program could be used towards the Company's compliance obligation under the Clean Fuel Standard ("CFS").
2. Based on the current CFS Proposed Regulatory Approach,¹ Enbridge Gas understands that credits can be generated from RNG after the publication of the final regulation of the liquid class CFS regulations in Canada Gazette Part II. At that time, Enbridge Gas will be able to determine if the RNG attributable to the Program meets the requirements in the regulation in order to generate credits. If eligible,

¹ Environment and Climate Change Canada, Clean Fuel Standard Proposed Regulatory Approach, June 2019

Enbridge Gas anticipates it would seek to acquire credits for the RNG attributable to the Program.

- a. Financial benefits from CFS credits generated by the RNG attributable to the Program are expected to benefit customers.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, p.4 # 9
Exhibit B, Tab 2, Schedule 4, p.1-2 #1,2,5

Under Part 1 of the Federal Government's *Greenhouse Gas Pollution Pricing Act*, (GGPPA), Enbridge Gas is exempt from paying the Federal Carbon Charge on volumes of RNG (referred to as "biomethane" in the GGPPA).

Enbridge Gas estimates that based on its forecasted uptake of the Voluntary RNG program, funds from the first 12 months of the Program will allow for procurement of over 6,000 GJ of RNG, increasing to 30,000 GJ in year ten. In total, Enbridge Gas estimates that cumulative RNG Contributions from the first ten years of the Program will allow it to procure over 200,000 GJ of RNG, resulting in a GHG emissions reduction of approximately 10,000 tCO₂e.

Question:

1. Please provide all calculations related to the following in a single table:
 - a. Forecasted numbers of participating customers by year (to year ten)
 - b. Forecasted volumes of RNG to be procured by year (to year 10), and total volume of RNG procured over the ten year period
 - c. Forecasted GHG emissions reduction by year (to year 10), and total GHG emissions reduction over the 10 year period
 - d. Forecasted Federal Carbon Charge reduction by year (to year 10) based on forecasted emissions reductions in c) above
 - e. Please provide all assumptions used to derive the above calculations, including:
 - i. the cost of RNG per volume
 - ii. the conversion factor used to calculate volume of RNG to GHG emissions
 - f. Please provide any other supporting documentation, including data, assumptions and analysis, used to prepare the table.

2. Does Enbridge Gas anticipate a decrease in the forecasted number of participants as a result of COVID-19?
 - a. If so, please explain and adjust the calculations in the table requested above

Response

1. a), b), c), d), e), f)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Total Number of Residential Customers	3,514,514	3,514,514	3,514,514	3,514,514	3,514,514	3,514,514	3,514,514	3,514,514	3,514,514	3,514,514	
Percentage of Participation¹	0.46%	0.65%	0.70%	0.75%	0.80%	0.85%	0.90%	0.95%	1.00%	1.05%	
Total Number of Forecasted Participants	16,087	22,844	24,602	26,359	28,116	29,873	31,631	33,388	35,145	36,902	284,947
Forecasted Funds²	\$386,090	\$548,264	\$590,438	\$632,613	\$674,787	\$716,961	\$759,135	\$801,309	\$843,483	\$885,658	6,838,738
Forecasted RNG Volumes (GJ)	22,711	32,251	34,732	37,213	39,693	42,174	44,655	47,136	49,617	52,098	402,280
Forecasted RNG Volumes (m³)	609,863	866,032	932,649	999,267	1,065,885	1,132,503	1,199,121	1,265,739	1,332,356	1,398,974	10,802,389
Forecasted Emission Reduction (tCO₂e)³	1,143	1,623	1,748	1,873	1,997	2,122	2,247	2,372	2,497	2,622	20,244
Forecasted Federal Carbon Charge Reduction (\$) ⁴	47,752	84,785	91,306	97,828	104,350	110,872	117,394	123,916	130,438	136,960	1,045,601

¹ Please see response to Exhibit I.EP.4 b) for details on calculations.

² Assumed RNG price is \$21 per GJ or \$0.78 per m³. Please see response to Exhibit I.BOMA.4.

³ GHG emissions calculated using Ontario emission factor of 0.001874 tCO₂e/m³ from Ministry of Environment, Conservation and Parks "Guideline for Quantification, Reporting and Verification of Greenhouse Gas Emissions", April 2019. Reductions reflect displacement of fossil natural gas only, and do not reflect any methane reductions from the source of the RNG.

⁴ Federal Carbon Charge reduction calculation is based on m³ of RNG x the carbon charge rate in \$/m³ as per the Greenhouse Gas Pollution Pricing Act (GGPPA). Federal Carbon Charge for Year 1 is calculated using 2021 charge rate of \$0.0783/m³ and for Year 2 to 10 using 2022 charge rate of \$0.0979/m³, as per the GGPPA.

2. Given the Program is not scheduled to be implemented until 2021, Enbridge Gas does not expect that COVID-19 will have a significant impact on either the timing of Program launch or degree of customer participation.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, p. 3 #10

Enbridge Gas states that consistent with the bill presentation of the Federal Carbon Charge, Enbridge Gas intends to display customer contributions towards the Voluntary RNG Program (i.e. the \$2 charge) as a separate line item of the bill.

Question:

1. Please confirm that Enbridge Gas is not seeking the OEB's approval on how to display the customer contribution towards the Voluntary RNG Program.
2. Please confirm that the additional line on the bill will be shown on the bills of program participants only.

Response

1. Confirmed.
2. Confirmed.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4, p.1-2 #3,4
Exhibit C, Tab 2, Schedule 2

Enbridge Gas states that "forecasts total Program operating costs over the first ten years of the Program will be \$2.7 million." Enbridge Gas also states that it "will manage these operating costs within its existing budgets until rebasing in 2024." Enbridge Gas provided a table that includes operating costs at Exhibit C, Tab 2, Schedule 2.

Question:

1. Upon rebasing in 2024, would the operating costs of the Program be borne by all ratepayers? Please explain.
2. Please explain how Enbridge Gas proposes to respond if actual operating costs are higher than forecasted.
3. Please explain whether increased participation in the Program above that forecasted by Enbridge Gas would result in higher than expected operating costs.
 - a. If so, please explain Enbridge Gas' plan for keeping operating costs low

Response

1. Enbridge Gas has not yet determined how Program operating costs will be treated upon and beyond rebasing in 2024. The Company expects its proposal at that time will be best informed by the most current government policy, experience delivering the Program to that point, market conditions at that time, and other relevant factors. For example, these factors could indicate it is appropriate to seek inclusion of Program operating costs within rates (on a cost of service basis), or that such costs should be recovered from Program revenues beyond 2023.

2. All actual costs, excluding the cost of the RNG commodity itself, will be funded out of Enbridge Gas's existing revenues through the deferred rebasing period. The Company's Price Cap Incentive Regulation mechanism incents Enbridge Gas to keep the costs of the Program low.
3. Increased participation is expected to increase some operating costs (e.g. billing and customer support) while other types of costs may see no increase as a result of higher participation. The Company will strive to keep operating costs as low as reasonably possible given these costs will be funded from existing revenues that are not adjusted (increased) because of the Program.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4, p. 1 # 2-3
Exhibit C, Tab 2, Schedule 2, p. 1-2

Enbridge Gas forecasts that in the first ten years of Program operations, cumulative Program funds will be \$6.8 million and total Program operating costs will be \$2.7 million. Enbridge Gas provided a table that includes these forecasts at Exhibit C, Tab 2, Schedule 2.

Question:

1. Please discuss Enbridge Gas' view of whether or not it is cost-effective for ratepayers to contribute \$2.7 million in operating costs for a program that is forecast to accumulate \$6.8 million over a ten year timeframe.
2. Please provide an amended table that includes a column for 'totals' to represent the sum of each row in the table (from 2021 to 2030).

Response

1. Enbridge Gas believes the costs of the Program are reasonable in order to begin introducing RNG into its system gas supply. Enbridge Gas notes Program costs are relatively flat during the first ten years of the Program period, while annual revenue and RNG procured grows over time.
2. Please see Attachment 1 to this interrogatory.

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Totals
<u>Particulars</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	
Figures in \$											
Rate Base Investment											
Capital Expenditures	600,000	-	-	-	-	-	-	-	-	-	600,000
Average Investment	<u>587,700</u>	<u>521,152</u>	<u>457,505</u>	<u>397,655</u>	<u>337,808</u>	<u>277,964</u>	<u>218,123</u>	<u>158,286</u>	<u>98,451</u>	<u>38,620</u>	
Cumulative Capex	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
Total Cost of Service											
Operating Costs:											
O&M	350,411	220,773	148,569	151,541	154,571	157,663	160,816	164,032	167,313	170,659	1,846,348
Depreciation Expense	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	600,000
Municipal taxes	-	-	-	-	-	-	-	-	-	-	
Total Operating Costs	<u>410,411</u>	<u>280,773</u>	<u>208,569</u>	<u>211,541</u>	<u>214,571</u>	<u>217,663</u>	<u>220,816</u>	<u>224,032</u>	<u>227,313</u>	<u>230,659</u>	<u>2,446,348</u>
Rev Req Interest expense	17,134	15,194	13,338	11,593	9,849	8,104	6,359	4,615	2,870	1,126	90,182
AfterTx Req'd Return on Equity	19,297	17,112	15,022	13,057	11,092	9,127	7,162	5,197	3,233	1,268	101,568
Total Utility Req'd Return	36,431	32,306	28,361	24,650	20,941	17,231	13,521	9,812	6,103	2,394	191,750
Income Taxes											
Income tax on Req Rtrn on Equity	6,958	6,170	5,416	4,708	3,999	3,291	2,582	1,874	1,166	457	
Income Tax Exp (Credit) on timing differences	<u>(194,694)</u>	<u>21,633</u>	<u>21,633</u>	<u>21,633</u>	<u>21,633</u>	<u>21,633</u>	<u>21,633</u>	<u>21,633</u>	<u>21,633</u>	<u>21,633</u>	
Total Income Taxes	<u>(187,736)</u>	<u>27,802</u>	<u>27,049</u>	<u>26,340</u>	<u>25,632</u>	<u>24,923</u>	<u>24,215</u>	<u>23,507</u>	<u>22,798</u>	<u>22,090</u>	<u>36,620</u>
Required Return and Taxes	<u>(151,305)</u>	<u>60,108</u>	<u>55,409</u>	<u>50,991</u>	<u>46,572</u>	<u>42,154</u>	<u>37,736</u>	<u>33,319</u>	<u>28,901</u>	<u>24,484</u>	<u>228,370</u>
Total Cost of Service	<u>259,106</u>	<u>340,881</u>	<u>263,978</u>	<u>262,531</u>	<u>261,144</u>	<u>259,817</u>	<u>258,552</u>	<u>257,351</u>	<u>256,214</u>	<u>255,143</u>	<u>2,674,718</u>

ENBRIDGE GAS INC.

Answer to Interrogatory from
Board Staff ("STAFF")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, p. 3 #11

Enbridge Gas notes that any reduction in its Federal Carbon Charge obligations due to the Voluntary RNG program would be tracked in its existing OEB-approved Federal Carbon Pricing Program customer-related variance accounts, and would flow to all Enbridge Gas customers subject to the Federal Carbon Charge.

Question:

1. Please explain why Enbridge Gas proposes to flow the benefit of any reduced Federal Carbon Charge to all Enbridge Gas customers subject to the Federal Carbon Charge and not just to the customers that participate in the Voluntary RNG program

Response

During development of the Voluntary RNG Program, Enbridge Gas considered several key factors that influenced the decision to track the variance through the Federal Carbon Charge – Customer Variance Accounts ("FCCCVA") and to provide the benefit to all customers, not just those that participate in the Program, including:

1. The purpose of the FCCCVAs as defined in the accounting orders, to record the variance between actual customer carbon costs and customer carbon costs recovered in rates as approved by the Board, is sufficiently broad to facilitate this treatment.
2. The Voluntary RNG Program proposed is based on a fixed \$2 monthly charge and customers will not receive a specified volume or percentage of their natural gas as RNG. This means the billing systems will not be able to subtract an amount of RNG from the total volume of natural gas, and the Federal Carbon Charge will be charged on the full volume of natural gas on the customer's bill.

3. Enbridge Gas will subtract the amount of RNG from the total volume of natural gas subject to the Federal Carbon Charge, as per requirements in the Greenhouse Gas Pollution Pricing Act ("GGPPA").¹ The difference between the amount of the Federal Carbon Charge paid to the federal government and the amount billed to customers will create a variance that will therefore be recorded in the FCPP customer-related variance accounts.
4. Any variance recorded in the FCCCVAs is currently disposed of across all customers who pay the Federal Carbon Charge.
5. The amount of the reduction in the Federal Carbon Charge for each program participant is relatively small at approximately \$0.25 per month, as shown in Exhibit I.EP.10 d).

In order to provide the benefit to the Program participants directly on their bills each month, Enbridge Gas would need to either:

- a) Re-design the Program to be based on a fixed percentage or volume and modify the billing system to allow it to subtract the portion of RNG; or
- b) Reduce the amount of the Federal Carbon Charge on a forecast basis and perform periodic true-up.

In order to provide the benefit accrued in the FCCCVA back to Program participants, a billing system change would be required to add functionality that enables tracking and allocating the benefits to specific customers based on the period of time they were in the program.

In order to flow the benefit back into procurement of additional RNG, the accounting orders for the FCCCVA may need to be amended.

All options above would add administrative complexity to the Program and require incremental resources or capital costs in order to add the necessary functionality to the billing system. At this time, a forecast of the costs to make the changes to the billing system are not known, however as a reference, the costs to provide the functionality necessary for Cap and Trade were approximately \$0.561 million² and \$0.454 million³ in the legacy EGD and legacy Union billing systems, respectively.

¹ GGPPA section 8(7)

² EB-2018-0331, Exhibit B, Tab 1, pg. 7

³ EB-2018-0331, Exhibit B, Tab 2, pg. 8

Enbridge Gas will be transparent with customers that the Federal Carbon Charge is not decreased when participating in the Program. The Company notes that other programs, such as Bullfrog Power's RNG program and any voluntary offset programs also do not decrease the Federal Carbon Charge on customer's bills.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, para 9

Preamble:

Enbridge Gas plans to provide annual communications to participating customers outlining information such as the total amount of renewable natural gas (**RNG**) procured under the Program, related greenhouse gas (**GHG**) emission reductions, future forecasts, Program participation, and/or other relevant metrics.

Question:

- a) Please provide a sample of the annual communications to participating customers that Enbridge proposes to provide, including communications to First Nation governments whose community members may be Enbridge customers.
- b) Please provide Enbridge Gas' proposed approach to providing annual communications to prospective customers, including prospective First Nation community customers and their First Nation governments.

Response

- a) The requested communications materials have not yet been developed and as such cannot be provided.
- b) Exhibit B, Tab 2, Schedule 3 outlines Enbridge Gas's Market and Communications Strategy, inclusive of Enbridge Gas's proposed methods of communication to prospective customers including prospective First Nation community customers.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, paras 5-10
Exhibit C, Tab 2, Schedule 1
Exhibit C, Tab 4, Schedule 1
Exhibit C, Tab 4, Schedule 2, p. 33

Preamble:

The Program is developed further to the Made-in-Ontario Environment Plan (**MOEP**), which also expressly includes objectives to improve access to clean and affordable energy in northern Ontario Indigenous communities.

Enbridge Gas states that the Program is consistent with the objective of both the provincial and federal governments to reduce GHG emissions and makes express reference to the MOEP, the *Greenhouse Gas Pollution Pricing Act* (**GGPPA**), and the federal Clean Fuel Standard (**CFS**).

Enbridge Gas engaged Ipsos Public Affairs to perform market research and analysis in support of the Program. A total of 1,212 Enbridge Gas residential customers participated in a survey conducted as part of the research and analysis.

Question:

- a) Please describe in general terms Enbridge Gas' existing and planned consultation and engagement with Indigenous rights-holding communities in Ontario with respect to the Program.
- b) Please explain Enbridge Gas' plans to involve Indigenous rights-holding communities in the Program.
- c) Beyond the MOEP, GGPPA and CFS, what other federal or provincial schemes, policies, plans, or standards does Enbridge Gas anticipate will impact the Program or Enbridge Gas' requirements to otherwise procure RNG as part of its supply portfolio? Please provide any underlying analysis.

- d) Please explain how the Program supports the MOEP objective of improving access to clean and affordable energy in northern Ontario Indigenous communities.
- e) Please explain how Indigenous governments and Indigenous businesses are currently involved in advancing the MOEP.
- f) Please explain how Indigenous governments and Indigenous businesses will be further engaged in advancing the MOEP, and any plans for specific outreach to those governments and businesses that might be able to participate if better informed of the MOEP and potential benefits and opportunities.

Response

- a) Enbridge Gas does not have any distinct planned consultation and engagement with Indigenous rights-holding communities in Ontario with respect to the Program. The application before the Board regarding the Program does not contemplate any conduct that may adversely impact asserted or established Aboriginal or treaty rights. The Voluntary Renewable Natural Gas Program has been designed generically to be suitable for all potential customers of the proposed services. Enbridge Gas will address any questions raised by members of Indigenous rights-holding communities regarding the Program as they arise.
- b) Please see part a).
- c) Enbridge Gas is not aware of any other federal or provincial schemes, policies, plans, or standards at this time that will directly impact the Program or Enbridge Gas's requirement to otherwise procure RNG as part of its supply portfolio.
- d) To the extent that the Enbridge Gas system extends to northern Ontario Indigenous communities, the Company's Voluntary RNG Program will be available to customers of the Company that reside in those communities.
- e) The Company is not privy to nor is it aware of the extent to which Indigenous governments and Indigenous businesses are engaged in discussions with the province with respect to advancing the policies iterated in the MOEP.
- f) The Company is not aware of how Indigenous governments and Indigenous businesses plan to be engaged in advancing the objectives of the MOEP, or any

plans of any party with respect to how those governments and businesses might be able to participate in MOEP related initiatives.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 2

Preamble:

Enbridge Gas states that it will procure RNG in accordance with its "Gas Supply Procurement Policies and Practices". Enbridge Gas will include forecast RNG volumes procured in its Annual Updates to the Gas Supply Plan filing.

Question:

- a) Please place the applicable "Gas Supply Procurement Policies and Practices" on the record in this proceeding.
- b) Please explain how Indigenous rights-holding communities will be, or can be, involved in the procurement of RNG by Enbridge Gas for the Program.
- c) Please explain how bona fide Indigenous contractors and/or suppliers will be involved in the procurement of RNG by Enbridge Gas for the Program.
- d) Please explain how the procurement of RNG by Enbridge Gas for the Program will accommodate for the jurisdictional differences between First Nation reserve lands and other lands in Ontario with respect to procurement policies and practices.
- e) Please explain how the procurement of RNG by Enbridge Gas for the Program will accommodate for the need to construct and operate new infrastructure on Indigenous traditional territory and/or unceded lands.
- f) Please explain how the procurement of RNG by Enbridge Gas for the Program will accommodate for the availability of forest biomass available from First Nation owned forestry companies.

Response

- a) Please see Attachment 1 to this interrogatory response: "Gas Supply Procurement Policies and Practices" which was submitted to the Ontario Energy Board on December 19, 2019.
- b) through f)

Enbridge Inc.'s Indigenous Peoples Policy, Enbridge is committed "to working with Indigenous peoples to achieve benefits for them resulting from Enbridge's projects and operations, including opportunities in training and education, employment, procurement, business development, and community development." Lacking assurance of cost recovery for the incremental cost of RNG in rates years into the future, the Company is unable to enter into long term contracts that can serve to underpin RNG project investments. Enbridge Gas is willing to entertain discussions regarding RNG projects with Indigenous communities, however such facilities are not the subject of this application.

Enbridge Gas will be seeking to procure supplies of pipeline quality RNG from RNG producers and / or marketers under its Voluntary RNG Program. Any jurisdictional differences between First Nation reserve lands and other lands in Ontario or need to construct and operate new infrastructure on Indigenous traditional territory and/or unceded lands would need to be addressed by the developer of the RNG production facilities and/or Enbridge Gas as the case may be (e.g. injection / connection infrastructure). However, such jurisdictional considerations, obtaining required permits etc., are beyond the scope of this application. To the extent that RNG production facilities utilizing forest biomass produced by First Nation owned forestry companies commence operations, the Company will consider the purchase of RNG from such entities subject to its Gas Supply Procurement Policies and Practices.



Gas Supply Procurement Policies and Practices

1. Introduction

This manual prescribes the Policies and Practices that govern the procurement of gas supply by Enbridge Gas Inc. (the "Company" or "EGI "). In this context, gas supply includes the physical commodity, transportation and storage services. The definition of gas for the purpose of this Policy includes conventional or fossil-based natural gas by all production methods, as well as Renewable Natural Gas. In addition to these Policies and Practices, all procurement of gas supply is made in accordance with the Affiliate Relationships Code for Gas Utilities and the Record Keeping and the Natural Gas Reporting and Record Keeping Requirements ("RRR") of the OEB.

2. Objectives

EGI has the following four objectives for procuring gas supply for sale or delivery (i.e., load balancing) to its customers:

2.1 Provide Cost-Effective Reliable Supply Through a Diversified Portfolio

This objective is intended to achieve a market sensitive price, through the use of diversified tools to provide a reasonable cost of gas for EGI ratepayers in alignment with public policy. This means minimizing risks to security of supply while finding a balance between the use of contract pricing mechanisms, delivery and contractual terms, and supply basin diversification to achieve this goal.

2.2 Minimize Exposure to Counterparties in All Gas Supply Transactions

This objective is in place to recognize the need for prudent credit practices in gas supply procurement.

2.3 Ensure Fairness to All Counterparties in All Gas Supply Transactions

EGI ensures that all transactions are carried out with integrity with no preferential treatment shown towards any counterparty.

2.4 Operate Within Corporate Governance and Controls

Corporate Governance is an integral part of the Policy. The Gas Supply portfolio has oversight by the VP, Energy Services. All transactions are approved according to Authorized Transactions Limits and have appropriate internal controls in place.

3. CONTROLS

There are five independent controls built into the Policy:

- 1) Corporate Governance through the VP, Energy Services review of the gas supply plan;
- 2) Transactions in the procurement plan approved per Authorized Transaction Limits within the Vice President Energy Services group;
- 3) Segregation of the responsibilities between the front office (transactors), middle office (Risk, Contracts and Credit) and the Back office (accounting and administration) functions;
- 4) Internal audits of the transactions; and
- 5) Exception reporting.

3.1 Corporate Governance

VP Energy Services, at least annually, review and approve the Gas Supply Plan. In accordance with Authorized Transaction Limits, the presiding Vice President, has full authority to implement the plan including the purchase of gas incremental to the Gas Supply Plan that may be required. The Gas Supply Plan is used to establish the monthly procurement plan.

3.2 Procurement Plan Approval

The Gas Supply department develops the monthly procurement plan for transactions to be executed.

The presiding Vice President or Director, Gas Supply and the Manager, Gas Supply or their delegate, sign the monthly procurement plan as required per the Authorized Transaction Limits. This approval and the Authorized Transactor List provides all necessary authorizations for the transactors to execute the transactions in the procurement plan.

3.3 Segregation of Duties

Front Office

- Verifies credit limits before deal execution
- Executes trades and contracts in accordance with these Procedures
- Enters transactions into systems of record
- Monitors price exposures and develops strategies to manage identified price risks based on net open position reports
- Reviews transactions for accuracy

Middle Office

Risk Control:

- Monitors transaction capture and associated pricing information
- Distributes Translogs to Front Office where applicable
- Monitors and maintains Authorized Transactor List to daily transactions

Contracts:

- Enters transactions into systems of record on behalf of Front Office when required
- Prepares contractual documentation for physical and financial transactions
- Manages the confirmation process for Physical Commodity Transactions
- Arranges physical contracts with counterparties

Credit:

- Review of counterparties and associated credit requirements
- Establishing credit lines and credit support (if required)
- Monitors and reports on the Credit Risk associated with counterparties

Back Office

Invoicing:

- Verifies Counterparty invoices

Finance:

- Arranges transfer of funds to settle transactions
- Accounting for transactions and financial report distribution

3.4 Internal Audit of Transactions

Periodically, the Internal Audit department ("Audit") initiates and conducts an audit of transactions. The intent of the audit is to ensure the Policy is being followed. In the event that Audit discovers any discrepancies relating to transactions, settlements, etc. that could expose the Company to legal liability, the Director, Gas Supply is notified immediately.

3.5 Exception Reporting

The transactors adhere to the Policy as completely as possible in all circumstances. However, EGI recognizes that exceptions to the Policy may be required in certain market situations and such exceptions are approved per the Manager, Risk Control prior to commitment.

4. Credit

The credit guidelines apply to all gas supply transactions. The intent of the guidelines are to maintain prudent credit practices while balancing with the need to maintain ample alternatives for acquiring gas supplies.

Counterparty assessments are performed in conjunction with any transactions that present a financial risk to EGI if the supply had to be replaced due to counterparty default. Counterparty assessments follow industry best practices and consider information such as public rating agency information, counterparty financial information, and any other quantitative or qualitative information that may be available. If appropriate, unsecured credit limits are established to cover the transaction risk. In cases where a sufficient unsecured credit limit cannot be established, credit support is requested. Counterparty creditworthiness and relative financial risk are monitored on an on-going basis. Any concerns are discussed with Gas Supply and appropriate actions are undertaken to mitigate any associated risk.

5. Means of Procurement

EGI will procure each tranche of gas supply commodity under agreements reached with existing or new suppliers by the following means:

- a) a bidding process involving a request for bids for the tranche of gas supply commodity;
- b) a straight purchase; or
- c) an electronic transaction using an electronic exchange or an electronic trading platform, or both, for which the Company has trading privileges.

EGI may procure a tranche of gas supply commodity by other means, however, for the following reasons:

- a) to meet immediate security of supply, reliability of supply, or emergency situations;
- b) to develop a business relationship with a particular supplier;
- c) to accept a unique, unsolicited supply proposal from a particular supplier;
- d) to accept an unsolicited offer for a tranche of gas supply for a period of one through five days when the price is lower than the current market price for the delivery point(s) specified in the offer;
- e) to purchase gas from the Company's customers as part of direct purchase arrangements; or
- f) to purchase gas produced in the Province of Ontario.

The Company will prepare and file annually, with the Ontario Energy Board's Chief Regulatory Auditor, a report on all transactions to procure gas supply commodity that do not comply with the foregoing. The report will provide the particulars of each such agreement, including the name of the supplier, and an explanation and justification for non-compliance.

5.1 Bidding Process

EGI will send a request for bids on a select tranche of gas supply commodity required by the Company. The following information will be included in each request for bids:

- a) the purchaser (i.e., Enbridge Gas Inc.);
- b) the delivery point(s) by pipeline;
- c) the type of supply (i.e., firm or interruptible);
- d) the term;
- e) the bid deadline; and,
- f) any other particulars.

The transactor will note the date and time of receipt on each bid except when such a notation already appears on the bid; for example, bids sent electronically. The Company, or will record the name of the suppliers or service providers from whom the Company received a bid.

In the event of a Blind RFP for Storage Capacity or Gas Supply Commodity, the Company will engage an RFP Manager and develop a matrix outlining the requirements for the service. The RFP Manager will be responsible for issuing the RFP, collecting the RFP responses and providing them to EGI in blind form.

The Company will evaluate all bids in a fair and consistent manner according to the following criteria:

- the lowest reasonable price having regard not only to the bid price *per se*, but also the specific service attributes, benefits or risks inherent in each bid made in accordance with the terms and conditions specified in the request for bids; and,
- whenever a supplier offers different terms and conditions in its bid, as an alternative to the Company specified terms and conditions, the lowest reasonable price having regard not only to the bid price *per se*, but also the specific service attributes, benefits and risks inherent in the alternative.

The Company will award the tranche of gas supply commodity to the bidder offering the lowest price unless there are offsetting risks in the bid, compared to another bid at a higher price, or offsetting service attributes or benefits in another bid at a higher price. In this event, the Company may award the tranche of gas supply commodity to the bidder offering a higher price.

In the event of a blind RFP, the third party agent will coordinate collection of the bids and ensure that the bidder's name and/or other identifying information is removed from the bid prior to the Company evaluating the bid.

5.2 Straight Purchases

EGI may procure gas supply commodity by means of a straight purchase from a supplier. This may include cases where liquidity, diversity or other market conditions make direct negotiations with a supplier more favorable than a bidding process.

6. **Electronic Transactions**

EGI may procure a tranche of gas supply commodity by means of transactions on one or more electronic exchange(s) or electronic trading platform(s), or both, for which the Company has trading privileges; for example, Intercontinental Exchange Inc. ("ICE") and Natural Gas Exchange Inc. ("NGX"). Some electronic exchanges and electronic trading platforms operate such that the identity of the prospective supplier is not disclosed until the transaction is complete. The Company will identify in the agreement entered into with an electronic exchange or an electronic trading platform a list of approved counterparties for its gas supply transactions.

Signed December 9, 2019

original signed by

Jamie LeBlanc, Director Gas Supply

original signed by

Jim Redford, VP Energy Services

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4, para 1
Exhibit C, Tab 2, Schedule 1

Preamble:

Enbridge Gas engaged Ipsos Public Affairs to perform market research and analysis in support of the Program. A total of 1,212 Enbridge Gas residential customers participated in a survey conducted as part of the research and analysis

Enbridge Gas forecasts the number of participants in the Program based on market research, the experience of Fortis BC and the experience of DTE Energy.

Question:

- a) What proportion of Enbridge Gas' residential customers are Indigenous customers?
- b) What proportion of the 1,212 Enbridge Gas residential customers that were surveyed were Indigenous customers of Enbridge Gas?
- c) Has Enbridge Gas performed analysis of the ability of Indigenous customers to pay to participate in the Program? If so, please provide the analysis. If not, please explain why no such analysis has been performed.
- d) What proportion of forecasted Program participants in Years 1 through 10 does Enbridge Gas anticipate will be Indigenous customers?
- e) Please break down the forecast of 37,000 customers in Year 10 by First Nation reserve community in Ontario

Response

- a) Enbridge Gas does not track the ethnicity or cultural background of its customers. The Company currently distributes gas in 22 Indigenous communities.
- b) Enbridge Gas does not have this information. The survey was executed by Ipsos Public Affairs, who provided the anonymized survey responses to the Enbridge Gas Market Research and Analysis team. Survey respondents are a representative sample of customers according to age, region and gender.
- c) Enbridge Gas has not performed analysis of the ability of Indigenous customers or any other customer group to pay to participate in the Program. Enbridge Gas's proposed program is voluntary in nature, allowing customers to assess costs and benefits for themselves.
- d) Enbridge Gas' forecast has been completed at an aggregate level and does not specifically account for the proportion of forecast participants that will be Indigenous customers, nor does it specifically forecast participants by location.
- e) Please see d) above.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 2, para 2

Preamble:

Subsequent to the initial purchase of RNG, Enbridge Gas will continue to procure RNG using funds available from forecast proceeds at intervals (procurement intervals) determined based on market conditions and funds collected.

Question:

- a) What procurement intervals is Enbridge Gas considering (e.g., monthly, quarterly, seasonally, annually)?
- b) Does Enbridge Gas propose to adhere procurement intervals of uniform duration? Please explain.
- c) What factors and considerations does Enbridge Gas believe will affect its selection of the procurement interval(s)? Please explain.

Response

- a) Procurement intervals will be determined based on market conditions and Program revenues available. Initially, Enbridge Gas intends to consider short-term supply deals only (i.e. delivery terms of one year or less) and will continue to evaluate as the Program matures.
- b) Enbridge Gas will remain flexible in the length of the procurement intervals based on market conditions and Program revenues.

- c) The main factors when selecting the length of procurement intervals are Program revenues and RNG market conditions. Enbridge will rely on Program funds to pay for the incremental cost of RNG relative to traditional natural gas, so the amount of funding available will be relevant in determining the length of procurement intervals. Enbridge Gas will also evaluate market conditions such as RNG supply availability.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, paras 11-14

Preamble:

In September 2011, Enbridge Gas Distribution Inc. and Union Gas Limited each filed applications with the Board under section 36 of the *Ontario Energy Board Act, 1998* seeking an order or orders approving or fixing rates for the sale of natural gas, including the cost consequences of the purchase of RNG.

The Board has previously addressed the issue of pre-approval of the cost consequences of long-term contracts in its *Report of the Board: Draft Filing Guidelines for the Pre-Approval of Long-Term Natural Gas Supply and/or Upstream Transportation Contracts* (EB-2008-0280) (the **Filing Guidelines**). The Board stated in the Filing Guidelines that "the process should allow a utility to apply to the Board on a case-by-case basis to pre-approve the cost implications of the long-term contracts (as per section 36(2) of the *Ontario Energy Board Act, 1998*)."¹

Question:

- a) Please provide Enbridge Gas' detailed views on the Board's jurisdiction to approve upstream RNG purchase contracts and all regulatory and legislative requirements, guidelines, and policies that would apply to the approval of such contracts.

Response

- a) This question is not relevant to the Company's proposal. As set out in evidence at Exhibit B, Tab 2, Schedule 2 (RNG Procurement), the Company is not

¹ EB-2008-0280, *Report of the Board: Draft Filing Guidelines for the Pre-Approval of Long-Term Natural Gas Supply and/or Upstream Transportation Contracts* (February 11, 2009), available online at: https://www.oeb.ca/oeb/Documents/EB-2008-0280/OEB_LTCGuidelines_Corresp_20090211.pdf.

planning to enter into long term contracts for RNG supply. Paragraph 3 of the above noted reference notes "The Company intends to procure RNG on short-term contracts from existing RNG producers or marketers in the secondary market."

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, para 25

Preamble:

Enbridge Gas states that it is aware of two RNG production facilities currently under construction in Ontario and several more in the planning stage of development. Enbridge Gas will be working with these project developers and providing the services they require to get their RNG to market.

Question:

- a) Please provide a detailed explanation of the analysis Enbridge Gas undertook in order to determine that there are two RNG production facilities currently under construction in Ontario.
- b) Please provide an outline of the impact Enbridge Gas expects "several more" RNG production facilities to have on the RNG market conditions in Ontario and the Program.
- c) Please provide a detailed outline of (a) the work Enbridge Gas proposes to undertake with RNG project developers and (b) the services Enbridge Gas will provide to assist them in getting their RNG to market.

Response

- a) Connection to the Company's system is required in order for an Ontario RNG producer to get product to market. The Company's analysis identifying two RNG production facilities currently under construction in Ontario consists of monitoring requests for connection made by RNG producers or potential RNG producers.

- b) Enbridge Gas expects that the addition of “several more” RNG production facilities in Ontario will add RNG supply to the market and, all else being equal, will enhance price competitiveness in the RNG market.
- c) For a detailed description of the Company’s RNG Enabling Program please see the Company’s evidence in EB-2017-0319. Enbridge Gas’s current application for the Program is not premised or dependent on the connection of new RNG facilities.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4, para 5
Exhibit B, Tab 2, Schedule 1, para 15
Exhibit C, Tab 2, Schedule 3

Preamble:

Enbridge Gas estimates that forecast RNG contributions of \$6.8 million will allow the Company to procure over 400,000 GJ of RNG supply over the ten-year forecast period, resulting in an emissions reduction of approximately 20,000 tCO₂e. Enbridge Gas estimates available funds from the first 12 months of program operations will allow for procurement of over 22,000 GJ of RNG, increasing gradually to reach 52,000 GJ in year ten.

Question:

- a) Please provide a detailed explanation of the formula Enbridge Gas used to calculate the estimate of emissions reductions of approximately 20,000 tCO₂e.
- b) Please add a row to the table appearing in Exhibit C, Tab 2, Schedule 3 providing the estimated annual emissions reductions (in tCO₂e).
- c) Please provide a detailed discussion of whether commercial or industrial customers that enroll in the Program could use the emissions reductions resulting from the RNG procurement:
 1. to offset their Scope 1, Scope 2 or Scope 3 emissions;
 2. for compliance with mandatory emissions reduction schemes (e.g., pursuant to the GGPPA or a comparable provincial scheme); and/or
 3. for compliance with voluntary emissions reduction commitments (e.g., carbon neutrality or net-zero commitments, science-based targets, etc.).

Response

- a) The 400,000 GJ of RNG was converted from energy content (GJ) to volume (m³) using the conversion factor of 26.853 (400,000 GJ x 26.853 m³/GJ = 10,741,200 m³).¹ Once converted to m³, the volume was converted to tCO₂e using the emission factor of 0.001874 (10,741,200 m³ x 0.001874 tCO₂e/m³ = 20,129 tCO₂e) to calculate the total emissions reductions.²

$$\begin{aligned} &400,000 \text{ GJ} \times 26.853 \text{ m}^3/\text{GJ} \\ &= 10,741,200 \text{ m}^3 \end{aligned}$$

$$\begin{aligned} &10,741,200 \text{ m}^3 \times 0.001874 \text{ tCO}_2\text{e}/\text{m}^3 \\ &= 20,129 \text{ tCO}_2\text{e} \end{aligned}$$

- b) Please see Exhibit I.STAFF.10.
- c) As noted in Exhibit B, Tab 2, Schedule 1, while general service commercial and industrial customers on system gas may enroll in the Program, it “has been designed with a residential focus and will be marketed as such.” Given the small scale of the monthly contributions, the amount of RNG from the Program is not expected to have a material impact on GHG emissions for a commercial or industrial customer. Additionally, although there will be periodic reporting to customers on the amount of RNG procured through the Program, it may be difficult for commercial or industrial customers to know the exact amount of RNG they have received in order to demonstrate GHG reductions, particularly if the reductions are being claimed under regulated programs such as the federal Output-Based Pricing System where such volumes would need to meet specific verification requirements. In general, if a commercial or industrial customer arranged for RNG as part of their supply through direct purchase and transportation services, they would be able to use the RNG to directly reduce their scope 1 emissions, offset scope 2 or 3 emissions, reduce carbon pricing under the Greenhouse Gas Pollution Pricing Act and meet voluntary emission reduction commitments.

¹ <https://www.nrcan.gc.ca/energy/energy-sources-distribution/natural-gas/natural-gas-primer/5641>

² Ministry of Environment, Conservation and Parks “Guideline for Quantification, Reporting and Verification of Greenhouse Gas Emissions”, April 2019.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, para 11

Preamble:

Enbridge states that, to the extent that RNG obtained using Program funds reduces Enbridge Gas' federal carbon charge obligation, and subsequent remittance to the CRA, any variance between the federal carbon charges remitted to the CRA and the amount charged to customers will be tracked in existing OEB-approved Federal Carbon Pricing Program customer-related variance accounts, and will flow to all customers subject to the federal carbon charge.

Question:

- a) Has Enbridge Gas performed any analysis of how the Program will impact the variance between the federal carbon charges remitted to the CRA and the amount charged to customers?

If so, please provide the analysis.

If not, please explain why no such analysis has been performed.

Response

- a) Please see Exhibit I.STAFF.10.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, para 17

Preamble:

Enbridge Gas states that, should its services be required to facilitate an arrangement between a customer and a third-party marketing RNG, existing business processes and systems will be relied upon. For example, a customer may purchase a portion of their gas supply as RNG from a gas marketer or RNG producer, who would in turn work within Enbridge Gas' established direct purchase framework to see that RNG is used to meet a customer's delivery obligations and consumption.

Question:

- a) Has Enbridge Gas performed any analysis of the impact of the Program on existing and potential competitive, third-party RNG producers, marketers, and related service providers?

If so, please provide the analysis.

If not, please explain why no such analysis has been performed.

- b) Has Enbridge Gas performed any analysis of the impact of the Program on the existing and potential **market for** competitive, third-party RNG production, marketing, and related service offerings?

If so, please provide the analysis.

If not, please explain why no such analysis has been performed.

- c) Please provide a detailed outline of the conditions of access to the Enbridge Gas distribution system for non-Enbridge Gas RNG producers and other supply sources. Please also specifically address whether the conditions of access to the Enbridge Gas distribution system are the same for Enbridge Gas and non-Enbridge Gas RNG producers and other supply sources.

Response

- a) Enbridge Gas has not performed a detailed analysis of the potential impact of its Voluntary RNG Program on existing and potential competitive, third-party RNG producers, marketers, and related service providers. As noted on page 9 of Exhibit B, Tab 2, Schedule 1 the Company is of the view that its Program does not compete with these parties and is complementary to other potential offers available to consumers. Enbridge Gas believes that RNG producers would view the Program as a positive development given its impact on the demand for RNG in Ontario. Please also see Exhibit I.Summitt.9.
- b) Please see part a).
- c) The conditions of access to Enbridge Gas's distribution system are the same for all RNG producers. For further information concerning the Company's RNG Enabling Program please see the Company's evidence in EB-2017-0319.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. ("Anwaatin")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, para 11

Preamble:

Enbridge Gas or its predecessors have previously filed the following applications with the Board:

- Green Energy Initiatives (EB-2009-0172)
- RNG Applications (EB-2011-0242/EB-2011-0283)
- RNG Enabling Program (EB-2017-0319)

(collectively, the **Prior Applications**).

Question:

- a) Excluding the present application for the Program, are the Prior Applications the only prior applications or evidence that Enbridge Gas or its predecessors have filed with the Board related to, addressing, and/or affecting RNG/biomethane?

If not, please identify and file any and all prior applications or evidence that Enbridge Gas or its predecessors have filed with the Board related to, addressing, and/or affecting RNG/biomethane.

Response

- a) In addition to the present application for the Program and the Prior Applications Enbridge Gas Distribution Inc. ("EGD") and Union Gas Limited ("Union") filed content relating to RNG in their respect 2018 Cap and Trade Program Compliance Plans. RNG material in EGD's 2018 Cap and Trade Compliance Plan can be found in Exhibit C, Tab 5, Schedule 2 of EB-2017-0224, accessed at the following link:

<http://www.rds.oeb.ca/HPECMWebDrawer/Record/590163/File/document>

RNG materials filed in Union's 2018 Cap and Trade Compliance Plan can be found at Exhibit 3, Tab 4 of EB-2017-0255, accessed at the following link:

<http://www.rds.oeb.ca/HPECMWebDrawer/Record/590547/File/document>

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association ("BOMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, Page 4 of 9, Paragraph 8 of May 1, 2020 correction

Question:

- a) What was the source of the error that resulted in the procurement forecast of 6,047 GJ in the initial application, that was corrected to 22,711 GJ in the May 1, 2020 correction?

Response

- a) The volume (GJ) of RNG provided in paragraph 8 as referenced was derived based on Enbridge Gas's Ten-Year Program Forecast (Exhibit C, Tab 2, Schedule 3). The forecast volumes of RNG provided prior to the correction of evidence were calculated using Program revenues net of Program costs. The calculation should have been based on full Program revenues being used for RNG purchases without any deductions for Program costs, and the corrected evidence reflects this calculation.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association ("BOMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, Page 4 of 9, Paragraph 11

Question:

- a) What is the rationale for flowing any variance between the Federal Carbon Charges remitted to the CRA and the amount charged to customers to all customers subject to the Federal Carbon Charge as opposed to just those customers who have elected to participate in the Program?

Response

- a) Please see Exhibit I.STAFF.14.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association ("BOMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, Page 4 of 9, Paragraph 14

Question:

- a) What is the rationale for choosing rate classes: Rate 1, Rate 6, Rate 01, Rate 10, Rate M1 and Rate M2 as eligible to participate in the Program as opposed to other rate classes?

Response

- a) As noted in Exhibit B, Tab 2, Schedule 1, page 4, "Enbridge Gas's Voluntary RNG Program will be open to any system gas general service customer across all rate zones...While commercial or industrial customers on system gas in general service rate classes may enroll in the Voluntary RNG Program, the Program has been designed with a residential focus and will be marketed as such. Enbridge Gas expects that the small cost to participate in the Program in the amount of \$2 per month will appeal to many residential customers, in addition to some small commercial customers." The rate classes noted above are Enbridge Gas's general service rates.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association ("BOMA")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 3, Page 1 of 1

Question:

a) How was the cost of \$17/GJ for RNG derived?

Response

- a) For forecast purposes, Enbridge Gas estimated an RNG price of \$21/GJ and traditional natural gas price of \$4/GJ; the cost differential of approximately \$17/GJ is the premium participating customers will be paying for RNG supply replacing traditional natural gas. Please see Exhibit I.STAFF.4 1) for further detail. Actual RNG price premiums will vary depending on the purchase cost of RNG and fluctuations in the market price of traditional natural gas.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Biogas Association ("CBA")

Interrogatory

Reference:

Exhibit B Tab 2 Schedule 1 page 2

Preamble:

Enbridge Gas's proposed Voluntary RNG Program will offer system gas general service customers across all rate zones the option to pay a fixed \$2 monthly charge to fund the incremental cost of including RNG volumes in the Company's system gas supply.

Question:

- a) Please confirm the following in table form:
 - i) The number of customers in each class across all rate classes;
 - ii) The total annual natural gas consumption for each class across all rate classes by system gas customers and direct purchase customers;
 - iii) The average annual natural gas consumption per customer for each rate class across all rate classes; and
 - iv) The number of system gas customers and direct purchase customers in each rate class.
- b) Using the table(s) in a), please identify which customers would be eligible for the proposed program as designed by highlighting those cells in the table(s).
- c) Please describe any factors, if any, that prevent Enbridge Gas from offering non-system gas customers the opportunity to participate in the voluntary RNG Program.
- d) Please identify any marketers you are aware of or other programs in Ontario which offer RNG to end use consumers in Ontario.
- e) How much natural gas does Enbridge Gas purchase for its own use annually?
- f) What percentage, if any, of Enbridge Gas's own use gas is RNG?

- g) What factors, if any, prevent Enbridge Gas from purchasing RNG for 100% of its own use gas as part of the proposed program?
- h) If Enbridge Gas purchased 100% of its own use gas as RNG what would the annual GHG savings be?
- i) Assuming Enbridge Gas was permitted to source its own use gas using RNG please estimate the premium Enbridge Gas would pay on annual basis in accordance with the following scenarios:
 - i) Enbridge Gas replaces 2%, 10%, 25% ,50%, and 100% of its annual own-use gas with RNG using the procurement framework as contemplated in the voluntary RNG proposal, and
 - ii) Enbridge Gas replaces 2%, 10%, 25%, 50% and 100% of its annual own-use gas with RNG using long term RNG contracts.
- j) Please discuss how, if Enbridge Gas was permitted to replace some amount of its own use gas with RNG, the premium incurred to purchase RNG would be paid? In answering this question please discuss to what extent, if any, Enbridge Gas would be willing to absorb the premium (by not passing along the cost of the premium to ratepayers) and to what extent, if any, Enbridge Gas believes the premium should be passed on to ratepayers through rates.
- k) Please confirm that the current proposal does not permit Enbridge Gas to offer and accept contributions in excess of \$2 per customer per month without further approval from the Board.
- l) Please confirm the incremental benefits of the RNG program if Enbridge Gas was permitted to recover (on a voluntary basis):
 - i) \$5 per month per customer;
 - ii) \$10 per month per customer;
 - iii) \$20 per month per customer.
- m) Please calculate an alternative voluntary charge for Rates 6 and M2 by establishing the ratio between the proposed \$2 charge and the average consumption in rates 1 and 6 and maintaining that ratio between the average consumption in Rates 6 and M2 and the alternative voluntary charge (for example, it appears to the CBA that the \$2 charge is equal to approximately 2% of the average total monthly bill for Rate 1 and Rate M1 customers; if that is true, what level of charge would represent 2% of the average total monthly bill for Rate 6 and M2 customers)?

Response

- a) Please see Attachments 1-3 to this interrogatory response, which provide excerpts from Enbridge Gas's 2018 Utility Results and Deferral and Variance Account Disposition application (EB-2019-0105). Attachment 1 relates to the EGD rate zone, wherein system gas customers are referred to as "Sales", Attachment 2 relates to throughput in the Union rate zones, and Attachment 3 relates to customer count by rate class within the Union rate zones. Within Attachments 2 and 3 system gas customers are referred to as "System Sales".

Please see below the typical annual volumes for customers in Enbridge Gas's General Service rate classes to which the Program applies:

Rate Class	Typical Annual Volume (m³)
Rate 1	2,400
Rate 6	22,606
Rate M1	2,200
Rate M2	73,000
Rate 01	2,200
Rate 10	93,000

- b) Please see response to a) above. System gas customers in Enbridge Gas's general service rate classes (i.e. Rate 1, Rate 6, Rate 01, Rate 10, Rate M1 and Rate M2) are eligible to participate in the Program, however the Program has been designed with a residential focus and will be marketed as such.
- c) Enbridge Gas is not proposing to offer the Program to non-system gas customers in recognition of the fact that these customers acquire their supply from independent third-party energy marketers. For further information please see Exhibit B, Tab 2, Schedule 1, paragraphs 23, 28 & 29.
- d) Enbridge Gas is aware of one marketer (Bullfrog Power) that based on information presented on its website offers an RNG program to end use consumers in Ontario.
- e) Enbridge Gas purchases approximately 0.8 PJ of natural gas for its own use annually.

- f) Enbridge Gas does not currently purchase RNG.
- g) Enbridge Gas does not currently procure RNG for its "own-use" gas as there is no mechanism for cost recovery for the incremental cost of RNG over that of traditional natural gas. Were the Company to acquire all of its own-use gas as RNG, then all customers would pay and this would not be a "voluntary" RNG offering for customers as specified in the Made in Ontario Environment Plan.
- h) The estimated annual GHG savings realized from using 100% RNG for "own-use" gas would be approximately 40,258 tCO_{2e}.
- i) The chart below outlines the estimated total premium Enbridge Gas would pay if it were to source RNG for various proportions of its "own-use" gas portfolio. Enbridge Gas has not utilized different price assumptions for long-term and short-term RNG contracts.

	% "Own Use" Gas (Based off 800,000 GJs annually)				
	2%	10%	25%	50%	100%
Volume (GJ)	16,000	80,000	200,000	400,000	800,000
RNG premium (\$/GJ)	\$ 16.895	\$ 16.895	\$ 16.895	\$ 16.895	\$ 16.895
Total Premium "Own Use"	\$ 270,320	\$ 1,351,600	\$ 3,379,000	\$ 6,758,000	\$ 13,516,000

- j) The cost of gas used by Enbridge Gas for "own use" is recovered from ratepayers. If Enbridge Gas were to substitute some amount of its own use natural gas with RNG, the Company would seek to recover the premium incurred to purchase this RNG in rates from all customers.
- k) Confirmed.
- l) Enbridge Gas does not believe that offering higher levels of monthly contribution to residential customers will necessarily result in "incremental benefits" of the RNG program. The proposed Voluntary RNG program is designed for residential customers, and market research has indicated that support for an RNG program decreases significantly as the offering becomes more expensive.
- m) Please see response at Exhibit I.EP.17 for details on Enbridge Gas's research supporting the proposed \$2 monthly charge for each participant in the Voluntary RNG Program. As noted, the Program has been designed with a residential focus and will be marketed as such.

The proposed \$2 monthly charge (\$24 annually) is approximately 2.6% of a typical sales service residential customer annual bill in the EGD rate zone (Rate 1) and 3.2% of a typical sales service residential customer annual bill in the Union South rate zone (Rate M1).¹

Applying the equivalent total bill percentage for Rate 1 and Rate M1 to Rate 6 and Rate M2, respectively, results in a monthly charge of approximately \$15 (\$175 annually) for customers in Rate 6 in the EGD rate zone and \$43 per month (\$518 annually) for customers in Rate M2 in the Union South rate zone.² Enbridge Gas notes the annual consumption of customers in Rate 6 and Rate M2 is more diverse within these rate classes than the annual consumption of a typical residential customer.

¹ Based on the total sales bill for a typical residential customer per Enbridge Gas's April 2020 QRAM filed at EB-2020-0077, Exhibit A, Tab 3, Schedule 1.

² Total sales bill of \$6,800 for a Rate 6 customer of in the EGD rate zone consuming 22,606 m³ annually filed at EB-2020-0077, Exhibit C, Tab 4, Schedule 7, page 3. Total sales bill of \$16,217 (excluding prospective recovery) for a Rate M2 customer in the Union South rate zone consuming 73,000 m³ annually filed at EB-2020-0077, Exhibit E, Tab 2, Schedule 5, page 1.

CUSTOMER METERS, VOLUMES AND REVENUES BY RATE CLASS
 2018 ACTUAL

Item	Col. 1	Col. 2	Col. 3
<u>No.</u>	<u>Customers</u> (Average)	<u>Volumes</u> (10 ⁶ m ³)	<u>Revenues</u> (\$Millions)
<u>General Service</u>			
1.1.1 Rate 1 - Sales	1 948 130	5 114.2	1 878.3
1.1.2 Rate 1 - T-Service	<u>68 998</u>	<u>182.1</u>	<u>54.5</u>
1.1 Total Rate 1	<u>2 017 128</u>	<u>5 296.3</u>	<u>1 932.8</u>
1.2.1 Rate 6 - Sales	144 285	3 209.6	913.1
1.2.2 Rate 6 - T-Service	<u>22 930</u>	<u>2 074.3</u>	<u>238.7</u>
1.2 Total Rate 6	<u>167 215</u>	<u>5 283.9</u>	<u>1 151.8</u>
1.3.1 Rate 9 - Sales	2	0.0 **	0.0 ***
1.3.2 Rate 9 - T-Service	<u>0</u>	<u>0.0</u>	<u>0.0</u>
1.3 Total Rate 9	<u>2</u>	<u>0.0</u>	<u>0.0</u>
1. Total General Service Sales & T-Service	<u>2 184 345</u>	<u>10 580.2</u>	<u>3 084.6</u>
<u>Contract Sales</u>			
2.1 Rate 100	2	1.5	0.5
2.2 Rate 110	43	56.5	11.0
2.3 Rate 115	1	0.3	0.2
2.4 Rate 135	3	2.0	0.3
2.5 Rate 145	4	6.2	1.3
2.6 Rate 170	6	28.6	5.2
2.7 Rate 200	<u>1</u>	<u>184.4</u>	<u>30.2</u>
2. Total Contract Sales	<u>60</u>	<u>279.5</u>	<u>48.7</u>
<u>Contract T-Service</u>			
3.1 Rate 100	1	0.6	0.1
3.2 Rate 110	231	789.4	40.9
3.3 Rate 115	25	499.1	12.5
3.4 Rate 125	4	0.0 *	11.1
3.5 Rate 135	40	60.6	2.9
3.6 Rate 145	29	37.1	2.7
3.7 Rate 170	21	299.5	6.1
3.8 Rate 300	2	0.0	0.1
3.9 Rate 315	<u>1</u>	<u>0.0</u>	<u>0.0</u>
3. Total Contract T-Service	<u>354</u>	<u>1 686.3</u>	<u>76.4</u>
4. Total Contract Sales & T-Service	<u>414</u>	<u>1 965.8</u>	<u>125.1</u>
5. Total	<u>2 184 759</u>	<u>12 546.0</u>	<u>3 209.7</u>

* There is no distribution volume for Rate 125 customers.

** Less than 50,000 m³

*** Less than \$50,000

UNION RATE ZONES
Total Weather Normalized Throughput Volume by Service type and Rate Class
All Customer Rate Classes
Year Ended December 31

Line No.	Volumes in 10 ³ m ³	Board Approved 2013						Actual 2017						Actual 2018					
		System Sales	ABC-T	ABC-Unbundled	Bundled-T	T-Service	Total	System Sales	ABC-T	ABC-Unbundled	Bundled-T	T-Service	Total	System Sales	ABC-T	ABC-Unbundled	Bundled-T	T-Service	Total
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
<u>General Service</u>																			
1	Rate M1 Firm	2,271,443	465,977	185,421	16,702	-	2,939,543	2,668,054	202,643	967	16,259	-	2,887,923	2,922,893	208,576	(0)	20,081	-	3,151,550
2	Rate M2 Firm	378,137	336,728	23,220	237,485	-	975,571	603,585	331,644	942	275,202	-	1,211,373	626,755	360,562	-	290,311	-	1,277,628
3	Rate O1 Firm	641,423	233,272	-	9,727	-	884,421	854,157	69,059	-	10,105	-	933,321	920,267	67,711	-	11,540	-	999,518
4	Rate 10 Firm	155,398	82,428	-	85,062	-	322,887	174,872	74,443	-	94,729	4,392	348,435	179,148	74,012	-	97,177	4,174	354,511
5	Total General Service	3,446,401	1,118,404	208,642	348,975	-	5,122,423	4,300,668	677,789	1,909	396,295	4,392	5,381,052	4,649,064	710,861	(0)	419,110	4,174	5,783,208
<u>Wholesale - Utility</u>																			
6	Rate M9 Firm	-	-	-	60,750	-	60,750	23,509	-	-	45,665	-	69,174	27,915	-	-	51,031	-	78,946
7	Rate M10 Firm	48	-	-	141	-	189	274	-	-	-	-	274	410	-	-	-	-	410
8	Total Wholesale - Utility	48	-	-	60,891	-	60,939	23,782	-	-	45,665	-	69,447	28,325	-	-	51,031	-	79,356
<u>Contract</u>																			
9	Rate M4	16,855	-	-	387,823	-	404,678	-	-	-	-	-	-	-	-	-	-	-	-
10	Rate M7	-	-	-	147,143	-	147,143	40,356	20,534	-	488,870	-	549,760	44,094	23,408	-	589,260	-	656,761
11	Rate 20 Storage	-	-	-	-	-	-	22,229	2,803	-	482,660	-	507,692	26,514	3,164	-	484,158	-	513,836
12	Rate 20 Transportation	13,514	-	-	110,097	506,191	629,802	-	-	-	-	-	-	-	-	-	-	-	-
13	Rate 100 Storage	-	-	-	-	-	-	13,127	-	-	95,981	392,391	501,499	13,385	-	-	98,068	366,651	478,104
14	Rate 100 Transportation	-	-	-	-	1,895,488	1,895,488	-	-	-	-	1,029,145	1,029,145	-	-	-	-	1,038,045	1,038,045
15	Rate T-1 Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Rate T-1 Transportation	-	-	-	-	548,986	548,986	-	-	-	-	458,243	458,243	-	-	-	-	466,596	466,596
17	Rate T-2 Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Rate T-2 Transportation	-	-	-	-	4,880,297	4,880,297	-	-	-	-	3,762,498	3,762,498	-	-	-	-	4,101,435	4,101,435
19	Rate T-3 Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Rate T-3 Transportation	-	-	-	-	272,712	272,712	-	-	-	-	257,343	257,343	-	-	-	-	279,794	279,794
21	Rate M5	14,152	-	-	520,981	-	535,132	6,806	4,232	-	129,610	-	140,648	6,721	3,514	-	63,772	-	74,007
22	Rate 25	42,913	-	-	-	116,643	159,555	39,902	-	-	-	67,095	106,997	71,301	-	-	-	84,825	156,126
23	Rate 30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Contract	87,433	-	-	1,166,044	8,220,317	9,473,795	122,420	27,569	-	1,197,120	5,966,716	7,313,825	162,015	30,086	-	1,235,257	6,337,347	7,764,704
25	Total Throughput Volume	3,533,882	1,118,404	208,642	1,575,911	8,220,317	14,657,156	4,446,870	705,358	1,909	1,639,080	5,971,108	12,764,325	4,839,404	740,947	(0)	1,705,397	6,341,521	13,627,268

UNION RATE ZONES
Total Customers by Service Type and Rate Class
All Customer Rate Classes
Year Ended December 31

Line No.	Particulars	Board Approved 2013						Actual 2017						Actual 2018					
		System Sales	ABC-T	ABC-Unbundled	Bundled-T	T-Service	Total	System Sales	ABC-T	ABC-Unbundled	Bundled-T	T-Service	Total	System Sales	ABC-T	ABC-Unbundled	Bundled-T	T-Service	Total
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
<u>General Service</u>																			
1	Rate M1 Firm	837,301	157,165	72,389	902	-	1,067,757	1,061,695	55,360	1	1,093	-	1,118,149	1,086,206	47,763	-	1,154	-	1,135,123
2	Rate M2 Firm	3,172	2,594	241	771	-	6,778	4,256	2,371	-	760	-	7,387	4,355	2,369	-	852	-	7,576
3	Rate 01 Firm	242,644	80,300	-	343	-	323,287	327,139	18,909	-	639	-	346,687	334,787	16,562	-	659	-	352,008
4	Rate 10 Firm	930	845	-	289	-	2,064	1,375	564	-	294	5	2,238	1,211	556	-	295	5	2,067
5	Total General Service	1,084,047	240,904	72,630	2,305	-	1,399,886	1,394,465	77,204	1	2,786	5	1,474,461	1,426,559	67,250	-	2,960	5	1,496,774
<u>Wholesale - Utility</u>																			
6	Rate M9 Firm	-	-	-	3	-	3	1	-	-	2	-	3	1	-	-	2	-	3
7	Rate M10 Firm	1	-	-	1	-	2	3	-	-	-	-	3	3	-	-	-	-	3
8	Total Wholesale - Utility	1	-	-	4	-	5	4	-	-	2	-	6	4	-	-	2	-	6
<u>Contract</u>																			
9	Rate M4	11	-	-	104	-	115	22	10	-	172	-	204	26	11	-	170	-	207
10	Rate M7	-	-	-	4	-	4	2	1	-	27	-	30	2	1	-	28	-	31
11	Rate 20 Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Rate 20 Transportation	4	-	-	20	39	63	4	-	-	16	24	44	5	-	-	15	24	44
13	Rate 100 Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Rate 100 Transportation	-	-	-	-	17	17	-	-	-	-	11	11	-	-	-	-	11	11
15	Rate T-1 Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Rate T-1 Transportation	-	-	-	-	35	35	-	-	-	-	38	38	-	-	-	-	36	36
17	Rate T-2 Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Rate T-2 Transportation	-	-	-	-	29	29	-	-	-	-	23	23	-	-	-	-	25	25
19	Rate T-3 Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Rate T-3 Transportation	-	-	-	-	1	1	-	-	-	-	1	1	-	-	-	-	1	1
21	Rate M5	5	-	-	139	-	144	6	2	-	30	-	38	6	3	-	30	-	39
22	Rate 25	50	-	-	-	42	92	44	-	-	-	44	88	35	-	-	-	44	79
23	Rate 30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total Contract	70	-	-	267	163	500	78	13	-	245	141	477	74	15	-	243	141	473
25	Total Number of Customers	1,084,118	240,904	72,630	2,576	163	1,400,391	1,394,547	77,217	1	3,033	146	1,474,944	1,426,637	67,265	-	3,205	146	1,497,253

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Biogas Association ("CBA")

Interrogatory

Reference:

Exhibit B Tab 2 Schedule 1 pages 3-4

Preamble:

Enbridge Gas applies the Federal Carbon Charge to all volumes of gas delivered to customers, including customers who have elected to participate in the Program. To the extent that the RNG obtained by Enbridge Gas using Program funds reduces the Company's Federal Carbon Charge obligations, and subsequent remittance to the CRA, any variance between the Federal Carbon Charges remitted to the CRA and the amount charged to customers will be tracked in existing OEB-approved Federal Carbon Pricing Program customer-related variance accounts, and will flow to all customers subject to the Federal Carbon Charge.

Question:

- a) Please confirm that under the current proposal any federal carbon credit amounts created as a result of the voluntary RNG program are to be tracked in a deferral account and eventually credited to all customers subject to the Federal Carbon Charge, not just customers that participate in the voluntary RNG program.
- b) Using the tables from CBA-1 a), please highlight the customer classes that would be impacted from the clearance of RNG related federal carbon credits tracked in the OEB-approved Federal Carbon Pricing Program customer-related variance accounts.
- c) What factors, if any, prevent Enbridge Gas from crediting federal carbon credit amounts created as a result of the voluntary RNG program to only the participants in the program?

- d) What factors, if any, prevent Enbridge Gas from reinvesting the value of the credits into the voluntary RNG program in order to procure additional RNG?

Response

- a) Confirmed. For further discussion, please refer to Exhibit I.STAFF.14.
- b) The rate classes that would be impacted by the clearance of RNG related Federal Carbon Charge variance tracked in the Federal Carbon Charge Customer Variance Account are shown on the table below. Customers who are exempt from paying the Federal Carbon Charge, for example large industrial customers who are exempt due to coverage in the federal Output-Based Pricing System, would not be impacted by the clearance.

Rate Zone	Rate Class
EGD	1, 6, 9, 100, 110, 115, 125, 135, 145, 170, 300
Union South	M1, M2, M4, M5, M7, M9, M10, T1, T2, T3
Union North	01, 10, 20, 25, 100

- c) Please see Exhibit I.STAFF.14.
- d) Please see Exhibit I.STAFF.14.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Biogas Association ("CBA")

Interrogatory

Reference:

Exhibit C Tab 3 Schedule 1 pages 3

Preamble:

Biomethane Service Offering FortisBC Energy–Vancouver: The pilot did not meet its targets for residential subscribers but had modest success amongst small commercial and municipal customers.

Question:

- a) Will Enbridge focus on municipalities that have a climate plan or have declared a climate emergency?
- b) Please provide a breakdown showing:
 - i) the number of municipal customers per rate class;
 - ii) the average annual natural gas consumption per municipal customer within each relevant rate class; and
 - iii) the number of municipal customers in each relevant rate class using system gas.

In the event Enbridge Gas does not strictly track "municipal" customers please provide a best effort estimate of the number of municipal customers in each rate class and the annual average consumption for municipal customers in each rate class.

- c) What factors, if any, would prevent Enbridge Gas from creating a municipal customer specific aspect to the program that would:
 - i) increase the payment made by municipal customers beyond the proposed \$2 based on feedback from that customer group; and

- ii) allow municipal customers to commit to longer term voluntary payments with the effect that Enbridge Gas may be able to enter into longer term procurement contracts for a portion of its RNG portfolio?

Response

- a) As noted in the pre-filed evidence on page 5 of Exhibit B, Tab 2, Schedule 1:

While commercial or industrial customers on system gas in general service rate classes may enroll in the Voluntary RNG Program, the Program has been designed with a residential focus and will be marketed as such. Enbridge Gas expects that the small contribution amount of \$2 per month will naturally appeal most to residential customers, in addition to some small commercial customers.

Similar to commercial and industrial customers on system gas in general service rate classes, municipal customers on system gas in general service rate classes may enroll in the Voluntary RNG program.

As highlighted above, the intent of the Program is to focus on residential customers. Enbridge Gas plans to make the Program available to customers in all municipalities within its franchise areas and there is no present plan to target the Program to customers in specific municipalities that have a climate plan.

- b) This information is not tracked by Enbridge Gas.
- c) Enbridge Gas has not contemplated a municipal program offering. The Company interprets "municipal customers" as a reference to municipalities that are Enbridge Gas customers. Municipalities have the option to avail themselves of the same direct purchase options as any other Enbridge Gas customer and can arrange for all or a portion of their gas supply to be in the form of RNG outside of the Program.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Biogas Association ("CBA")

Interrogatory

Reference:

Exhibit B Tab 2 Schedule 2 pages 1-2

Preamble:

Enbridge Gas will procure RNG in accordance with its "Gas Supply Procurement Policies and Practices." The Company intends to procure RNG on short-term contracts from existing RNG producers or marketers in the secondary market. For example, Enbridge gas may purchase RNG for a seasonal or year-long contract, subject to the availability of RNG in the market on shorter terms. Enbridge Gas is aware of a number of RNG producers in Ontario expected to be in-service in 2020 and 2021 respectively and expects there will be volumes of RNG available in the market.

Question:

- a) Please provide more detail with respect to Enbridge Gas' approach to procuring RNG, including specifically the process by which potential sources of RNG will be given the opportunity to offer to sell to Enbridge Gas.
- b) How much will Enbridge pay producers for RNG?
- c) Please confirm that in comparing different RNG offerings in the market Enbridge Gas will consider the "all in" cost of each offering, such that, for example, all else being equal, RNG that is injected directly into the Enbridge Gas distribution system by a producer will be preferred over RNG that has to be transmitted from outside the Enbridge Gas distribution system because of the avoided cost of transmission?
- d) How will Enbridge Gas procure RNG if it cannot source RNG in Ontario?
- e) Does the carbon intensity of the RNG Enbridge Gas proposes to procure have any role to play in sourcing?

Response

- a) Please see Exhibit I.Staff.6 2).
- b) Enbridge Gas will procure RNG using available funds from the Voluntary RNG Program and in accordance with its “Gas Supply Procurement Policies and Practices”. The price that Enbridge Gas will pay a supplier will be determined at the time of transaction based on RNG offers available.
- c) With regard to price, Enbridge Gas will consider the total landed cost of RNG supply to Enbridge Gas’s system when evaluating RNG purchases. Landed cost includes the purchase price of RNG at the agreed delivery location plus any incremental transportation, balancing, or other costs to be incurred by Enbridge Gas to move RNG to Enbridge Gas’s pipeline system, if applicable. Enbridge Gas anticipates requesting offers for RNG to be delivered to a point on its pipeline system, such as Dawn, and therefore does not expect it will incur any incremental costs for transportation or balancing.
- d) Enbridge Gas anticipates being able to procure the forecasted Program volumes of RNG within the Ontario market, though some of the gas procured in the Ontario market may have been produced external to Ontario.
- e) Initially, carbon intensity will not be part of Enbridge Gas’ RNG purchasing criteria. See Exhibit I.STAFF.6 3) for further details.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Biogas Association ("CBA")

Interrogatory

Reference:

Exhibit B Tab 2 Schedule 3 pages 1

Preamble:

In pursuit of the primary objective noted above, the majority of the Program's marketing will be focused on target audiences that preliminary research suggests will be open to participating in a voluntary RNG program. The market research used to develop this Application suggests that once these customers understand what RNG is, they will be open to learning about the Voluntary RNG Program and enrolling.

Question:

- a) Please describe how Enbridge Gas intends to market the program in a way that will not cause customers that are already contributing more than \$2 per month towards the costs of including RNG as part of their gas supply through a retailer to switch to system gas, with the result that the overall inclusion of RNG on the system is reduced.

Response

- a) Enbridge Gas assumes that customers currently participating in a retailer program that supplies RNG will be aware of the costs and benefits of that program (as noted at Exhibit I.CBA.1, the Company is only aware of one marketer currently offering such a program). Enbridge Gas will communicate both the costs and benefits of participating in Enbridge's Voluntary RNG Program. This will ensure that potential participants have the information they require to select a program that best meets their objectives.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Biogas Association ("CBA")

Interrogatory

Reference:

Exhibit C Tab 3 Schedule 1 page 3

Preamble:

Enbridge Gas provides summary information on several RNG programs across North America.

Question:

- a) For each of the RNG programs described by Enbridge Gas, please provide the following information in table form:
- i) The total annual volume of RNG purchased as part of the program;
 - ii) The percentage of the total RNG purchased that is funded by residential customers.

Response

RNG Program	Total Annual Volume of RNG	% of Total TNG Purchased Funded by Residential Customers
BioGreen Gas Program DTE Gas Company – Michigan	The initial pilot targeted RNG volumes of 10,550 GJ; Enbridge is unable to access more recent information on volumes. The program currently has approximately 2,000 enrolled customers.	The program is available to all customers and funded by revenues collected from participants.
Biomethane Service Offering FortisBC Energy – Vancouver	FortisBC has a contracted capacity for 899,250 GJ annually of RNG and has	The program is available to and funded by commercial,

RNG Program	Total Annual Volume of RNG	% of Total TNG Purchased Funded by Residential Customers
	regulatory approval to procure up to 8.9 million GJs of RNG annually ¹ . FortisBC's current regulatory approval allows for up to 5% of total gas supply to be RNG, and the company targets to reach 15% of RNG by 2030.	residential customers and on/off system customers.
Southern California Gas Company & San Diego Gas & Electric Company – Renewable Natural Gas Tariff	Southern California Gas Company announced a plan to replace 5% of its natural gas supply with RNG by 2022 and 20% by 2030.	The program is available to both residential and commercial customers. The program will be funded from existing capital budget approved in SoCalGas's general rate case ("GRC") and SDG&E will estimate request recovery of capital funds in its next GRC proceeding.
Vermont Gas – Northwest Vermont	The company had estimated RNG volumes of 13,000 GJ in the first year (2018-2019), growing to 68,000 GJ in five years.	The program is available to all customers and will be funded by all customers. Business and institutional customers were estimated to represent 90% of total RNG sales volumes, and residential customers 10%.
Bullfrog Power – Green Natural Gas Program	Bullfrog's website indicates that the program has been able to inject over 10.7 million GJs of green natural gas. ²	The program is funded by participating customers.

¹ https://www.bcuc.com/Documents/Proceedings/2019/DOC_55329_B-1-FEI-BPAs-TidalEnergy-App-Redacted.pdf

² <https://www.bullfrogpower.com/our-story/>

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Biogas Association ("CBA")

Interrogatory

Reference:

Exhibit B Tab 2 Schedule 1 page 6

Exhibit C Tab 2 Schedule 1

Preamble:

Enbridge Gas describes its expectation that large commercial and industrial customers will, if interested, purchase RNG for their own use using means other than an RNG program run by Enbridge Gas. Enbridge Gas provides a summary of the customer feedback it received with respect to interest from residential customers in funding RNG purchases.

Question:

- a) Please summarize the feedback with respect to the proposed program, if any, that Enbridge Gas sought and received from large commercial and industrial customers and how that feedback, if any, factored into Enbridge Gas' decision to exclude large commercial and industrial customers from its voluntary RNG proposal.

Response

- a) The Company has not conducted formal consultations with large commercial and industrial customers specific to the subject of this application, its Voluntary RNG Program. Enbridge Gas personnel do however meet regularly with representatives of such customers and anecdotally the Company is aware that some of them have expressed varying degrees of interest in potentially acquiring RNG to meet part of their gas supply needs. As noted in the Company's evidence Enbridge Gas is fully prepared to support such RNG purchases through the use of existing direct purchase and transportation services offered by the Company. Enbridge Gas expects the Program will help to grow a more robust market for RNG in Ontario, which may result in more large commercial and industrial customers seeking out the

purchase of RNG for their gas supply using direct purchase or transportation services.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Consumers Council of Canada ("CCC")

Interrogatory

Reference:

(Ex. A/T2/S1/p. 3)

Question:

The evidence states that, "The incremental cost of RNG above the cost of traditional gas supply will be funded entirely by Voluntary RNG Program participants, with no direct costs for RNG procured assigned to non-participants. Please provide a list of all direct and in-direct costs associated with the program. Will non-participants be funding indirect costs? If so, what are those indirect costs?"

Response

Please see Exhibit C, Tab 2, Schedule 2 for direct Program costs. Indirect costs will include administrative and overhead costs such as HR, IT and other costs required for employees to engage in their work. Please also see Exhibit I.LPMA.10 a). All direct and indirect costs will be funded by existing revenues during the deferred rebasing term, meaning that there will be no rate increases to non-participants.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Consumers Council of Canada ("CCC")

Interrogatory

Reference:

(Ex. B1/T1)

Question:

Please provide all correspondence between EGI and any Ontario Government Ministries related to this program. Did EGI representatives meet with Ontario Government officials regarding this program? If so, please provide a timeline for the meetings and describe the nature of the discussions.

Response

Enbridge Gas representatives have met with Ontario Government officials to discuss the development of the Program over the past two years. These discussions focused on the structure of several program options and the extent to which such a voluntary RNG program might have been supported through subsidies.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Consumers Council of Canada ("CCC")

Interrogatory

Reference:

(Ex. B/T1/S1/p. 2)

Question:

What is the current price differential between RNG and the combined cost of carbon and traditional natural gas?

Response

The current price differential between RNG and the combined cost of carbon and traditional natural gas is estimated at approximately \$16.90/GJ based on the following:

- Forecast cost of RNG - \$21/GJ (please see Exhibit I.STAFF.4)
- Carbon cost 2020 - \$1.50/GJ (5.87 cents/m³ as per the Greenhouse Gas Pollution Pricing Act)
- Traditional natural gas - \$2.605/GJ (Average 12-month forward looking Dawn price from April 2020 QRAM filing EB-2020-0077 Exhibit E, Tab 1, Schedule 1).

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Consumers Council of Canada ("CCC")

Interrogatory

Reference:

(Ex. B/T2/S1/p. 1)

Question:

How will EGI ensure that the Program will not increase the rates or costs of non-participating customers?

Response

Please see Exhibit I.LPMA.10 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Consumers Council of Canada ("CCC")

Interrogatory

Question:

Please set out all of the program designs EGI considered before landing on its proposed program design.

Response

Enbridge Gas considered two other voluntary RNG program options before landing on the one presented to the Board in this application. Both included varying degrees of ratepayer subsidy and were rejected by the Company.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Consumers Council of Canada ("CCC")

Interrogatory

Reference:

(Ex. B/T2/S1/p. 6)

Question:

Please provide a copy of the predefined terms and conditions of the Program.

Response

Please see Exhibit I.EP.5.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Consumers Council of Canada ("CCC")

Interrogatory

Reference:

(Ex. C/T2/S2)

Question:

EGL has set out its forecast program costs. Please explain why EGL is not proposing to allocate those costs to program participants?

Response

Please see Exhibit I.LPMA.10 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Consumers Council of Canada ("CCC")

Interrogatory

Question:

Does EGI currently have any affiliates that produce RNG?

Response

Yes. Please see Exhibit I.SEC.3.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Manufacturers & Exporters ("CME")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 7 of 9

Question:

At Exhibit B, Tab 2, Schedule 2, page 7 of 9, EGI stated that it has been engaged in unregulated activities (RNG upgrading services) and that it "will be working with these [RNG production facilities] project developers and providing the services they require to get their RNG to market."

Accordingly, it is CME's understanding that EGI may have an interest in ensuring that certain RNG market participants, with whom EGI has a relationship and may provide services for, continue to do business.

- a) Please describe the process that EGI will undertake to ensure that there is no conflict of interest when selecting RNG providers, and the best value for ratepayer funding is achieved.

Response

Please see Exhibit I.STAFF.6.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Manufacturers & Exporters ("CME")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 2, page 1 of 2

Question:

At Exhibit B, Tab 2, Schedule 2, page 1, EGI stated that "Enbridge gas may purchase RNG for a seasonal or year-long contract, subject to the availability of RNG in the market on shorter terms." EGI also discussed "procurement intervals" through which purchases will be made.

CME wishes to better understand EGI's proposal with respect to year long contracts and procurement intervals.

- a) If EGI were to enter into a year-long contract, would the gas purchase pursuant to that contract be made once upfront (a specific quantity of gas at a specified price) and delivered over the course of the year, or would multiple purchases be made at procurement intervals within the framework of a year long contract, with the quantity of gas to be purchased at each interval dependent on the prevailing price of RNG during that interval?

Response

- a) Generally, the total volume to be purchased and the purchase price of RNG would be determined at the time of the transaction with the supplier. However, Enbridge Gas will remain flexible and open to evaluating alternative delivery schedules for RNG if proposed by suppliers.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Manufacturers & Exporters ("CME")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4, page 2 of 2

Question:

At Exhibit B, Tab 2, Schedule 4, page 2, EGI described the costs of the voluntary RNG program.

EGI stated that "The Company will manage these operating costs within its existing budgets until rebasing in 2024. Managing these costs within existing O&M budgets will allow Enbridge Gas to dedicate all RNG Contributions collected during the deferred rebasing term toward the procurement of RNG, rather than the recovery of the Company's costs."

- a) Please confirm whether it is EGI's intention to recover amounts from ratepayers after rebasing in 2024.
- b) If the answer to (a) is yes, please confirm whether the costs of the voluntary RNG program (including the revenue requirement associated with the \$600,000 capital cost in 2021) will be borne by those who do not opt-in as well as by those who do.

Response

- a) Please see Exhibit I.LPMA.10 a).
- b) Please see Exhibit I.LPMA.10 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Canadian Manufacturers & Exporters ("CME")

Interrogatory

Reference:

Exhibit C, Tab 1, Schedule 1, page 1 of 1

Question:

At Exhibit C, Tab 1, Schedule 1, page 1, EGI's cost comparison chart shows that the "low case" for RNG is 5.4 cents per kilowatt hour, off-peak electricity is 10.1 cents per kilowatt hour, and the "high case" for RNG is 10.8 cents per kilowatt hour.

- a) When determining the "high case" and "low case" for RNG, did EGI determine how likely each scenario was? If so, please provide how likely EGI believes it is that RNG will be priced as the "high case" and how likely it will be priced at the "low case".
- b) If RNG were not cost competitive with other renewable resources, such as off-peak electricity, would EGI change anything about the voluntary RNG program, whether in program design, scope etc.? Please explain fully.

Response

- a) In demonstrating the range of prices for RNG, Enbridge Gas has not considered the likelihood of either price. The Company used an assumed RNG price of \$21 per GJ in its assessment of its Voluntary RNG Program.
- b) Based on the Company's understanding of the range of RNG prices that will be available, the Company would not propose any changes be made to the Program. In the event that RNG prices change dramatically, then Enbridge Gas might reconsider the Program and its design. Any such changes would require approval through an OEB process.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence ("ED")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, Page 8 – 9

Preamble:

Enbridge states as follows:

Concerning gas marketers, at present the Company is aware of only one gas marketer offering a voluntary RNG program in Ontario. This provider's offer is different from Enbridge Gas's proposed Program in that participating customers pay for the cost of offsetting their specific traditional natural gas usage with an equivalent amount of RNG. Enbridge Gas's Program is primarily targeted at cost sensitive customers looking to support low-carbon initiatives by offering a fixed monthly charge added to their existing natural gas bill.

Enbridge Gas is of the view that the Program does not compete with energy marketers that may attempt to offer an RNG supply option. Rather, it is a complementary offering that would provide Ontario consumers with more choices. Gas marketers that seek to make RNG offers available in Ontario will be free to do so.

Question:

- (a) Please confirm that the existing voluntary RNG program in Ontario (Bullfrog Power) offsets all of a customer's gas whereas Enbridge's program would only offset a smaller portion.
- (b) Please confirm that Enbridge will be able to market its voluntary RNG program though its direct contact with all gas customers in Ontario.
- (c) Would Enbridge agree to advise customers of other voluntary RNG offerings, such as the full offset available from Bullfrog Power, in its communications with customers regarding RNG?

- (d) With respect to RNG-related promotional material, would Enbridge agree to provide its customers with a comparison between its offering and other voluntary RNG offerings, such as the full offset available from Bullfrog Power, including a comparison of (i) percent of avoided GHG emissions for an average household, and (ii) cost per m3 of RNG? Please explain the position taken.
- (e) Please list and describe the ways Enbridge expects to promote its RNG program.

Response

- a) Enbridge Gas confirms that its proposed Program will deliver RNG equivalent to a small portion of the customers gas. Enbridge Gas cannot confirm whether the existing voluntary RNG program in Ontario (Bullfrog Power) offsets all of a customer's gas consumption, though it appears that is the intent (see <https://www.bullfrogpower.com/products-solutions/homes/detached-home/>).
- b) Yes, Enbridge Gas will market the Voluntary RNG program to system gas customers as outlined on page 4 of Exhibit B, Tab 2, Schedule 1.
- c) No. Enbridge Gas's marketing efforts will be focused on promoting the Company's own Voluntary RNG Program. Enbridge Gas expects gas marketers and other third-parties with RNG offers will deploy their own marketing efforts, and will be better positioned to speak to such offers than Enbridge Gas
- d) Please see c) above.
- e) Please see Exhibit B, Tab 2, Schedule 3.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence ("ED")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, Page 8 – 9

Question:

- (a) Has Enbridge considered asking a third party (such as Bullfrog Power) to deliver a voluntary RNG program on Enbridge's behalf under contract?
- (b) Please comment on the possibility of a third party (such as Bullfrog Power) delivering a voluntary \$2/month RNG program on behalf of Enbridge. Please specifically comment on the following possible benefits: (i) reduced administrative costs, (ii) lower prices through greater buying power, and (iii) simplified purchasing process for consumers. [Note that Environmental Defence is simply asking this question at this stage, not proposing this option.]
- (c) Please compare the cost of RNG (\$/m3) offered by Bullfrog Power with the cost of RNG (\$/m3) estimated for Enbridge's proposed program.
- (d) If Enbridge believes the option discussed above would somehow be contrary to the commitment in the Environmental Plan to implement a voluntary RNG program, please explain why in detail.
- (e) Enbridge states that Bullfrog Power "has been able to inject over 7 million GJs into Canadian natural gas distribution systems" (Exhibit C, Tab 3, Schedule 1, Page 4). Please provide a table comparing this with how much RNG Enbridge expects to inject through this program annually (avg) and over the first 10 years.

Response

- a) No.

- b) The Company has not considered the possibility of outsourcing the delivery of its Voluntary RNG Program to a third party. It is not clear how this would work under existing GDAR and gas marketer rules, nor is it apparent why or how Enbridge Gas would choose one marketer to deliver the Program on its behalf. Enbridge Gas (which has no profit component associated with the Program) does not anticipate material benefits of outsourcing relating to any reduced administrative costs, lower prices through greater buying power, or a simplified purchasing process for consumers.
- c) Enbridge Gas does not believe a direct comparison of the cost of these two RNG offers is appropriate. As noted in evidence the Company believe the Program is complementary to other RNG offers in the market, which may take a variety of forms. Enbridge Gas is not privy to the price paid for RNG by Bullfrog Power.
- d) Enbridge Gas believes that the expectation in the Made-in-Ontario Environment Plan is for the utility to deliver a voluntary RNG option. This expectation may not be met by choosing one of many marketers to deliver a similar program on behalf of the Company.
- e) Please see Exhibit C, Tab 2, Schedule 3. Enbridge has no information as to where or how the 7 million GJ figure quoted by Bullfrog Power has been derived.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence ("ED")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, Page 8

Question:

- (a) Enbridge states that it "will not be in a position to enter into long-term fixed price RNG procurement agreements and will not be able to commit to a set RNG volume for specific customers or the Program as a whole." Please explain.
- (b) Does Bullfrog Power "enter into long-term fixed price RNG procurement agreements." If yes, please explain the different situation facing Enbridge that prevents it from doing so.
- (c) If Bullfrog Power delivered a \$2/month voluntary RNG program on behalf of Enbridge, could it enter into long-term fixed price RNG procurement agreements to the benefit of Enbridge customers?

Response

- a) As noted in Exhibit B, Tab 2, Schedule 2, Enbridge Gas proposes to begin RNG procurement using short-term contracts (e.g. seasonal or annual delivery contracts). RNG suppliers would prefer Enbridge Gas to enter into long-term (i.e. multi-year) RNG supply commitments which support investment in RNG production facilities. Enbridge Gas is not opposed to the use of long-term contracts to secure RNG supply in the long-term. However, Enbridge Gas is not prepared to do so at this time without having a mechanism in place that would ensure the recovery of the associated RNG costs in rates years into the future.

Regarding a set RNG volume, the Company has designed the Program to fix the cost at \$2.00/month rather than the volume procured in relation to each participant.

- b) Enbridge is not privy to Bullfrog Power's procurement practices.

c) Please see b) above. Please see also Exhibit I.ED.2.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence ("ED")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 3 (marketing & communication strategy)

Question:

- (a) Does Enbridge intend to advise customers of the percent of an average household's gas supply that would be offset via this program? If not, why not? If yes, where?
- (b) Approximately what percent of an average household's gas supply that would be offset via this program?
- (c) Does Enbridge intend to advise customers of the cost of GHG reductions from RNG (\$/CO₂e)? If not, why not? If yes, where?
- (d) To help customers decide whether this program provides good value for money, does Enbridge intend to advise customers of the cost of GHG reductions from RNG (\$/CO₂e) compared to energy efficiency? If not, why not? If yes, where?
- (e) To help customers decide whether this program provides good value for money, does Enbridge intend to advise customers of the cost of GHG reductions from RNG (\$/CO₂e) compared to the cost of certified carbon credits (e.g. from carbonzero.ca)? If not, why not? If yes, where?
- (f) Would Enbridge consider offering customers the option of offsetting the carbon from natural gas via carbon credits or energy efficiency investments? If not, why not?

Response

- a) Please see Exhibit B, Tab 2, Schedule 1 paragraphs 9 & 26. Enbridge Gas will provide customers with information related to Program updates and performance. Enbridge Gas will assess the inclusion of details regarding the percentage of an

average household's gas supply that would be offset via this program as detailed program reporting is developed.

- b) Enbridge Gas estimates that approximately 1.5%-1.7% of a typical household's gas supply would be offset via this program.
- c) to e) At this time, Enbridge Gas does not intend to advise customers of the cost of GHG reductions from RNG, or a comparison to other GHG reduction measures, on a \$/tCO₂e basis. As stated in Exhibit A, Tab 2, Schedule 1, paragraph 4 and Exhibit B, Tab 2, Schedule 1, paragraphs 9 and 26, "Enbridge Gas will regularly report to participants in the Voluntary RNG Program regarding the impact of their participation and the impact of the overall program on greenhouse gas ("GHG") emissions". The Company may consider presenting additional information in the annual report in the future.
- f) Enbridge Gas provides customers the opportunity to reduce their emissions using energy efficiency through the Company's existing Demand Side Management Programs. The Company notes that there is currently no Ontario provincial government or government of Canada regulated carbon offset programs.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence ("ED")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 3

Question:

- (a) Please estimate the cost of the reductions in GHG emissions for the RNG purchased in Enbridge's proposed program (\$/CO₂e). Please provide the underlying calculations.
- (b) Please estimate the cost of GHG emission reductions from RNG more generally (\$/CO₂e) broken out by type (e.g. landfill gas, commercial other, agricultural, wastewater treatment). Please also provide a table comparing Enbridge's best estimates with those made in the OEB's Marginal Abatement Cost Curve Final Report, EB-2016-0359, July 20, 2017.
- (c) Please provide a chart comparing the cost of GHG emission reductions (\$/CO₂e) from RNG versus natural gas DSM. Please compare and discuss any differences between Enbridge's comparison and those in the OEB's Marginal Abatement Cost Curve Final Report, EB-2016-0359, July 20, 2017.

Response

- a) Please see Exhibit I.SEC.15 d).
- b) Please see Exhibit I.STAFF.8 3) and Exhibit I.SEC.15 d).
- c) Please see Exhibit I.ED.8 f).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence ("ED")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 3

Question:

- (a) Will this program help to develop a market for RNG and/or help to lower the price of RNG? If yes, please explain how.

Response

The Program will facilitate demand for RNG that would not otherwise occur absent the Program. Increased demand for RNG has the potential to drive additional supply investments, which may create more competitive pricing and, generally, a more robust RNG market.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence ("ED")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1

Preamble:

Enbridge states that it has "studied the potential for an RNG market in Ontario..."

Question:

- (a) Please provide a table showing the estimated potential (m3) for RNG *produced in Ontario* from now until 2040 broken out by type (e.g. landfill gas, commercial other, agricultural, wastewater treatment) and showing the total.
- (b) Please provide a table showing the estimated potential (m3) for RNG *procured for Ontario customers* from now until 2040 broken out by type (e.g. landfill gas, commercial other, agricultural, wastewater treatment) and showing the total.
- (c) Please provide information on the RNG proposals in neighbouring jurisdictions and how this is expected to impact the potential available supply of RNG in Ontario over the next 10 or 20 years. Please attach any studies or assessments Enbridge possesses on this issue.
- (d) Please provide information on competing uses for RNG feedstock (e.g. biofuel for aviation and other hard-to-decarbonize sectors) and how this is expected to impact the potential available supply of RNG in Ontario over the next 10 or 20 years. Please also comment on how alternative uses of feedstocks should factor into Enbridge's implementation of this program (e.g. selection of feedstock sources). Please attach any studies or assessments Enbridge possesses on these issues.
- (e) Please provide tables expressing the total RNG potential in (a) and (b) as a percent of the total forecast annual throughput for the relevant period.

- (f) Please provide tables expressing the forecast RNG to be procured through this program as a percent of the total RNG potential in (a) and (b).
- (g) Please provide a table comparing Enbridge's response to (a) and (b) with the RNG potential found in the OEB's Marginal Abatement Cost Curve Final Report, EB-2016-0359, July 20, 2017. Please explain any deviations.

Response

- (a) Enbridge Gas has not used forecast RNG supply out to 2040 in developing the Program. Please Exhibit I.STAFF.4 1) for further details regarding RNG supply.
- (b) Please Exhibit I.STAFF.4 1). The biogas source is not relevant to the proposal put before the Board in this proceeding. For this Program, Enbridge Gas will pursue the most cost effective RNG supplies available following the RNG procurement plan outlined in Exhibit B, Tab 2, Schedule 2.
- (c) Please refer to Exhibit C, Tab 3, Schedule 1 for RNG programs in other jurisdictions. It is reasonable to assume that RNG offerings and programs pursued in other neighbouring jurisdictions may increase RNG demand, which will lead to the development of further RNG supplies. At this time it is unknown what overall impact other programs will have on the RNG market over the next 10-20 years
- (d) Please see Exhibit I.STAFF.4 1) with respect to the availability of RNG supply. With respect to information on other potential uses of RNG please see Exhibit I.SEC.4. Enbridge Gas does not intend to weigh alternative uses of feedstock in its implementation of the Program.
- (e) As noted in evidence the Program before the Board is modest in size. As such, total RNG potential to 2040 is not relevant to the assessment of this application.
- (f) Please see e) above.
- (g) The Company has not provided the requested table comparing Enbridge's response to (a) and (b) with the RNG potential found in the OEB's Marginal Abatement Cost Curve Final Report, EB-2016-0359, July 20, 2017. The requested comparison cannot be done in a meaningful way given that the studies referenced in responses to parts a) & b) of this question and the development of the OEB / ICF Marginal Abatement Cost Curve Final Report were performed at different times by different parties under different assumptions. Further, this question falls outside of the scope of this proceeding as explained in Exhibit I.ED.8 d).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Environmental Defence ("ED")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, Page 2; Exhibit C, Tab 1, Schedule 1

Preamble:

Enbridge states "However, when considering the cost of RNG relative to other forms of renewable energy, RNG compares favourably as demonstrated in Exhibit C, Tab 1, Schedule 1."

Question:

- (a) Please explain the relevance of the above references to the relief sought by Enbridge in this proceeding.
- (b) Does Enbridge intend to include claims similar to the one outlined above in its marketing and communications materials with customers?
- (c) Why does Enbridge compare the cost based on \$/kWh instead of (i) \$/CO₂e or (ii) the comparative cost to heat a home?
- (d) Please reproduce the figure in Exhibit C, Tab 1, Schedule 1 and add energy efficiency to the figure. [We assume that the cost of natural gas energy efficiency is less than the cost of natural gas per m³ because DSM programs are cost-effective, meaning the incremental savings in avoided gas costs is greater than the incremental costs. If Enbridge concludes differently, please explain.]
- (e) Please provide the calculations underlying Exhibit C, Tab 1, Schedule 1.
- (f) Please reproduce Exhibit C, Tab 1, Schedule 1 based on cost/CO₂e using a methodology consistent with the OEB's Marginal Abatement Cost Curve. Please also add energy efficiency to the figure.

Response

- (a) Enbridge Gas believes it is relevant to point out that compared to other forms of renewable energy consumed in Ontario the expected cost of RNG is comparable or less than these alternatives.
- (b) As outlined in Exhibit B, Tab 2, Schedule 3, Enbridge Gas's marketing and communication efforts will focus on encouraging program adoption and creating a base level of awareness of RNG within the mass market. The specific content of these materials has not yet been determined. Please also see Exhibit I.Anwaatin.1.
- (c) Under its Voluntary RNG Program Enbridge Gas will be supplying renewable energy in the form of RNG. Other renewable energy alternatives are relevant comparators within this context, with many of these alternatives' costs expressed as kWh.
- (d) The Company declines to provide a response to this question as the information sought is beyond the scope of this proceeding. As noted in the Ontario Energy Board's Procedural Order 31 in this proceeding dated April 22, 2020, "this application focusses on a specific voluntary program. The proceeding is not meant to encompass broad policy issues, nor a more extensive review of gas supply planning."
- (e) Please see Exhibit I.STAFF.5. 1) and Exhibit I.EP.13 a).
- (f) The OEB's Marginal Abatement Cost Curve study was not completed by Enbridge Gas and did not include all of the sources of energy noted in Exhibit C, Tab 1, Schedule 1. As such, the Company is not in a position to reproduce this study inclusive of additional energy sources, though Enbridge Gas notes the original Marginal Abatement Cost Curve study included a variety of natural gas energy efficiency measures. Please also see d) above.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Question:

Please discuss how the Provincial Response to Covid-19 may affect the participation forecast and timing of the Voluntary RNG Program.

Response

Given the Program is not scheduled to be implemented until 2021, Enbridge Gas does not expect that COVID-19 will have a significant impact on either the timing of Program launch or degree of customer participation.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Sch. 1, page 2

Preamble:

Enbridge Gas's proposed Voluntary RNG Program will offer system gas general service customers across all rate zones the option to pay a fixed \$2 monthly charge to fund the incremental cost of including RNG volumes in the Company's system gas supply. Participating customers will not receive a specified proportion of their gas as RNG, nor will their contributions fund a set volume of RNG purchases. Rather, Enbridge Gas will use the fixed contributions from participating customers to fund the incremental cost of RNG relative to traditional natural gas, procuring as much RNG as can be purchased with the amount collected.

Question:

- a) Will the offer inform customers that participating customers will not receive a specified portion of their gas as RNG and that their contributions will not be used by Enbridge to purchase a specified volume of RNG?
- b) Please confirm that participating customers may not receive any greater economic benefit than non-participating customers.

Response

- a) The marketing materials and description of the Program will make clear that participating customers will not receive a specified portion of their own gas supply as RNG.
- b) Confirmed.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Sch. 1, pages 2 and 3

Preamble:

The Program will have no minimum term for participation, allowing customers to cancel their enrollment on 30 days' notice. While the Company expects a certain percentage of participants will leave the Program each month, it is anticipated that this amount will at least be offset by new enrollments given marketing efforts and the relatively small financial commitment required for customers to join the program as new participants.

Question:

- a) How many participants are expected to leave the program each month? Please explain the reasons for the expectation.
- b) Why does Enbridge expect that new enrollments will at least offset the number of customers leaving the program?
- c) Please describe the marketing efforts that Enbridge is planning, including the cost of such efforts, to ensure that new enrollments are adequate.
- d) Please describe the course of action that Enbridge will take if new enrollments are not adequate to offset the number of customers leaving the program?

Response

- a) Enbridge Gas does not expect a significant number of participants to leave the Program each month given the modest cost of the Program of \$2 per month.
- b) Enbridge Gas expects that new enrollments will at least offset the number of customers leaving the Program because the Company expects that a growing customer awareness of RNG and the Program over time will increase the level of customer interest, and the modest cost of the Program will mitigate against customer departures.
- c) Please see Exhibit B, Tab 2, Schedule 3 for a description of Enbridge Gas's marketing and communications plans. Exhibit C, Tab 2, Schedule 2 outlines the cost of the program, including marketing costs.
- d) Please see Exhibit I.STAFF.6 4).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Sch. 1, page 5 and Sch. 4, page 1

Preamble:

Enbridge Gas's Voluntary RNG Program will initially target a modest number of customers of approximately 16,000 in the first year, growing to 23,000 and 25,000 in the next two years.

Supported by market research, the experience of Fortis BC, and the experience of DTE Energy, Enbridge Gas forecasts approximately 16,000 participants will enroll in the Company's Program in its first 12 months of operation.

Question:

- a) Please explain which customers will be targeted.
- b) Please explain how market research was used in the development of the target numbers of 16,000 in the first year, 23,000 in the second year and 25,000 in the next two years.

Response

- a) Please see Exhibit I.VECC.10.
- b) The program participation forecast is based on multiple factors, including market research specific to Enbridge Gas customers, the experience of other utilities and consumer trends. As noted on page 4 of Exhibit C, Tab 4, Schedule 1 (erroneously filed as Exhibit C, Tab 2, Schedule 1), 25% of customers said they are willing to pay at least \$2 per month and are very likely to sign-up next month for an RNG program.

With respect to Fortis BC's RNG program in 2010, while 27% of surveyed customers expressed interest in signing up for the voluntary RNG program only 1% of customers signed up. As such the number of customers who signed up for the program was equal to 4% of the number of customers who expressed interest in signing up. DTE Gas Company's voluntary program, which is similar to Enbridge Gas's Program, launched in 2012 and received 3,000 applications in the first year; representing 0.3% of the total customer base.

Considering Enbridge's program design and increased customer interest in environmental issues in recent years, Enbridge Gas forecasts 16,000 participants in the first year; representing 0.5% of the total customer base. In year two Enbridge Gas anticipates adding an additional 0.2% of its customer base to the Program before transitioning to a slower growth rate of an incremental 0.05% of customer base annually. This forecast shows participation reaching 28,000 by year five and 37,000 by year 10, representing approximately 0.8% and 1.05% of total customers respectively.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Sch. 1, page 6

Preamble:

During enrollment, customers will agree to the predefined terms and conditions of the Program such as the amount of the fixed charge and the terms of cancellation.

Question:

- a) Will customers be required to sign a contract? If not, why not? If yes, please file a copy of the contract?
- b) What are the predefined terms and conditions? Please explain the adjective "predefined".

Response

- a) No, Program participants will not be required to sign a contract. This is consistent with current policies and practices for Enbridge Gas general service customers.
- b) The predefined terms and conditions are included in the proposed changes to the Rate Handbook for the EGD rate zone and Rate Schedules for the Union rate zones, found at Exhibit C, Tab 5, Schedule 1 & Schedule 2.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, Page 7

Preamble:

In its Decision and Order (2011-00242/EB-2011-0283), the Board found the Utilities to have provided insufficient evidence to support approval of their applications.

Question:

- a) Please provide a tabulation showing the Board's Decision points regarding RNG in its EB-2011-00242/EB-2011-0283 Decision and the corresponding *specific* responses in this Application. Please provide relevant references.
- b) Please provide a cost/benefit analysis for a typical residential Voluntary RNG Program participant.

Response

- a) Please see Exhibit B, Tab 2, Schedule 1, paragraphs 24 through 30 for specific responses to the five areas of concern noted by the Board in its Decision in EB-2011-0242/EB-2011-0283. It is important context to note that the scale of the Company's proposal in this proceeding is much smaller than the earlier proposal in question. The decision in the earlier case referred to 87 million m³ for Enbridge Gas Distribution and 58 million m³ for Union Gas. Converting those amounts to GJ equals approximately 5.5 million GJ. In this new proposal, the volume of RNG to be acquired is around 1/200th of the RNG that was proposed to be included in the utilities' gas supply plans in EB-2011-0242/EB-2011-0283 (the Program forecasts RNG volumes of 22,711 GJs in the first year). Further, the Voluntary RNG Program

proposal now before the Board is fundamentally different, in that 1) it is voluntary, and 2) the RNG procured is not funded by non-participating customers.

- b) The costs and benefits of the Program will be assessed independently by customers, who may value the costs and benefits of their voluntary participation differently.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 2, Page 1

Preamble:

Enbridge Gas will procure RNG in accordance with its "Gas Supply Procurement Policies and Practices." The Company intends to procure RNG on short-term contracts from existing RNG producers or marketers in the secondary market.

Question:

- a) Has EGI issued a request for Expression of Interest? If so, please provide the responses (names omitted).
- b) Please provide the expected sources and costs/m³ of RNG (indicate raw and/or processed).
- c) Please indicate the range of costs to upgrade RNG to pipeline quality gas.
- d) Who is responsible for these costs and for meeting pipeline gas quality standards. Relate the answer to the approved RNG Enablement Program.

Response

- a) No, EGI has not issued a request for Expression of Interest.
- b) Potential sources of RNG would include upgraded biogas from landfills, waste water treatment plants, and anaerobic digesters. Source specific costs have not been determined for the purposes of this application.

- c) The range of cost to upgrade biogas to RNG varies greatly based on the volume and quality of gas. Without specifics on the location, gas quality and volume of biogas it is not possible to provide a reasonable cost range.
- d) The RNG producer is responsible for the cost to upgrade and inject RNG into the Enbridge Gas system.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 2, Page 1

Preamble:

Enbridge Gas will procure RNG in accordance with its "Gas Supply Procurement Policies and Practices."

Question:

- a) Please file a copy/extract of the referenced "Gas Supply Plan policies and practices".
- b) Please indicate how EGI will ensure procured RNG meets all technical standards for pipeline natural gas (e.g. gas chromatograph analysis, bomb calorimeter etc.)
- c) Please provide a copy of the technical standards that will be included in each RNG procurement contract. Provide a side-by-side comparison to natural gas.
- d) Please confirm/show the quality standards that apply to Ontario natural gas production.

Response

- a) Please see Exhibit I.Anwaatin.3 a).
- b) Enbridge Gas intends to purchase RNG that is already in the pipeline system and has met the technical standards for pipeline natural gas. RNG producers located in Ontario can inject RNG into Enbridge's pipeline system using existing OEB-approved services. These services, which include the EGD rate zone Rate 401 and

the Union rate zone M13 Service, include technical gas quality requirements in their respective service terms and conditions.

- c) Enbridge Gas is in the process of developing its RNG procurement contract. The RNG procurement contract will contain language required for Enbridge Gas to confirm the gas purchased is RNG. As noted in the response to part b) , the RNG purchased will be required to meet the technical standards of pipeline natural gas.
- d) Please see Article II of Attachment 1 to this interrogatory, which provides the “Union South – Rate M13 General Terms & Conditions Schedule “A 2013”.

**UNION SOUTH - RATE M13
GENERAL TERMS & CONDITIONS**

I. DEFINITIONS

Except where the context expressly requires or states another meaning, the following terms, when used in these General Terms & Conditions and in any contract into which these General Terms & Conditions are incorporated, shall be construed to have the following meanings:

"Aid to Construction" shall include any and all costs, expenses, amounts, damages, obligations, or other liabilities (whether of a capital or operating nature, and whether incurred before or after the date of the Contract) actually paid by Union (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code as established by the OEB) in connection with or in respect of satisfying the conditions precedent set out in Article XXI herein (including without limitation the cost of construction, installation and connection of any required meter station as described in Article IX, Section 6, the obtaining of all governmental, regulatory and other third party approvals, and the obtaining of rights of way) whether resulting from Union's negligence or not, except for any costs that have arisen from the gross negligence, fraud, or wilful misconduct of Union;

"Average Local Producer Heat" ("ALPH") shall mean the heat content value as set by Union, and shall be determined by volumetrically averaging the gross heat content of all produced gas delivered to the Union system by Ontario Local Producers. The ALPH shall be expressed in GJ/10³m³ and may be adjusted from time to time by Union;

"Business Day" shall mean any day, other than Saturday, Sunday or any days on which national banks in the Province of Ontario are authorized to close;

"Contract" shall refer to the Contract to which these General Terms & Conditions shall apply, and into which they are incorporated;

"Contract Year" shall mean a period of three hundred and sixty-five (365) consecutive days; provided however, that any such period which contains a date of February 29 shall consist of three hundred and sixty-six (366) consecutive days, commencing on November 1 of each year; except for the first Contract Year which shall commence on the Commencement Date and end on the first October 31 that follows such date;

"cricondentherm hydrocarbon dewpoint" shall mean the highest hydrocarbon dewpoint temperature on the phase envelope;

"cubic metre" shall mean the volume of gas which occupies one cubic metre when such gas is at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"Dawn Quantity" shall mean the total daily quantity of gas in GJ delivered at Dawn (Facilities), which is equal to the total energy of all gas supplied daily to Union at the Receipt Point(s). The Dawn Quantity shall be calculated utilizing the following factor equation: Dawn Quantity = Produced Volume x ALPH;

"Day" shall mean a period of twenty-four (24) consecutive hours beginning at 10:00 a.m. Eastern Clock Time. The reference date for any Day shall be the calendar date upon which the twenty-four (24) hour period shall commence;

"Delivery Point" shall mean the point where Union shall deliver the Dawn Quantity and/or Market Quantity to Shipper and as further defined in Schedule 1 of the Contract;

"Distribution Demand" shall mean the varying demand for the supply of gas, as determined by Union, on Union's pipeline and distribution system for users of gas who are supplied or delivered gas by Union's pipeline and distribution system;

"Eastern Clock Time" shall mean the local clock time in the Eastern Time Zone on any Day;

"firm" shall mean service not subject to curtailment or interruption except under Articles XI, XII and XVIII herein;

"Firm Daily Variability Demand" shall mean the established quantity set forth in Schedule 2 of the Contract, which is the

permitted difference between the Dawn Quantity and the Market Quantity;

"gas" shall mean gas as defined in the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Sch. B, as amended, supplemented or re-enacted from time to time;

"gross heating value" shall mean the total heat expressed in megajoules per cubic metre (MJ/m³) produced by the complete combustion at constant pressure of one (1) cubic metre of gas with air, with the gas free of water vapour and the temperature of the gas, air and products of combustion at standard temperature and all water formed by the combustion reaction condensed to the liquid state;

"hydrocarbon dewpoint" shall mean temperature at a specific pressure where hydrocarbon vapour condensation begins;

"Interruptible Service HUB Contract" shall mean a contract between Shipper and Union under which Union provides interruptible HUB service;

"Interconnecting Pipeline" shall mean a pipeline that directly connects to the Union pipeline and distribution system;

"joule" (J) shall mean the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) metre in the direction of the force. The term "megajoule" (MJ) shall mean 1,000,000 joules. The term "gigajoule" (GJ) shall mean 1,000,000,000 joules;

"m³" shall mean cubic metre of gas and "10³m³" shall mean 1,000 cubic metres of gas;

"MAOP" shall mean the maximum allowable operating pressure of Union's pipeline and distribution system and as further defined in Schedule 1 of the Contract;

"Market Quantity" shall mean the daily quantity in GJ nominated for Name Change Service that Day by Shipper at Dawn (Facilities);

"Maximum Daily Quantity" shall mean the maximum quantity of gas Shipper may deliver to Union at a Receipt Point on any Day, as further defined in Schedule 1;

"Month" shall mean the period beginning at 10:00 a.m. Eastern Clock Time on the first day of a calendar month and ending at 10:00 a.m. Eastern Clock Time on the first day of the following calendar month;

"Name Change Service" shall mean an interruptible administrative service whereby Union acknowledges for Shipper a change in title of a gas quantity from Shipper to a third party at the Delivery Point;

"OEB" means the Ontario Energy Board;

"pascal" "(Pa)" shall mean the pressure produced when a force of one (1) newton is applied to an area of one (1) square metre. The term "kilopascal" "(kPa)" shall mean 1,000 pascals;

"Produced Volume" shall mean the aggregate of all actual volumes of gas in 10³m³, delivered by Shipper to Union at all Receipt Points on any Day;

"Producer Balancing Account" shall mean the gas balance held by Union for Shipper, or owed by Shipper to Union, at the Delivery Point. Where the Producer Balancing Account is zero or a positive number, the account is in a credit position, and where the Producer Balancing Account is less than zero, the account is in a debit position;

"Producer Balancing Service" shall mean a Service whereby Union either calculates a credit or debit to the Producer Balancing Account by subtracting the Market Quantity from the Dawn Quantity. Where such amount is greater than zero, Union will credit the Producer Balancing Account, or where such amount is less than zero, Union will debit the Producer Balancing Account. This Service shall be performed on a retroactive basis on the terms and conditions contained in Schedule 2 of the Contract, as may be revised from time to time by Union;

"Receipt Point" shall mean the point(s) where Union shall receive gas from Shipper;

"**Sales Agreement**" shall mean the Ontario Gas Purchase Agreement(s) entered into between Shipper and Union;

"**Shipper**" shall have the meaning as defined in the Contract, and shall also include Shipper's agent(s);

"**specific gravity**" shall mean density of the gas divided by density of air, with both at a temperature of 15 degrees Celsius, and at a pressure of 101.325 kilopascals absolute;

"**System Capacity**" shall mean the volumetric capacity that exists from time to time within Union's pipeline and distribution system which determines Union's ability to accept volumes of gas into Union's pipeline and distribution system hereunder. System Capacity shall be determined by Union and such determination, in addition to the physical characteristics of Union's pipeline and distribution system Distribution Demand, shall also include consideration of Union's local Distribution Demand, Union's total system Distribution Demand, availability of Union's gas storage capacity, and other gas being purchased and/or delivered into Union's pipeline and distribution system;

"**Taxes**" shall mean any tax (other than tax on income or tax on property), duty, royalty, levy, license, fee or charge not included in the charges and rates as per the applicable rate schedule (including but not limited to charges under any form of cap and trade, carbon tax, or similar system) and that is levied, assessed or made by any governmental authority on the gas itself, or the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling or delivering gas under the Contract;

"**Union**" shall mean Enbridge Gas Inc. operating as Union Gas;

"**Wobbe Number**" shall mean gross heating value of the gas divided by the square root of its specific gravity.

II. GAS QUALITY

1. Natural Gas: The minimum gross heating value of the gas delivered to/by Union hereunder, shall be thirty-six (36) megajoules per cubic metre. The maximum gross heating value of the gas delivered to/by Union hereunder shall be forty point two (40.2) megajoules per cubic metre. The gas to be delivered hereunder to Union may be a commingled supply from Shipper's gas sources of supply. The gas to be delivered by Union may be a commingled supply from Union's sources of gas supply; provided, however, that helium, natural gasoline, butane, propane and other hydrocarbons, except methane, may be removed prior to delivery to Shipper. Further, Union may subject, or permit the subjection of, the gas to compression, dehydration, cooling, cleaning and other processes.
2. Freedom from objectionable matter: The gas to be delivered to Union at the Receipt Point(s) hereunder,
 - a. shall be commercially free from bacteria, sand, dust, gums, crude oils, lubricating oils, liquids, chemicals or compounds used in the production, treatment, compression or dehydration of the gas or any other objectionable substance in sufficient quantity so as to render the gas toxic, unmerchantable or cause injury to, or interference with, the proper operation of the lines, regulators, meters or other appliances through which it flows,
 - b. shall not contain more than seven (7) milligrams of hydrogen sulphide per cubic metre of gas, nor more than one hundred (100) milligrams of total sulphur per cubic metre of gas,
 - c. shall not contain more than five (5) milligrams of mercaptan sulphur per cubic metre of gas,
 - d. shall not contain more than two point zero (2.0) molar percent by volume of carbon dioxide in the gas,
 - e. shall not contain more than zero point four (0.4) molar percent by volume of oxygen in the gas,
 - f. shall not contain more than zero point five (0.5) molar percent by volume of carbon monoxide in the gas,
 - g. shall not contain more than four point zero (4.0) molar percent by volume of hydrogen in the gas,
 - h. shall not contain more than sixty-five (65) milligrams of water vapour per cubic metre of gas,
 - i. shall not have a cricondenthem hydrocarbon dewpoint exceeding minus eight (-8) degrees Celsius,

- j. shall have Wobbe Number from forty seven point fifty (47.50) megajoules per cubic metre of gas to fifty one point forty six (51.46) megajoules per cubic metre of gas, maximum of one point five (1.5) mole percent by volume of butane plus (C4+) in the gas, and maximum of four point zero (4.0) mole percent by volume of total inerts in the gas in order to be interchangeable with other Interconnecting Pipeline gas,
 - k. shall not exceed forty-three degrees Celsius (43°C), and,
 - l. shall not be odourized by Shipper.
3. Non-conforming Gas:
- a. In the event that the quality of the gas does not conform or if Union, acting reasonably, suspects the quality of the gas may not conform to the specifications herein, then Shipper shall, if so directed by Union acting reasonably, forthwith carry out, at Shipper's cost, whatever field testing of the gas quality as may be required to ensure that the quality requirements set out herein are met, and to provide Union with a certified copy of such tests. If Shipper does not carry out such tests forthwith, Union may conduct such test and Shipper shall reimburse Union for all costs incurred by Union for such testing.
 - b. If Shipper's gas fails at any time to conform to the requirements of this Article II, Union, in addition to its other remedies, may refuse to accept delivery of gas at the Receipt Points hereunder until such deficiency has been remedied by Shipper. Each Party agrees to notify the other verbally, followed by written notification, of any such deficiency of quality.
4. Quality of Gas Received: The quality of the gas to be received by Union at the Receipt Point(s) hereunder is to be of a merchantable quality and in accordance with the quality standards as set out by Union in this Article II, but, Union will use reasonable efforts to accept gas of a quality that may deviate from the quality standards set out therein.
5. Quality of Gas at Dawn: The quality of the gas to be delivered to Union at Dawn (Facilities) or the gas to be delivered by Union to Shipper at Dawn (Facilities) hereunder is to be of a merchantable quality and in accordance with the quality standards and measurement standards as set out by Union in this Article II, except that total sulphur limit shall be not more than four hundred and sixty (460) milligrams per cubic metre of gas. In addition to any other right or remedy of a party, each party shall be entitled to refuse to accept delivery of any gas which does not conform to any of the specifications set out in this Article II.

III. MEASUREMENTS

- 1. Service Unit: The unit of the gas delivered to Union shall be a quantity of 10³m³. The unit of gas delivered by Union shall be a megajoule, a gigajoule, a cubic metre (m³) or one thousand cubic metres (10³m³) at Union's discretion.
- 2. Determination of Volume and Energy:
 - a. The volume and energy amounts determined under the Contract shall be determined in accordance with the Electricity and Gas Inspection Act (Canada), RSC 1985, c E-4- (the "**Act**") and the Electricity and Gas Inspection Regulations, SOR 86/131 (the "**Regulations**"), and any documents issued under the authority of the Act and Regulations and any amendments thereto.
 - b. The supercompressibility factor shall be determined in accordance with either the "**Manual for Determination of Supercompressibility Factors for Natural Gas**" (PAR Project NX-19) published in 1962 or with American Gas Association Transmission Measurement Committee Report No. 8, Nov. 1992, at Union's discretion, all as amended from time to time.
 - c. The volume and/or energy of the gas delivered to/by Union hereunder shall be determined by the measurement equipment designated in Article VII herein.

IV. RECEIPT POINT AND DELIVERY POINT

The point(s) of receipt and point of delivery for all gas to be covered hereunder shall be on the outlet side of the measuring stations located at or near the point or points of connection specified in Schedule 1 of the Contract, where possession of the gas changes from one party to the other.

V. POSSESSION OF AND RESPONSIBILITY FOR GAS

1. Possession of Gas: Union accepts no responsibility for any gas prior to such gas being delivered to Union at the Receipt Point or after its delivery by Union at the Delivery Point. As between the parties hereto, Union shall be deemed to be in control and possession of and responsible for all such gas from the time that such gas enters Union's system until such gas is delivered to Shipper.
2. Liability: Shipper agrees that Union is not a common carrier and is not an insurer of Shipper's gas, and that Union shall not be liable to Shipper or any third party for loss of gas in Union's possession, except to the extent such loss is caused entirely by Union's negligence or wilful misconduct.

VI. FACILITIES ON SHIPPER'S PROPERTY

1. Meter Station: Union shall provide, at the Receipt Point(s), according to the terms hereunder, the meter station required to receive and measure the Produced Volume of gas received by Union from Shipper. Shipper agrees, if requested by Union, to provide Union with sufficient detailed information regarding Shipper's current and expected operations in order to aid Union in Union's design of the meter station.
2. Union Obligations: Pursuant to Article VI. Section 1 herein, Union shall purchase, install and maintain, at the Receipt Point(s):
 - a. a meter and any associated recording gauges as are necessary; and,
 - b. a suitable gas odourizing injection facility where Union deems such facility to be necessary.
3. Union Equipment: All equipment installed by Union at the Receipt Point(s) shall remain the property of Union at all times, notwithstanding the fact that it may be affixed to Shipper's property. Union shall be entitled to remove said equipment at any time within a period of sixty (60) days from any termination or expiry of the Contract. Shipper shall take all necessary steps to ensure Union may enter onto the Receipt Point(s) to remove such equipment for a period of sixty (60) days after termination or expiry of the Contract or the Sales Agreement.
4. Shipper Obligations: Upon Union's request Shipper shall, at Shipper's own cost and expense:
 - a. obtain a registered lease or freehold ownership at the Receipt Point(s) sufficient to provide Union with free uninterrupted access to, from, under and above the Receipt Point(s), for a term (and extended terms) identical to the Contract, plus sixty (60) days, and shall provide Union with a bona fide copy of such lease agreement prior to Union commencing the construction of the meter station;
 - b. furnish, install, set, and maintain suitable pressure and volume control equipment and such additional equipment as required on Shipper's delivery system, to protect against the overpressuring of Union's facilities, and to limit the daily flow of gas to the corresponding Maximum Daily Quantity applicable to the Receipt Point(s);
 - c. supply, install and maintain a gravel or cut stone covering on each Receipt Point and shall maintain such Receipt Point(s) in a safe and workmanlike manner; and,
 - d. install and maintain a fence satisfactory to Union around the perimeter of each Receipt Point which will adequately secure and protect Union's equipment therein.
5. Maintenance Costs: Shipper shall within thirty (30) days of the delivery of an invoice by Union, reimburse Union for any actual costs reasonably incurred by Union for any repair, replacement, relocation, or upgrading of any meter station

requested by Shipper, or as required by law, or by duly constituted regulatory body, or through good engineering practice. Union shall be responsible for any costs incurred by Union to correct an error made by Union.

VII. MEASURING EQUIPMENT

1. Metering by Union: Union will install and operate meters and related equipment as required and in accordance with the Act and Regulations referenced in Article III herein.
2. Metering by Others: In the event that all or any gas received or delivered hereunder is measured by a meter that is owned and operated by an upstream or downstream transporter (the "Transporter") whose facilities may or may not interconnect with Union's, then Union and Shipper agree to accept that metering for the purpose of determining the volume and energy of gas received or delivered on behalf of the Shipper. The standard of measurement and tests for the gas delivered to/by Union pursuant to this Article VII, Section 2 shall be in accordance with the general terms and conditions as incorporated in that Transporter's gas tariff as approved by Transporter's regulatory body.
3. Check Measuring Equipment: Shipper may install, maintain and operate, at the Receipt Point, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Union's measuring equipment at or near the Receipt Point, and shall be installed, maintained and operated in conformity with the same standards and specifications applicable to Union's metering facilities.
4. Calibration and Test of Measuring Equipment: The accuracy of Union's measuring equipment shall be verified by Union at reasonable intervals, and if requested, in the presence of representatives of Shipper, but Union shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party notifies the other that it desires a special test of any measuring equipment, the parties shall co-operate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by Shipper, shall be borne by Shipper if the measuring equipment tested is found to be in error by not more than two per cent (2%). If, upon test, any measuring equipment is found to be in error by not more than two per cent (2%), previous recordings of such equipment shall be considered accurate in computing receipts of gas, but such equipment shall be adjusted at once to record as near to absolute accuracy as possible. If the test conducted shows a percentage of inaccuracy greater than two percent (2%), the financial adjustment, if any, shall be calculated in accordance with the Act and Regulations, as may be amended from time to time and in accordance with any successor statutes and regulations.
5. Preservation of Metering Records: Union and Shipper shall each preserve for a period of at least six (6) years all test data, and other relevant records.

VIII. BILLING

1. Monthly Billing Date: Union shall render bills on or before the tenth (10th) day of each month for all Services furnished during the preceding Month. Such charges may be based on estimated quantities, if actual quantities are unavailable in time to prepare the billing. Union shall provide, in a succeeding Month's billing, an adjustment based on any difference between actual quantities and estimated quantities, without any interest charge. If presentation of a bill to Shipper is delayed after the tenth (10th) day of the month, then the time of payment shall be extended accordingly, unless Shipper is responsible for such delay.
2. Right of Examination: Both Union and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the Contract.
3. Amendment of Statements: For the purpose of completing a final determination of the actual quantities of gas handled in any of the Services to Shipper, the parties shall have the right to amend their statement for a period equal to the time during which the companies, that transport the gas contemplated herein for Union and Shipper, retain the right to amend their statements, which period shall not exceed three (3) years from the date of termination of the Contract.

IX. PAYMENTS

1. Monthly Payments: Shipper shall pay the invoiced amount directly into Union's bank account as directed on the invoice on or before the twentieth (20th) day of each month. If the payment date is not a Business Day, then payment must be received in Union's account on the first Business Day preceding the twentieth (20th) day of the month.
2. Remedies for Non-payment: Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due,
 - a. Shipper shall pay to Union interest on the unpaid portion of the bill accruing at a rate per annum equal to the minimum commercial lending rate of Union's principal banker in effect from time to time from the due date until the date of payment; and,
 - b. If such failure to pay continues for thirty (30) days after payment is due, Union, in addition to any other remedy it may have under the Contract, may suspend Services until such amount is paid. Notwithstanding such suspension, all demand charges shall continue to accrue hereunder as if such suspension were not in place.

If Shipper in good faith disputes the amount of any such bill or part thereof Shipper shall pay to Union such amounts as it concedes to be correct. At any time thereafter, within twenty (20) days of a demand made by Union, Shipper shall furnish financial assurances satisfactory to Union, guaranteeing payment to Union of the amount ultimately found due upon such bill after a final determination. Such a final determination may be reached either by agreement, arbitration decision or judgement of the courts, as may be the case. Union shall not be entitled to suspend Services because of such non-payment unless and until default occurs in the conditions of such financial assurances or default occurs in payment of any other amount due to Union hereunder.

Notwithstanding the foregoing, Shipper is not relieved from the obligation to continue its deliveries of gas to Union under the terms of any agreement, where Shipper has contracted to deliver specified quantities of gas to Union.

3. Billing Adjustments: If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, Union shall refund the amount of any such overcharge and interest shall accrue from and including the first day of such overcharge as paid to the date of refund and shall be calculated but not compounded at a rate per annum determined each day during the calculation period to be equal to the minimum commercial lending rate of Union's principal banker, and the Shipper shall pay the amount of any such undercharge, but without interest. In the event Union renders a bill to Shipper based upon measurement estimates, the required adjustment to reflect actual measurement shall be made on the bill next following the determination of such actual measurement, without any charge of interest. In the event an error is discovered in the amount billed in any statement rendered by Union, such error shall be adjusted by Union. Such overcharge, undercharge or error shall be adjusted by Union on the bill next following its determination (where the term "**bill next following**" shall mean a bill rendered at least fourteen (14) days after the day of its determination), provided that claim therefore shall have been made within three (3) years from the date of the incorrect billing. In the event any refund is issued with Shipper's bill, the aforesaid date of refund shall be deemed to be the date of the issue of bill.
4. Taxes: In addition to the charges and rates as per the applicable rate schedules and price schedules, Shipper shall pay all Taxes which are imposed currently or subsequent to the execution of the Contract by any legal authority having jurisdiction and any amount in lieu of such Taxes paid or payable by Union.
5. Set Off: If either party shall, at any time, be in arrears under any of its payment obligations to the other party under the Contract, then the party not in arrears shall be entitled to reduce the amount payable by it to the other party in arrears under the Contract, or any other contract, by an amount equal to the amount of such arrears or other indebtedness to the other party. In addition to the foregoing remedy, Union may, upon forty-eight (48) hours verbal notice, to be followed by written notice, take possession of any or all of Shipper's gas under the Contract, which shall be deemed to have been assigned to Union, to reduce such arrears or other indebtedness to Union.
6. Station and Connection Costs: In the event that a meter station must be constructed and/or installed in order to give effect to the Contract, Shipper agrees to pay Union for a portion, as determined by Union, of Union's actual cost, as hereinafter defined, for constructing and installing such station. Shipper also agrees to pay the actual costs to connect such station to Union's pipeline and distribution system. Union shall advise Shipper as to the need for a meter station and shall provide Shipper with an estimate of the Aid to Construction. Such Aid to Construction shall include the costs of all pipe, fittings and materials, third party labour costs and Union's direct labour, labour saving devices, vehicles and

mobile equipment, but shall exclude the purchase costs of gas pressure control equipment and gas meters installed by Union.

X. **ARBITRATION**

If and when any dispute, difference or question shall arise between the parties hereto touching the Contract or anything herein contained, or the construction hereof, or the rights, duties or liabilities of the parties in relation to any matter hereunder, the matter in dispute shall be submitted and referred to arbitration within ten (10) days after written request of either party. Upon such request each party shall appoint an arbitrator, and the two so appointed shall appoint a third. A majority decision of the arbitrators shall be final and binding upon both parties. In all other respects the provisions of the Arbitration Act, 1991, or any act passed in amendment thereof or substitution therefore, shall apply to each such submission. Operations under the Contract shall continue, without prejudice, during any such arbitration and the costs attributable to such arbitration shall be shared equally by the parties hereto.

XI. **FORCE MAJEURE**

1. Definition: The term "**force majeure**" as used herein shall mean acts of God, strikes, lockouts or any other industrial disturbance, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority (civil or military), any act or omission that is excused by any event or occurrence of the character herein defined as constituting force majeure, any act or omission by parties not controlled by the party having the difficulty and any other similar cases not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.
2. Notice: In the event that either the Shipper or Union is rendered unable, in whole or in part, by force majeure, to perform or comply with any obligation or condition of the Contract, such party shall give notice and full particulars of such force majeure in writing delivered by hand, fax or other direct written electronic means to the other party as soon as possible after the occurrence of the cause relied on and subject to the provision of this Article.
3. Exclusions: Neither party shall be entitled to the benefit of the provisions of force majeure hereunder if any or all of the following circumstances prevail: the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension; the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation); the party claiming suspension failed to resume the performance of such condition obligations with reasonable dispatch; the failure was caused by lack of funds; the party claiming suspension did not, as soon as possible after determining, or within a period within which it should acting reasonably have determined, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract, give to the other party the notice required hereunder.
4. Notice of Remedy: The party claiming suspension shall likewise give notice as soon as possible after the force majeure condition is remedied, to the extent that the same has been remedied, and that such party has resumed or is then in a position to resume the performance of the obligations and conditions of the Contract.
5. Obligation to Perform: An event of force majeure on Union's system will excuse the failure to deliver gas by Union or the failure to accept gas by Union hereunder, and both parties shall be excused from performance of their obligations hereunder, except for payment obligations, to the extent of and for the duration of the force majeure.
6. Upstream or Downstream Force Majeure: An event of force majeure upstream or downstream of Union's system shall not relieve Shipper of any payment obligations.
7. Delay of Services: Despite Article XI herein, if Union is prevented, by reason of an event of force majeure on Union's system from delivering gas on the Day or Days upon which Union has accepted gas from Shipper, Union shall thereafter make all reasonable efforts to deliver such quantities as soon as practicable and on such Day or Days as are agreed to

by Shipper and Union. If Union accepts such gas on this basis, Shipper shall not receive any demand charge relief as contemplated under Article XI herein.

8. Firm Daily Variability Demand Charge Relief: Despite Article XI herein, if on any Day Union fails to accept gas from Shipper by reason of an event of force majeure on Union's system and fails to deliver the quantity of gas nominated hereunder by Shipper up to the Firm Daily Variability Demand for that Contract, then for that Day the Monthly charge shall be reduced by an amount equal to the applicable Firm Daily Variability Demand Rate, as defined in this paragraph, multiplied by the difference between the quantity of gas actually delivered by Union during such Day and the quantity of gas which Shipper in good faith nominated on such Day. The term "**Firm Daily Variability Demand Rate**" shall mean the monthly Firm Daily Variability Demand charge as provided in Schedule 2 of the Contract, divided by the number of days in the month for which such rate is being calculated.

XII. DEFAULT AND TERMINATION

In case of the breach or non-observance or non-performance on the part of either party hereto of any covenant, proviso, condition, restriction or stipulation contained in the Contract (but not including herein failure to take or make delivery in whole or in part of the gas delivered to/by Union hereunder occasioned by any of the reasons provided for in Article XI herein) which has not been waived by the other party, then and in every such case and as often as the same may happen, the non-defaulting party may give written notice to the defaulting party requiring it to remedy such default and in the event of the defaulting party failing to remedy the same within a period of thirty (30) days from receipt of such notice, the non-defaulting party may at its sole option declare the Contract to be terminated and thereupon the Contract shall be terminated and be null and void for all purposes other than and except as to any liability of the parties under the same incurred before and subsisting as of termination. The right hereby conferred upon each party shall be in addition to, and not in derogation of or in substitution for, any other right or remedy which the parties respectively at law or in equity shall or may possess.

In the event that the Contract is terminated pursuant to this Article XII, the parties hereto agree that they shall continue to be bound only by the terms and conditions set forth in the Contract but only for the purpose of determining the actual quantities in Shipper's Producer Balancing Account with such determination being subject to Article X. Such extended period of time shall not exceed one (1) year from the date of termination of the Contract.

XIII. AMENDMENT

Subject to Article XV herein and the ability of Union to amend the applicable rate schedules and price schedules, with the approval of the OEB (if required), no amendment or modification of the Contract shall be effective unless the same shall be in writing and signed by each of the Shipper and Union.

XIV. NON-WAIVER AND FUTURE DEFAULT

No waiver of any provision of the Contract shall be effective unless the same shall be in writing and signed by the party entitled to the benefit of such provision and then such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of Shipper or Union to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under the Contract shall operate as a waiver thereof.

XV. LAWS, REGULATIONS AND ORDERS

The Contract and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules and regulations of any competent legislative body, or duly constituted authority now or hereafter having jurisdiction and the Contract shall be varied and amended to comply with or conform to any valid order or direction of any board, tribunal or administrative agency which affects any of the provisions of the Contract.

XVI. RESERVED FOR FUTURE USE

N/A

XVII. RENEWALS

The Contract will continue in full force and effect beyond the Initial Term, automatically renewing for a period of one (1) year, and every one (1) year thereafter, subject to notice in writing by either party of termination at least three (3) months prior to the expiration thereof.

XVIII. SERVICE CURTAILMENT

1. Verbal Notice: Excepting instances of emergency, Shipper and Union agree to give at least twenty-four (24) hours verbal notice before a planned curtailment of receipt or delivery, shut-down or start-up.
2. Emergency: Shipper shall complete and maintain a plan which depicts all of the Shipper's gas production facilities including all emergency shut off valves and emergency equipment and provide a copy to Union upon Union's request. Shipper shall provide to Union the names and telephone numbers of those persons whom Union may contact in the event of an emergency situation arising within the Shipper's facilities.
3. Emergency Notice: In the event that Union is notified by a third party or if Union becomes aware of an emergency situation in which Shipper's gas production site, pipeline or associated equipment is involved, Union shall immediately notify Shipper or Shipper's representative of such emergency condition.
4. Right to Modify: Union shall have the right, at all times, to reconstruct or modify Union's pipeline and distribution system and the pressure carried therein, notwithstanding that such reconstruction or modification may reduce the System Capacity available to receive Shipper's gas, or Shipper's ability to deliver gas to Union. Should Union expect any such reconstruction or modification to reduce the delivery or receipt of gas by either party, Union will, where able, provide Shipper with six (6) months' notice or as much notice as is reasonably practical in the circumstances. Union shall use reasonable efforts to assist the Shipper in meeting its Market Quantity in these circumstances.

XIX. SHIPPER'S REPRESENTATIONS AND WARRANTIES

1. Shipper's Warranty: Shipper warrants that it will, if required, maintain, or have maintained on its behalf, all external approvals including the governmental, regulatory, import/export permits and other approvals or authorizations that are required from any federal, state or provincial authorities for the gas quantities to be handled under the Contract. Shipper further warrants that it shall maintain in effect the Facilitating Agreements.
2. Financial Representations: Shipper represents and warrants that the financial assurances (including the Initial Financial Assurances and Security), if any, shall remain in place throughout the term hereof unless Shipper and Union agree otherwise. Shipper shall notify Union in the event of any change to the financial assurances (including the Initial Financial Assurances and Security), if any, throughout the term hereof. Should Union have reasonable grounds to believe that Shipper will not be able to perform or continue to perform any of its obligations under the Contract for any reason (a "Material Event"), then Shipper shall within fourteen (14) days of receipt of written notice by Union, obtain and provide to Union a letter of credit or other security in the form and amount reasonably required by Union (the "Security"). In the event that Shipper does not provide to Union such Security, Union may deem a default in accordance with the provisions of Article XII herein.

In the event that Shipper in good faith, reasonably believes that it should be entitled to reduce the amount of or value of the Security previously provided, it may request such a reduction from Union and to the extent that the Material Event has been mitigated or eliminated, Union shall return all or a portion of the Security to Shipper within fourteen (14) Business Days after receipt of the request.

3. Licence: Shipper represents and warrants to Union that Shipper possesses a licence to produce gas in the Province of Ontario.

XX. MISCELLANEOUS PROVISIONS

1. Assignment: Shipper may assign the Contract to a third party ("**Assignee**"), up to the Maximum Daily Quantity, (the "**Capacity Assigned**"). Such assignment shall require the prior written consent of Union and release of obligations by Union for the Capacity Assigned from the date of assignment. Such consent and release shall not be unreasonably withheld and shall be conditional upon the Assignee providing, amongst other things, financial assurances as per Article XXI herein. Any such assignment will be for the full rights, obligations and remaining term of the Contract as relates to the Capacity Assigned.
2. Title to Gas: Shipper represents and warrants to Union that Shipper shall have good and marketable title to, or legal authority to deliver to Union, all gas delivered to Union hereunder. Furthermore, Shipper hereby agrees to indemnify and save Union harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all third parties to such gas or on account of Taxes, or other charges thereon.

XXI. PRECONDITIONS TO SERVICES

1. Union Conditions: The obligations of Union to provide Services hereunder are subject to the following conditions precedent, which are for the sole benefit of Union and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to provide the Services; and,
 - b. Union shall have obtained all internal approvals that are necessary or appropriate to provide the Services; and,
 - c. Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of the Contract (the "**Initial Financial Assurances**"). The Initial Financial Assurances, if required, will be as determined solely by Union; and,
 - d. Shipper and Union shall have entered into the Interruptible Service HUB Contract or equivalent (the "**Facilitating Agreement**") with Union; and,
 - e. Union shall, where applicable, have obtained all internal and external approvals including the governmental, regulatory and other approvals or authorizations required to construct any facilities necessary to provide the Services hereunder, which approvals and authorizations, if granted upon conditions, shall be conditions satisfactory to Union; and,
 - f. Union shall, where applicable, have completed and placed into service those facilities necessary to provide the Services hereunder; and,
 - g. Further to Article IX Section 6 herein, Shipper shall pay to Union a payment ("**First Prepayment**") towards the Aid to Construction at the time of the execution of this Agreement. Shipper shall pay a payment prior to installation of the meter station ("**Second Prepayment**"). The foregoing payments are specified in the attached Schedule 1 for the first meter station ("**Receipt Point #1**") to be installed under the Contract. Payments for additional meter stations will be handled by written mutual agreement between the parties. Shipper shall pay Union the difference if the actual Aid to Construction is more than the Prepayments, within thirty (30) days of the delivery of an invoice from Union on which the actual costs for construction and installation of facilities are stated. Union shall pay Shipper the difference if the actual Aid to Construction is less than the Prepayments. In the event Shipper terminates this Agreement prior to Union incurring any costs related to the construction, installation or connection of the meter station, Shipper's Prepayments shall be returned to Seller, without interest, within fifteen (15) days notice to Union of such termination by Shipper. In the event Union has incurred costs, as set out herein, relative to the construction, installation or connection of the meter station prior to being notified by Shipper of Shipper's intention to terminate the Agreement, Union shall deduct such actual costs from Union's return of Shipper's Prepayments. "**Prepayments**" shall mean the sum of the First Prepayment and the Second

Prepayment.

2. Shipper Conditions: The obligations of Shipper hereunder are subject to the following conditions precedent, which are for the sole benefit of Shipper and which may be waived or extended in whole or in part in the manner provided in the Contract:
 - a. Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and,
 - b. Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
 - c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract; and,
 - d. Shipper shall have cancelled or renegotiated its Sales Agreement, on terms satisfactory to Union, as applicable.
3. Satisfaction of Conditions: Union and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfil the conditions precedent specified in this Article XXI Section 1 a, c, d, e, f, g, and Section 2 a, b, and d. Each party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such party's benefit. If a party concludes that it will not be able to satisfy a condition precedent that is for its benefit, such party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations thereunder.
4. Non-Satisfaction of Conditions: If any of the conditions precedent in this Article XXI Section 1 c or Section 2 are not satisfied or waived by the party entitled to the benefit of that condition by the Conditions Date as such term is defined in the Contract, or if any of the Shipper payments required under the condition precedent in this Article XXI Section 1 g have not been paid as required in such section, then either party may, upon written notice to the other party, terminate the Contract and upon the giving of such notice, the Contract shall be of no further force and effect and each of the parties shall be released from all further obligations hereunder, provided that any rights or remedies that a party may have for breaches of the Contract prior to such termination and any liability a party may have incurred before such termination shall not thereby be released.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, Page 7

Preamble:

In 2018 the Board approved EGD's RNG enabling program by allowing the Company to provide RNG upgrading services as an unregulated business activity and RNG injection services as a regulated business activity (EB-2017-0319).

Question:

- a) How much has been spent to date in the RNG Enabling program? Please provide details for the regulated and unregulated portions of the business by year, including capital and operation costs.
- b) How are these costs being recovered now and in future?
- c) Please provide a table showing the range of projected average costs for procurement of a m3 of RNG, delivered into the distribution system. Include all cost components including commodity upgrade and administration costs. Please provide details of assumptions.

Response

- a) Please see below a table setting out capital spent on the regulated RNG injection services under Rate 401. No O&M has been recorded against the enabling program. Enbridge Gas does not believe that cost information related to the unregulated aspects of this line of business is relevant, and declines to provide the requested data.

Year	2017	2018	2019	2020	Total
Capital	\$123,133	\$4,924,145	\$1,818,936	\$155,524	\$7,021,738

- b) In accordance with the Board's approval of Rate 401 in EB-2017-0319, Enbridge Gas will recover the cost of these facilities (and the associated operating and other costs) through service fees charged to RNG producers for Injection Service. Gas distribution and/or transportation charges will apply to the transportation of RNG through Enbridge's distribution system.
- c) Please see Exhibit I.STAFF.4 for details regarding forecast RNG prices. The component costs for producers will vary, and Enbridge Gas does not have sufficient information to provide a range of such component costs.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1. Pages 3 and 4

Preamble:

To the extent that the RNG obtained by Enbridge Gas using Program funds reduces the Company's Federal Carbon Charge obligations, and subsequent remittance to the CRA, any variance between the Federal Carbon Charges remitted to the CRA and the amount charged to customers will be tracked in existing OEB-approved Federal Carbon Pricing Program customer-related variance accounts, and will flow to all customers subject to the Federal Carbon Charge.

Question:

- a) How will EGI determine how much RNG is purchased with the \$24 per Voluntary RNG customer/year? Please provide an illustrative example.
- b) Show specifically how EGI will calculate the reduction claimed under the FCP Program from the Voluntary RNG Program. Please provide an illustrative example in Excel format. List all necessary assumptions.
- c) Please indicate why Voluntary RNG Program customers should not get a credit/rebate (\$) from the FCP Program equal to their reduction in natural gas volumes divided by their allocated/estimated RNG consumption \$/m³.
- d) Please provide a numeric example of the calculation of a rebate for a typical Voluntary RNG participant, using realistic assumptions regarding the number of Voluntary RNG Program participants and the volumetric reduction under the FCP Program.

Response

- a) Enbridge Gas will determine the available Voluntary RNG Program revenues to be used to purchase RNG as outlined in Exhibit B, Tab 2, Schedule 2, page 1. In accordance with its “Gas Supply Procurement Policies and Practices” Enbridge Gas will issue an RFP to seek bids for RNG. The volume of RNG purchased will be determined by dividing the funds available by the premium over traditional natural gas included in the purchase price of RNG as determined in the RFP.

For example, if at a given procurement interval \$100,000 of Voluntary RNG Program revenues are available to purchase RNG and the price of RNG as determined by responses to Enbridge Gas’ RFP is \$25/GJ above traditional natural gas, then 4,000 GJs of RNG will be purchased.

- b) Enbridge Gas is required to calculate the monthly payment for the Federal Carbon Charge using the formula in section 8(7) of the Greenhouse Gas Pollution Pricing Act:

$$A \times (100\% - B)$$

where

A is the cubic meters of marketable natural gas

B is the portion that is biomethane

The term “B” in the formula will be determined using the volume of RNG from the Program, divided by the total volume of natural gas distributed that was subject to the Federal Carbon Charge.

- c) Please see Exhibit I.STAFF.14.
- d) For each program participant, the avoided Federal Carbon Charge would be approximately \$3 - 4 annually dependent on the actual amount of RNG procured and the Federal Carbon Charge rate. For clarity, Enbridge Gas will not be providing such rebates to individual Program participants as described in the reference prefacing this interrogatory.

Example Calculation - Year 1¹:

$$609,863 \text{ m}^3 \text{ RNG} \times \$0.0783/\text{m}^3 = \$47,752$$

$$\$47,752 / 16,087 \text{ (program participants)} = \$2.97 \text{ annually}$$

$$\$2.97 / 12 = \$0.25 \text{ per month}$$

¹ Federal Carbon Charge for Year 1 is calculated using 2021 charge rate of \$0.0783/m³, as per the Greenhouse Gas Pollution Pricing Act.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 3

Question:

- a) Please provide the estimated costs of the Voluntary RNG Marketing and Sales Strategy. Delineate by year and provide a detailed breakdown by cost category.
- b) How will these costs be recovered? Specifically, will existing ratepayers pay these costs or will they be recovered fully from the Voluntary RNG program participants?

Response

- a) Enbridge Gas's intended marketing and communications strategy is outlined in Exhibit B, Tab 2, Schedule 3, and estimated program marketing costs are outlined on page 1 of Exhibit C, Tab 2, Schedule 2. On approval of the Program, Enbridge Gas's marketing team will finalize the details of the Company's approach to support the Program launch, including the creation of detailed budgets. Success of marketing efforts will be tracked, and the plan will be refined as required.
- b) Please see Exhibit I.LPMA.10 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4 and Exhibit C, Tab 2, Schedule 1

Preamble:

Enbridge Gas forecasts total Program operating costs over the first ten years of the Program will be \$2.7 million. It is estimated that approximately \$400,000 of the operating costs will be incurred in the first year of Program launch, offset by a tax credit of just under \$200,000 over the same period.

Question:

- a) Please explain the \$600,000 Capital Cost.
- b) Please provide support for each of the categories of listed costs e.g. FTE, Consulting, etc.
- c) Explain the drivers for the second-year increase in the COS.
- d) Based on the Ten year Forecast please provide the average annual unit cost of RNG GJ and m3.
- e) Why is it appropriate that the Voluntary RNG Program incremental costs be managed with existing budgets, rather than recovered from the Voluntary RNG participants? Specifically explain how these costs relate to the business of provision of natural gas under the OEB Act.

Response

- a) The \$600,000 capital cost relates to necessary updates to the CIS SAP system to allow for Program enrollment and billing, including costs associated with coding for enrollment and cancellation rules, screen changes, updates to interface with other

applications, the addition of email notification functionality, and adding a line item to bills.

- b) The costs provided are Enbridge Gas's estimate of the costs that will be incurred in each area. As noted in Exhibit I.LPMA.10 a) all of these costs will be managed within Enbridge Gas's existing revenues through the deferred rebasing period.
- c) The program costs in the second year are higher than the first year because the first year's program costs are offset by a CCA tax credit of \$194,694.
- d) Please see Exhibit I.BOMA.4.
- e) As further discussed in Exhibit I.LPMA.10 a) non-participants will not see rate increases within the deferred rebasing period as a result of managing program costs within existing revenues. Please also see Exhibit I.SEC.5.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit C, Tab 1, Schedule 1

Question:

- a) Please provide the sources and assumptions for the cost/price comparisons in the Exhibit.
- b) Why is electricity included?
- c) Specifically, does EGI consider that all electric power in Ontario is provided by renewable sources? If the answer is yes, please explain your answer. If the answer is no, please provide the percentage that EGI considers to be renewable and explain your answer.
- d) Provide the estimated Ontario cost/price for hydro-electric power off and on peak.
- e) Please provide a cost/price for Residential DSM/Energy Efficiency.

Response

- a) The following assumptions were used to generate the table in question:

Energy Source	cents/kWh	\$/GJ
RNG Low Case	5.4	15.00
Electricity (off-Peak)	10.1	28.06
RNG High Case	10.8	30.00
On-Shore Wind	12.5	34.72
Electricity (mid-Peak)	14.4	40.00
Electricity - Biogas	16.5	45.83
Electricity Solar PV (non-rooftop)	19.2	53.33
Electricity Solar PV (Rooftop)	20.7	57.50
Electricity (on-Peak)	20.8	57.78

1 kilowatt hour (kWh) = 0.0036 gigajoules (GJ)

Source for electricity prices: IESO

Electricity prices as of Nov 2019, and FIT/microFIT Price Schedule Jan 2017¹

- b) Electricity is included because it is the main source of renewable energy in Ontario. Enbridge Gas believes it is relevant to compare the costs of different forms of renewable and non-renewable energy, including RNG.
- c) No, Enbridge Gas does not consider that all electric power available in Ontario is provided by renewable sources. In 2019 the IESO reported 12.1% of electricity produced in Ontario was generated through by wind, biofuels and solar.²
- d) This information is not available to Enbridge Gas.
- e) Please see Exhibit I.ED.8 d).

¹ <http://www.ieso.ca/en/sector-participants/ieso-news/2016/09/fit-microfit-price-schedule-for-2017-now-available>

² <http://www.ieso.ca/en/Power-Data/Supply-Overview/Transmission-Connected-Generation>

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit C, Tab 3, Sch. 1, Jurisdictional Research

Question:

- a) Did Enbridge engage an external consultant to carry out the Jurisdictional Research or was the research carried out by Enbridge staff?
- b) Was there a report or a presentation prepared, either by a consultant or by Enbridge staff, that discusses the advantages and disadvantages of each of the three main categories of programs? If the answer is yes, please file the report. If the answer is no, please explain why not.

| Response

- a) Enbridge Gas did not engage an external consultant to carry out the Jurisdictional Research; it was carried out by Enbridge Gas staff.
- b) No. A report of this kind was not produced as the Company did not believe that the time and expense associated with such a report would provide commensurate value. The findings from the research conducted by Enbridge Gas are outlined in Exhibit C, Tab 3, Schedule 1.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Question:

Please file copies of all studies (e.g. Abacus) EGI is relying on in support of the proposed Voluntary RNG program.

Response

Please see Exhibit C, Tab 2, Schedule 1 for a study conducted by Ipsos Public Affairs on behalf of Enbridge Gas. Please also find a study by Nielson for The Conference Board and the referenced Abacus Data study provided as Attachments 1 and 2 respectively to this interrogatory response.

PUBLIC OPINION RESEARCH

CLIMATE EMERGENCY POLLING

SUMMER 2019

NATIONAL SURVEY OF 2,000 CANADIANS

ABACUS DATA

METHODOLOGY

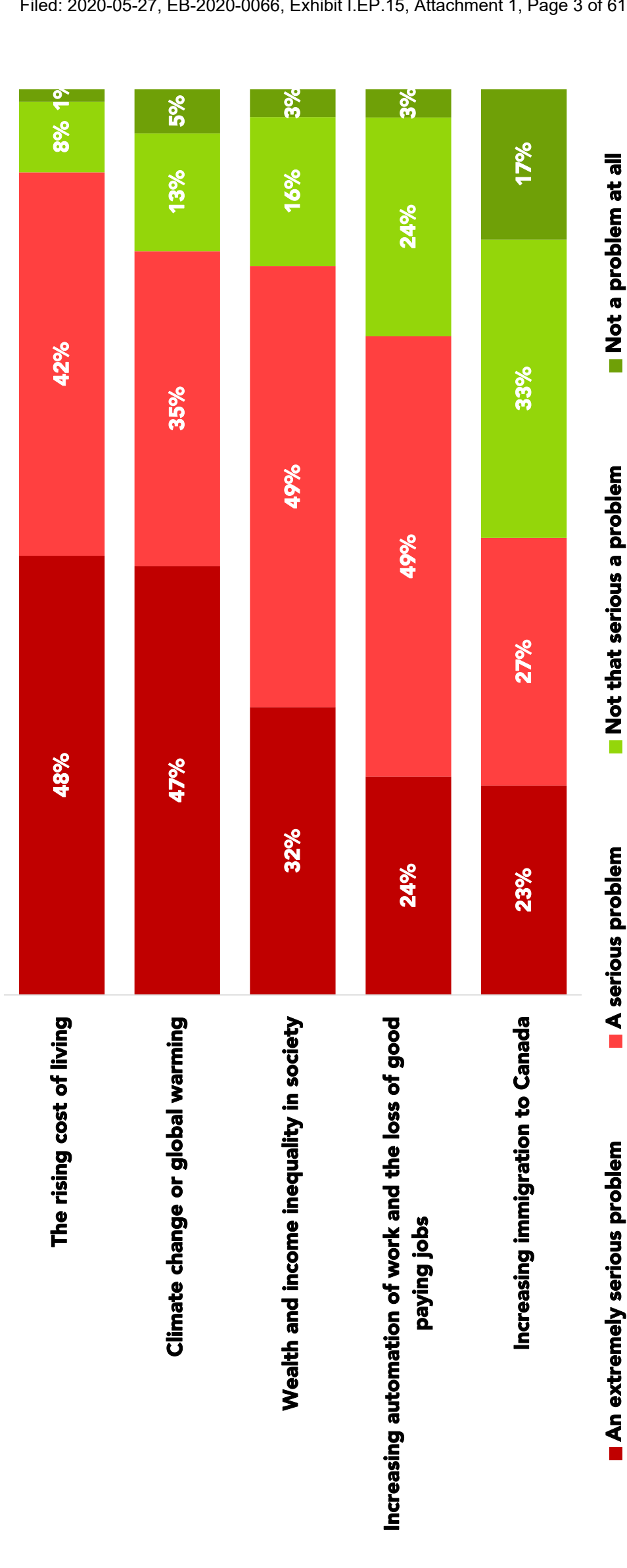
The survey was conducted online with 2,000 Canadian residents aged 18 and over, from July 16th to 19th, 2019. A random sample of panelists were invited to complete the survey from a set of partner panels based on the Lucid exchange platform. These partners are typically double opt-in survey panels, blended to manage out potential skews in the data from a single source.

The margin of error for a comparable probability-based random sample of the same size is +/- 2.19%, 19 times out of 20.

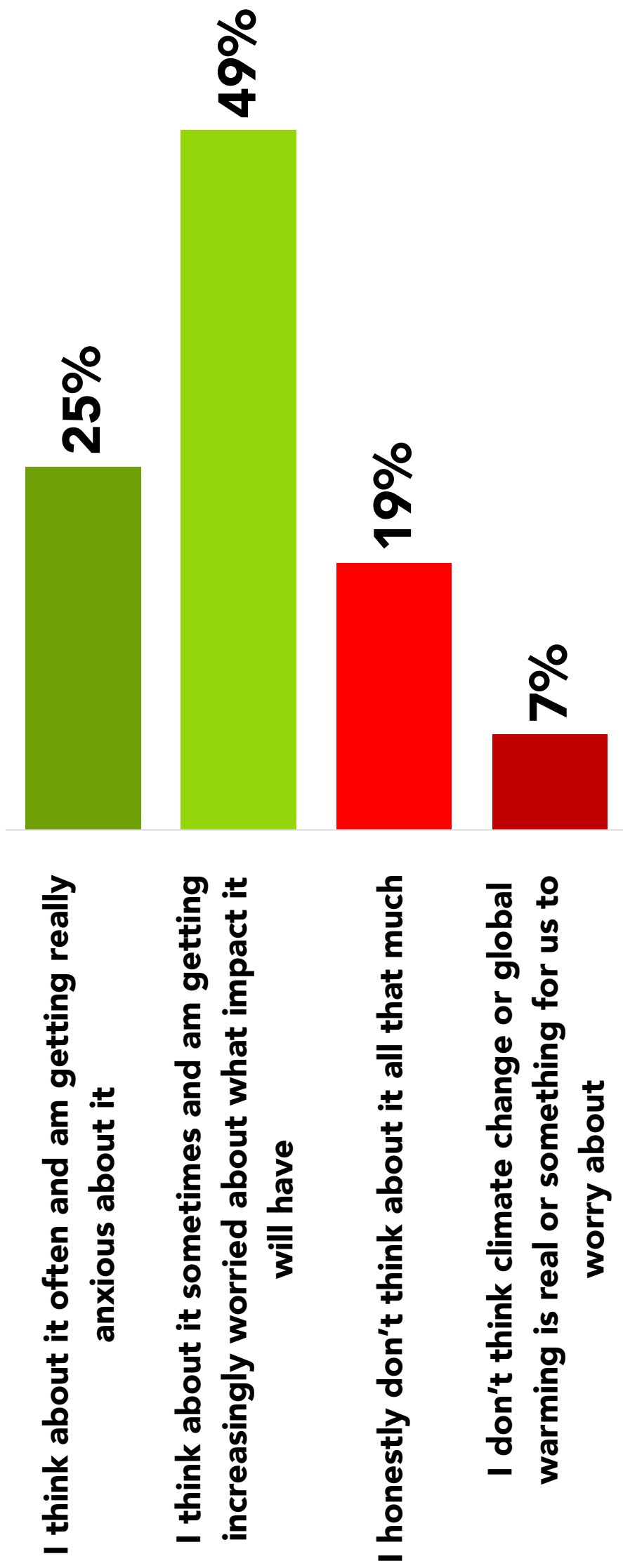
The data were weighted according to census data to ensure that the sample matched Canada's population according to age, gender, educational attainment, and region. Totals may not add up to 100 due to rounding.

This poll was commissioned by Seth Klein, adjunct professor with Simon Fraser University's Urban Studies program (as part of research for a book he is writing on the climate emergency), with support from the Canadian Centre for Policy Alternatives – BC Office and the Corporate Mapping Project.

ISSUES FACING CANADA

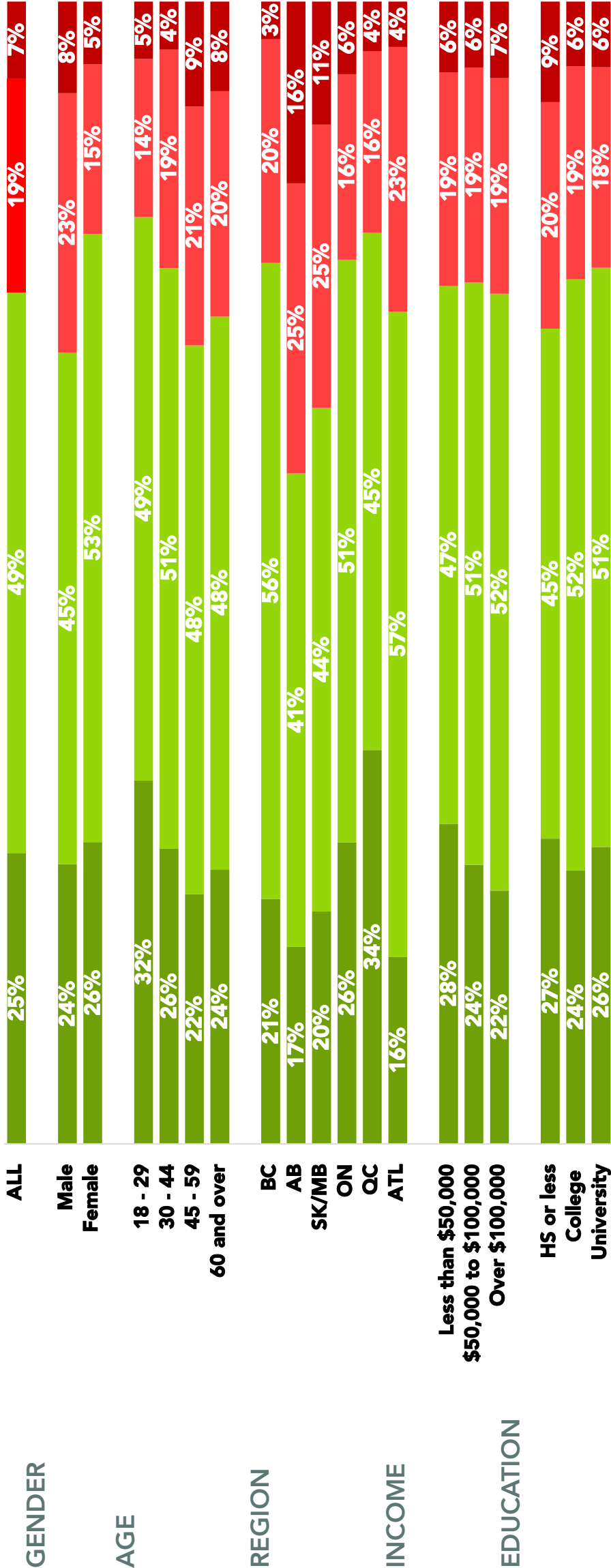


FEELINGS ABOUT CLIMATE CHANGE



Being honest with us for a moment, which of the following BEST describes how you're feeling about climate change these days?

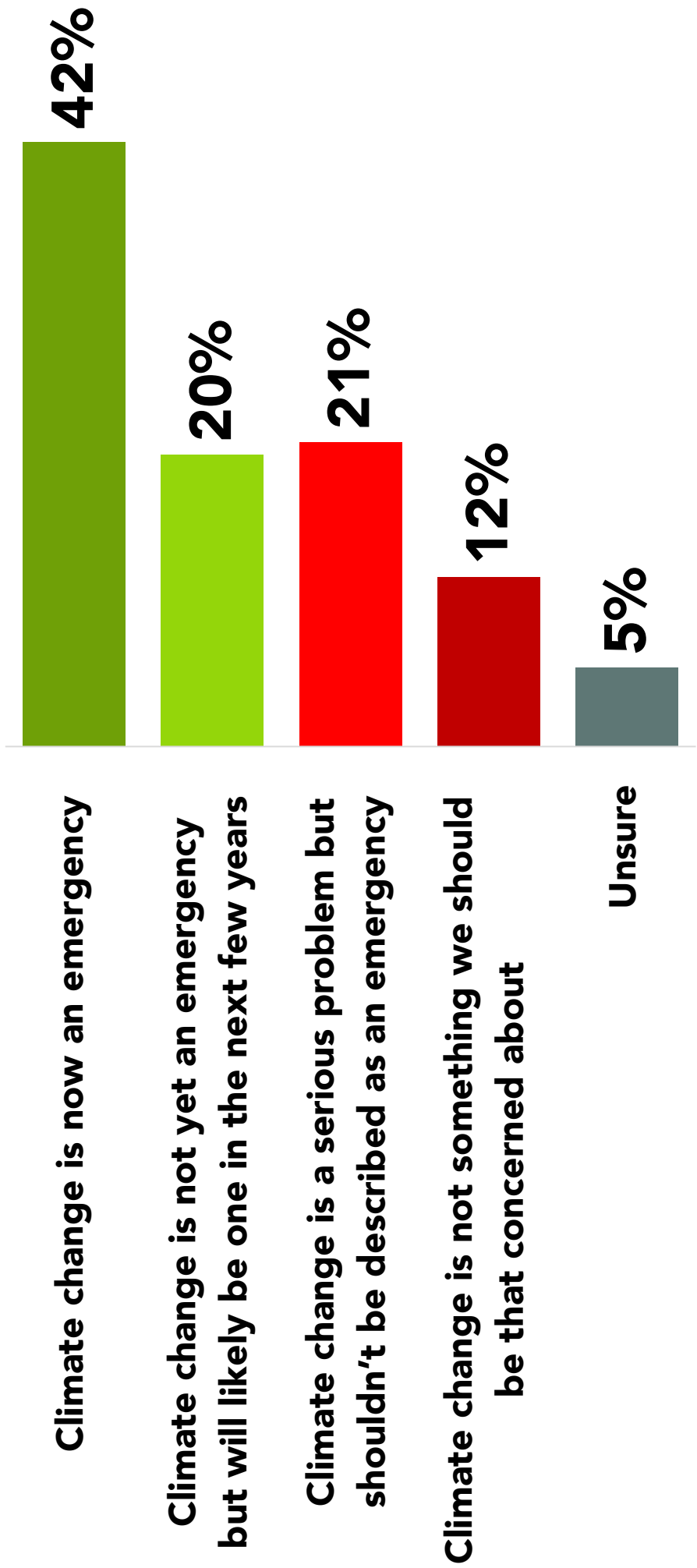
FEELINGS ABOUT CLIMATE CHANGE



- I think about it often and am getting really anxious about it
- I think about it sometimes and am getting increasingly worried about what impact it will have
- I honestly don't think about it all that much
- I don't think climate change or global warming is real or something for us to worry about

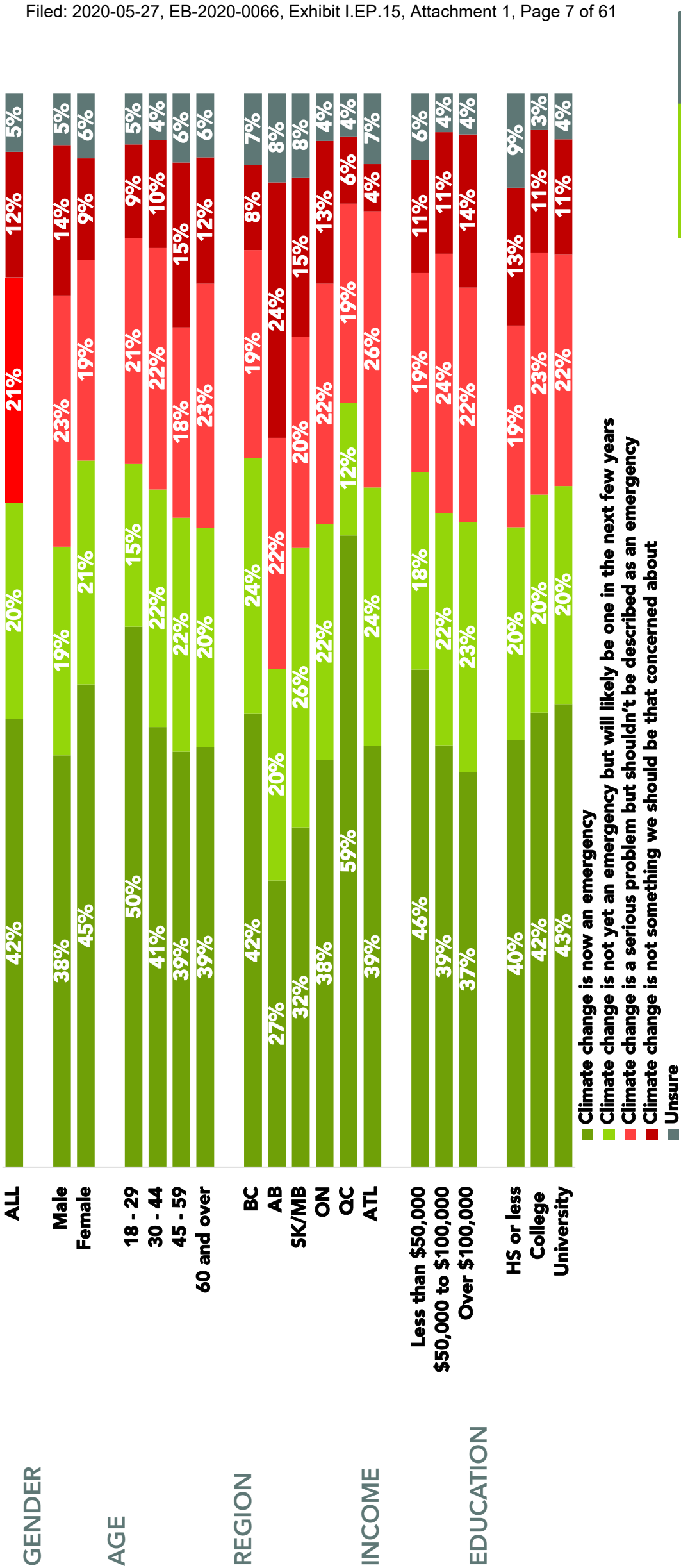
Being honest with us for a moment, which of the following BEST describes how you're feeling about climate change these days?

CLIMATE CHANGE EMERGENCY



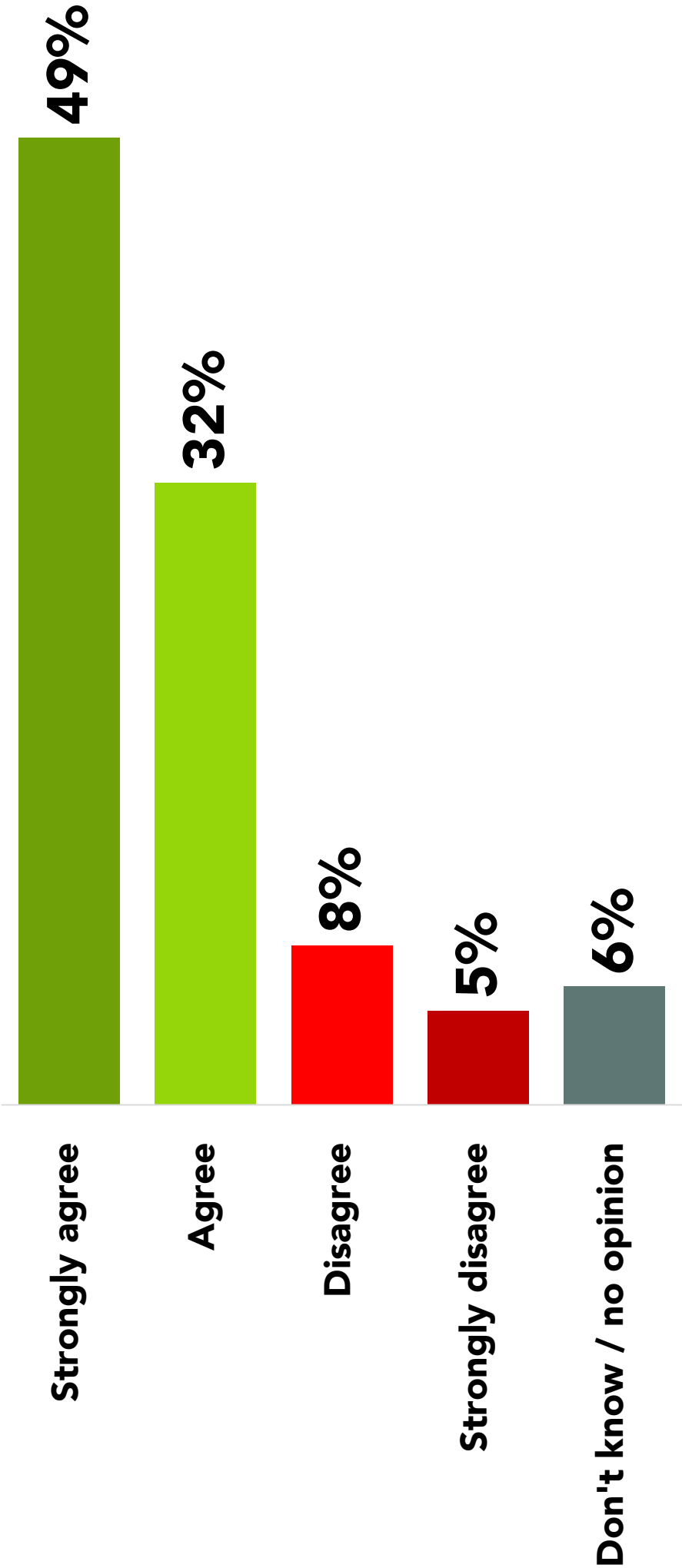
Thinking specifically about climate change, which of the following do you think BEST describes the situation?

CLIMATE CHANGE EMERGENCY



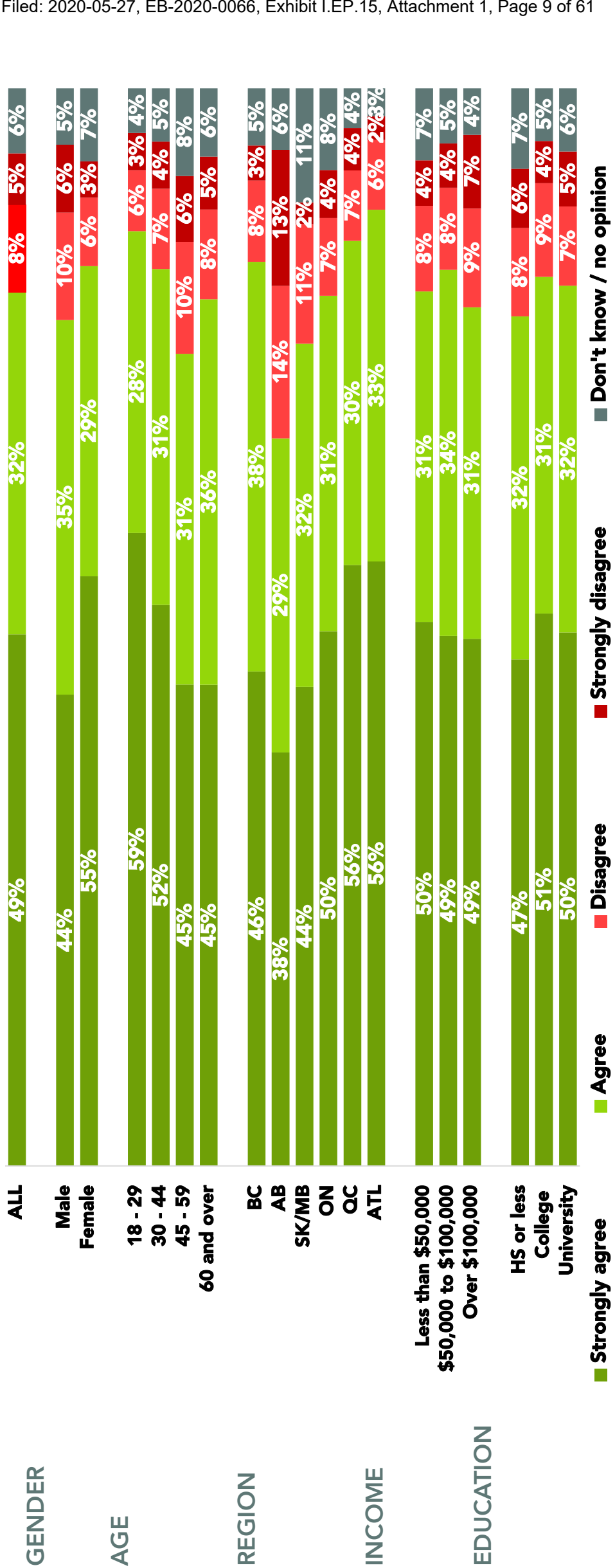
Thinking specifically about climate change, which of the following do you think BEST describes the situation?

CLIMATE CHANGE REPRESENTS A MAJOR THREAT TO THE FUTURE OF OUR CHILDREN AND GRANDCHILDREN



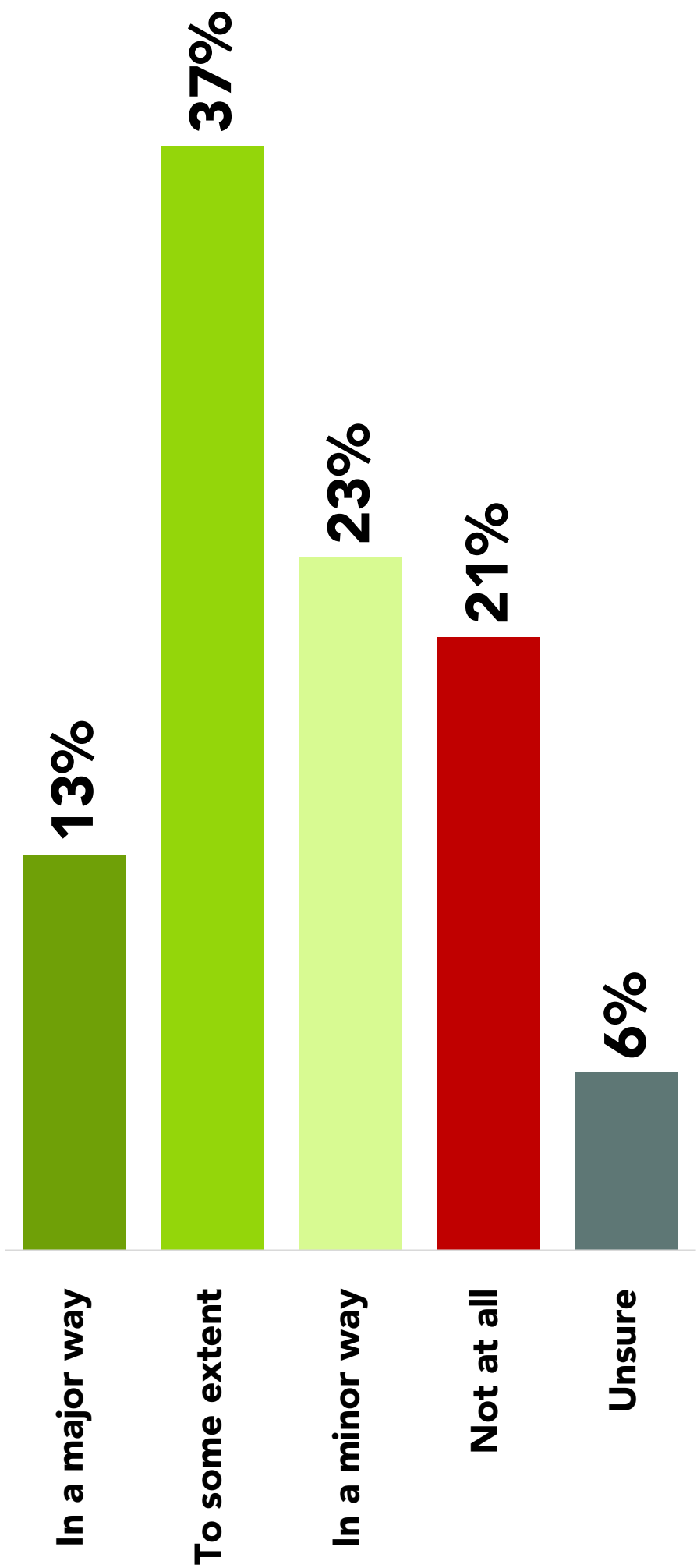
How much do you agree or disagree with the following statement: Climate change represents a major threat to the future of our children and grandchildren?

CLIMATE CHANGE REPRESENTS A MAJOR THREAT TO THE FUTURE OF OUR CHILDREN AND GRANDCHILDREN



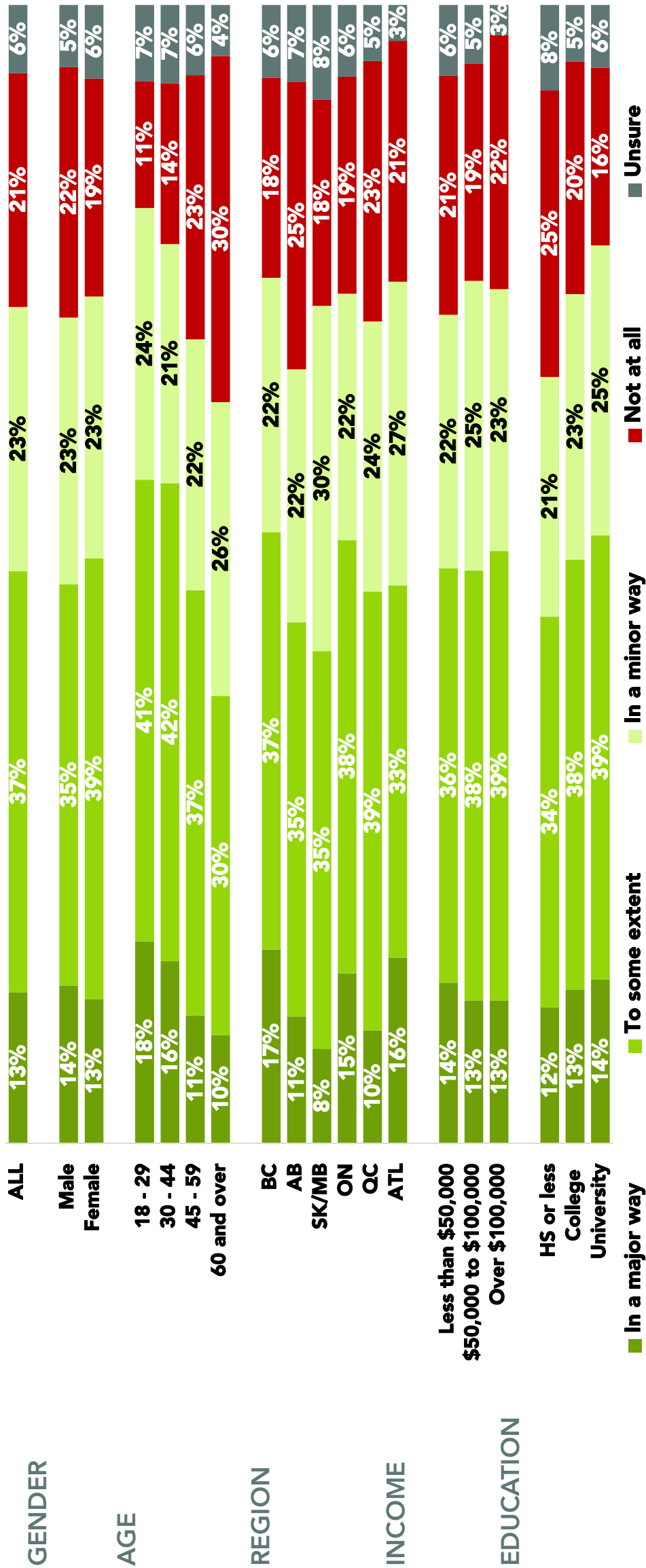
How much do you agree or disagree with the following statement: Climate change represents a major threat to the future of our children and grandchildren?

EXPERIENCED THE EFFECTS OF CLIMATE CHANGE



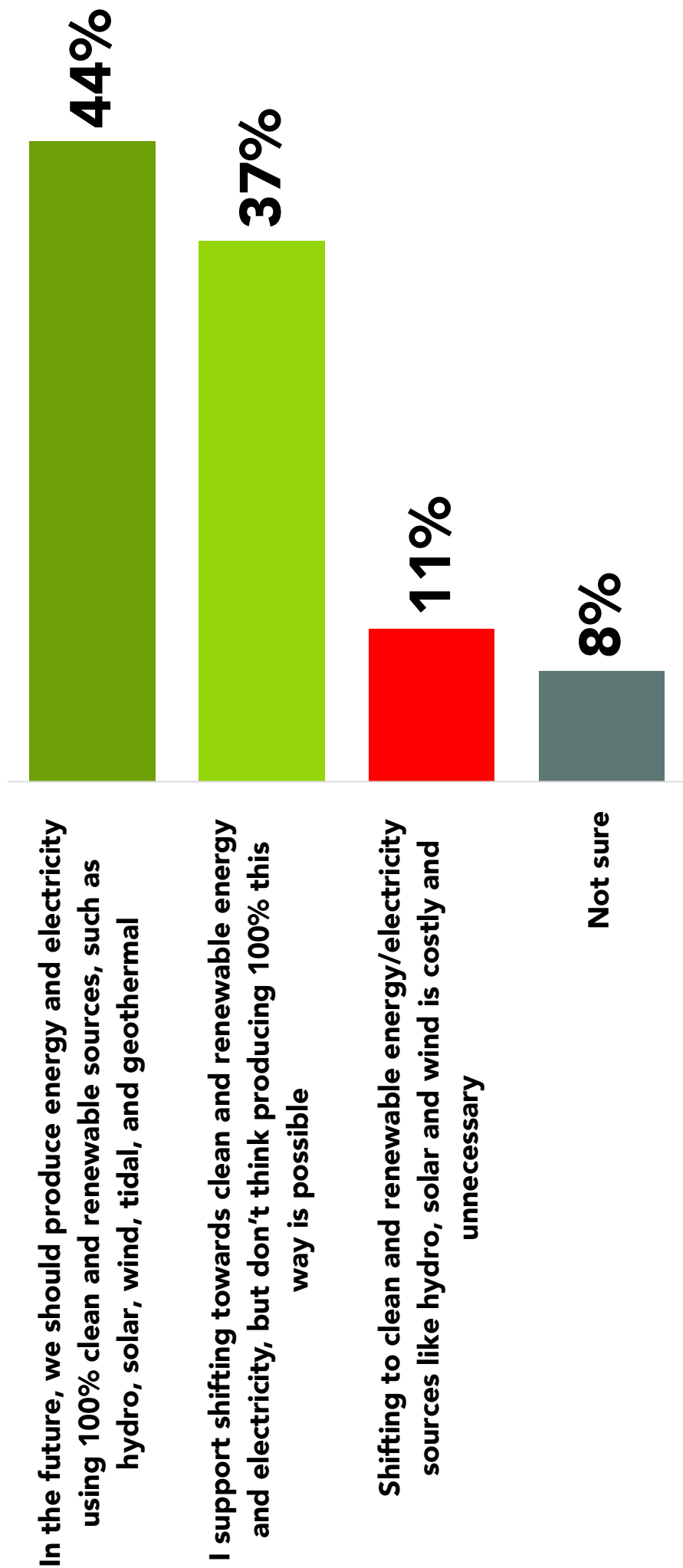
To what extent have you or someone close to you experienced the effects of climate change (such as living with the consequences of changing weather patterns or severe weather events such as flooding, wild fires, droughts or intense heat waves)?

EXPERIENCED THE EFFECTS OF CLIMATE CHANGE



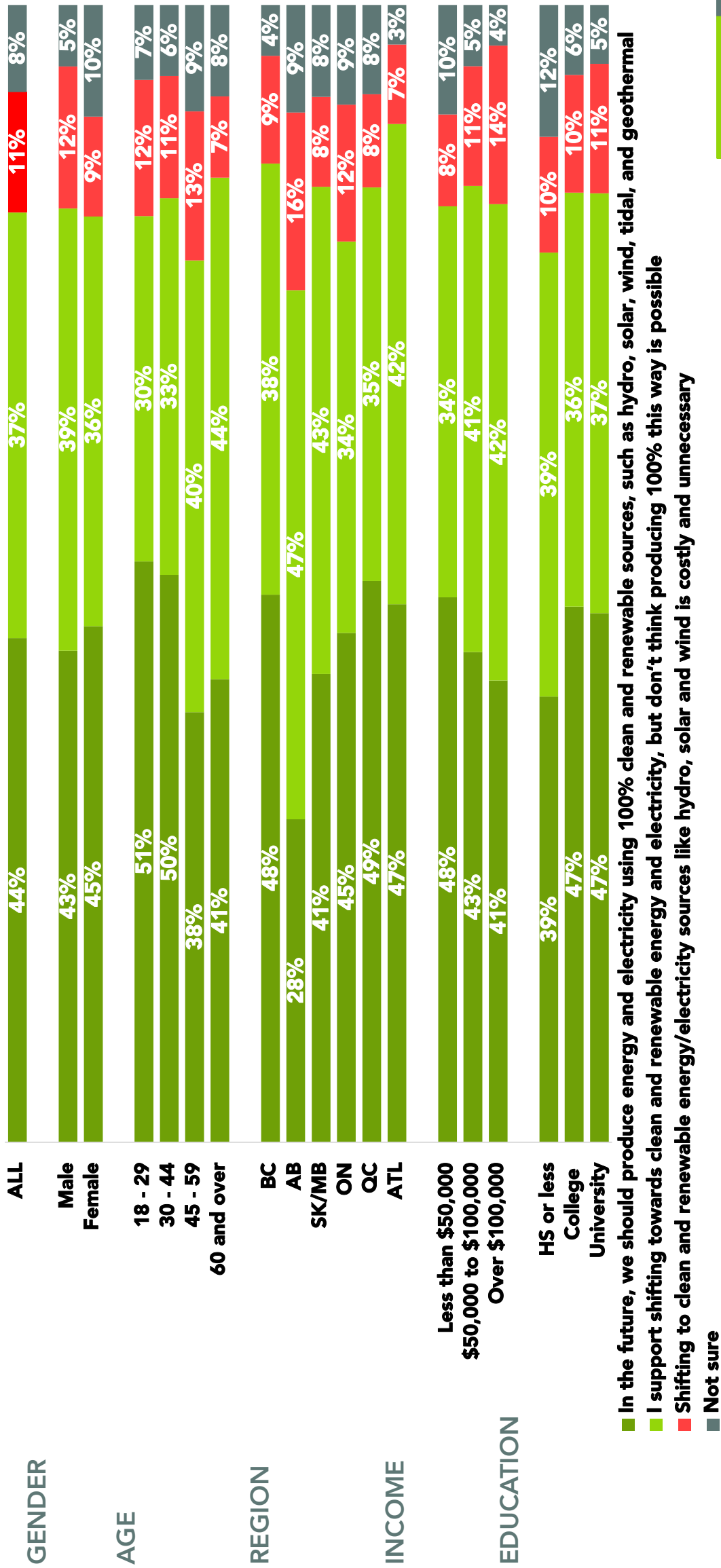
To what extent have you or someone close to you experienced the effects of climate change (such as living with the consequences of changing weather patterns or severe weather events such as flooding, wild fires, droughts or intense heat waves)?

THE FUTURE OF ENERGY



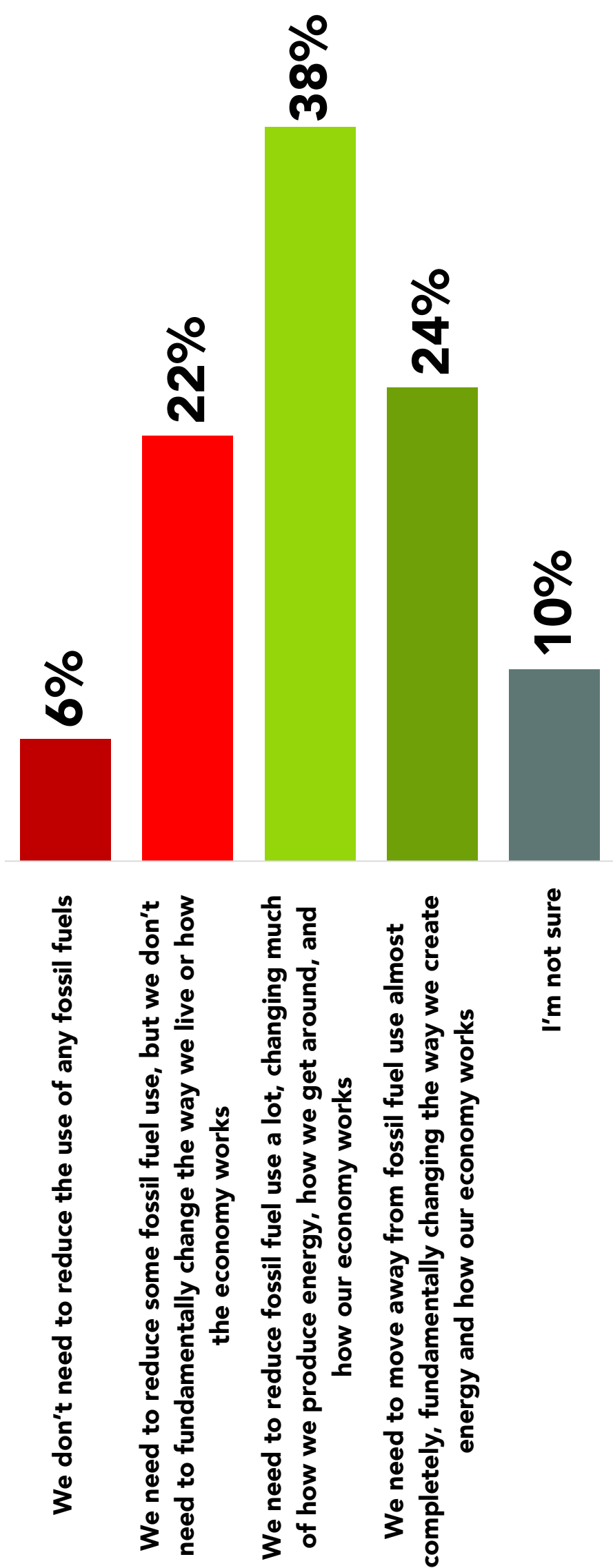
Given the connections between climate change and burning fossil fuels to produce energy and electricity, which of the following do you agree with more?

THE FUTURE OF ENERGY



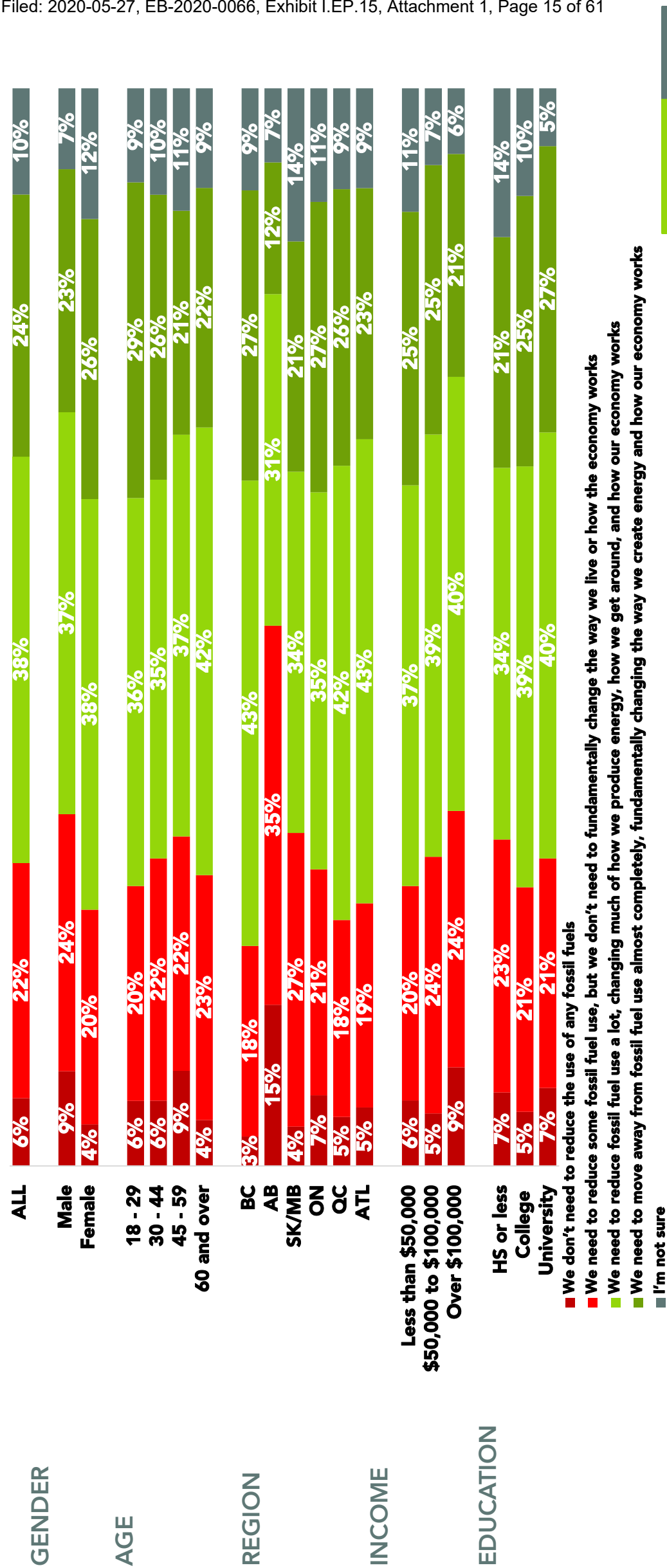
Given the connections between climate change and burning fossil fuels to produce energy and electricity, which of the following do you agree with more?

BY HOW MUCH SHOULD FOSSIL FUELS BE REDUCED TO EFFECTIVELY COMBAT CLIMATE CHANGE



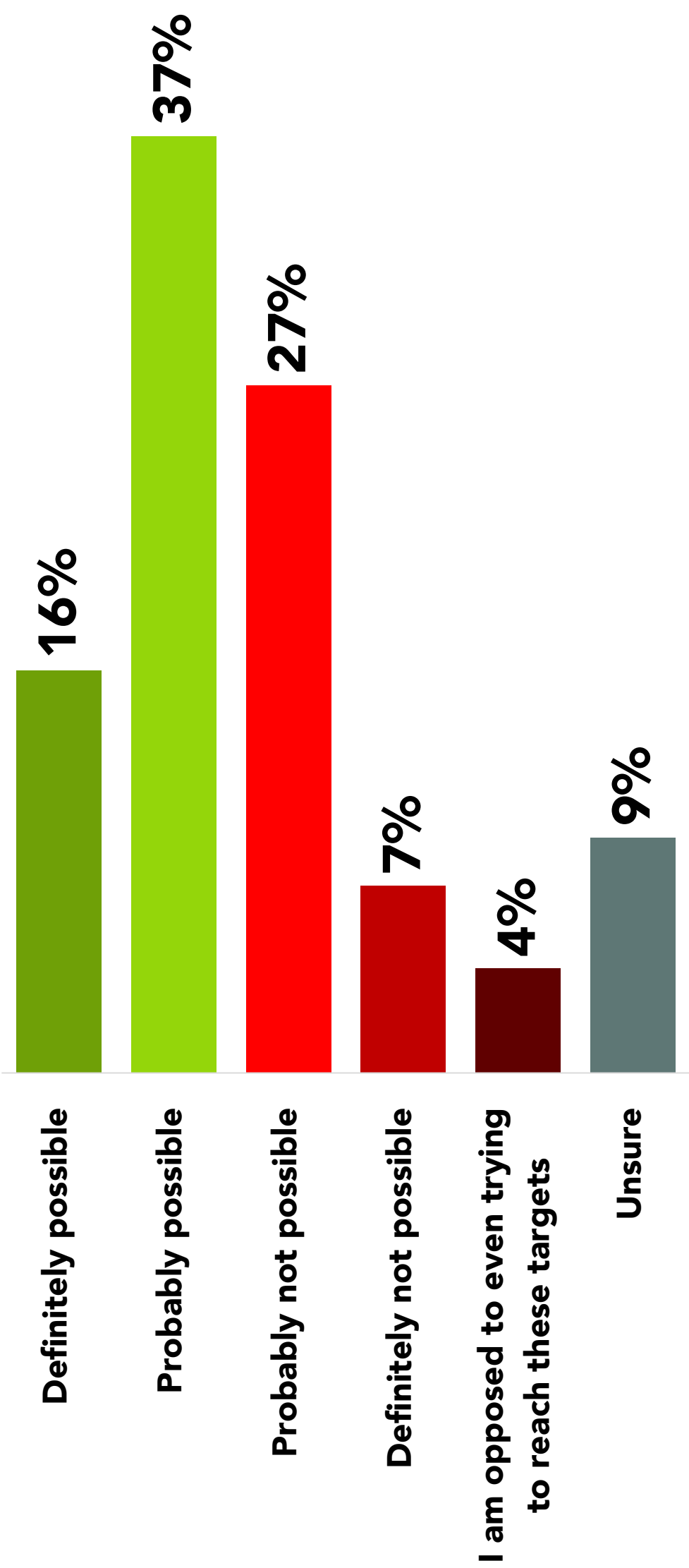
In order to combat climate change, scientists say we must substantially reduce the amount of fossil fuels we use in all aspects of our lives, in society, and in the economy. This includes oil, coal, and natural gas. In your view, by how much should fossil fuels be reduced to effectively combat climate change?

BY HOW MUCH SHOULD Fossil Fuels Be Reduced To Effectively Combat Climate Change



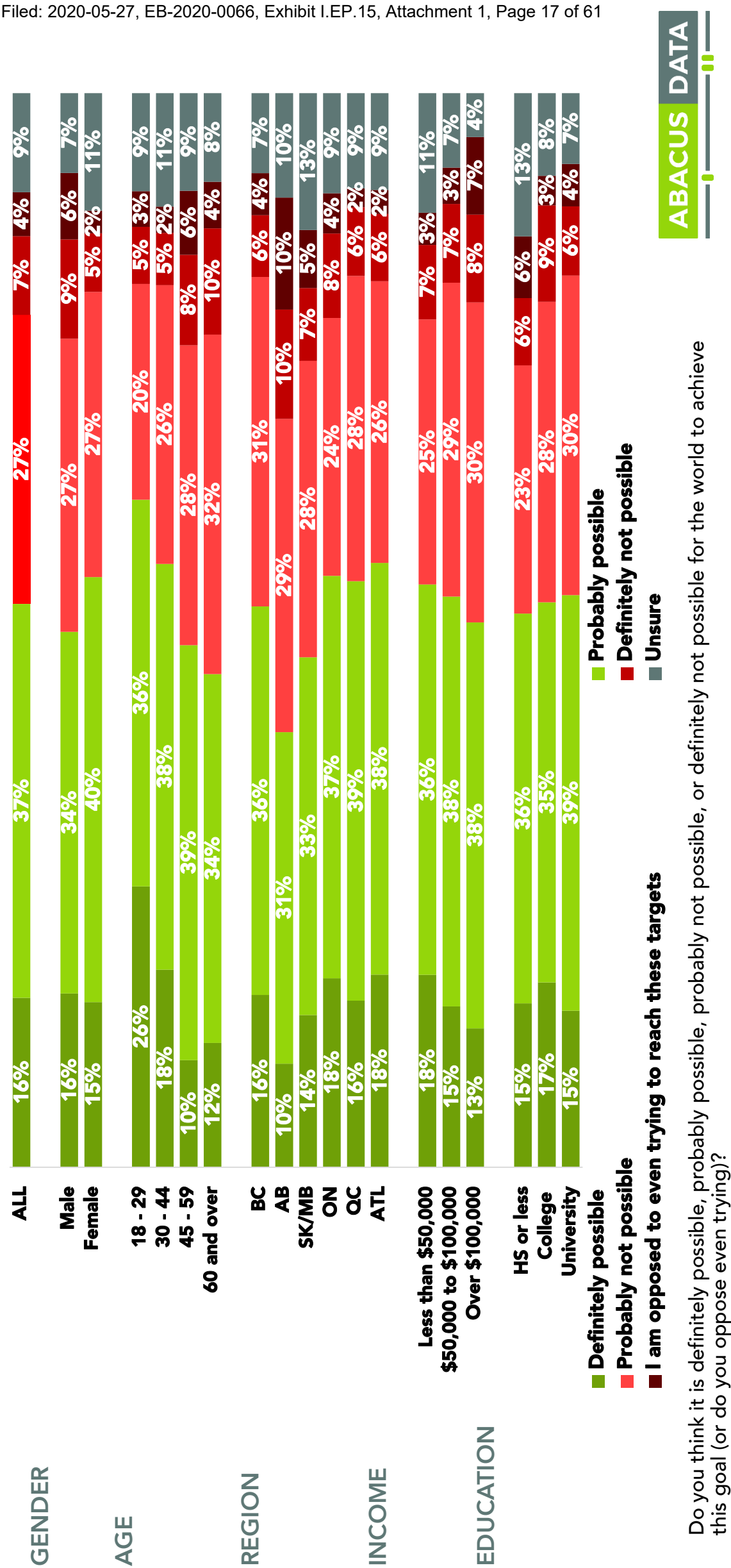
In order to combat climate change, scientists say we must substantially reduce the amount of fossil fuels we use in all aspects of our lives, in society, and in the economy. This includes oil, coal, and natural gas. In your view, by how much should fossil fuels be reduced to effectively combat climate change?

POSSIBILITY OF REACHING RECOMMENDED GHG TARGETS

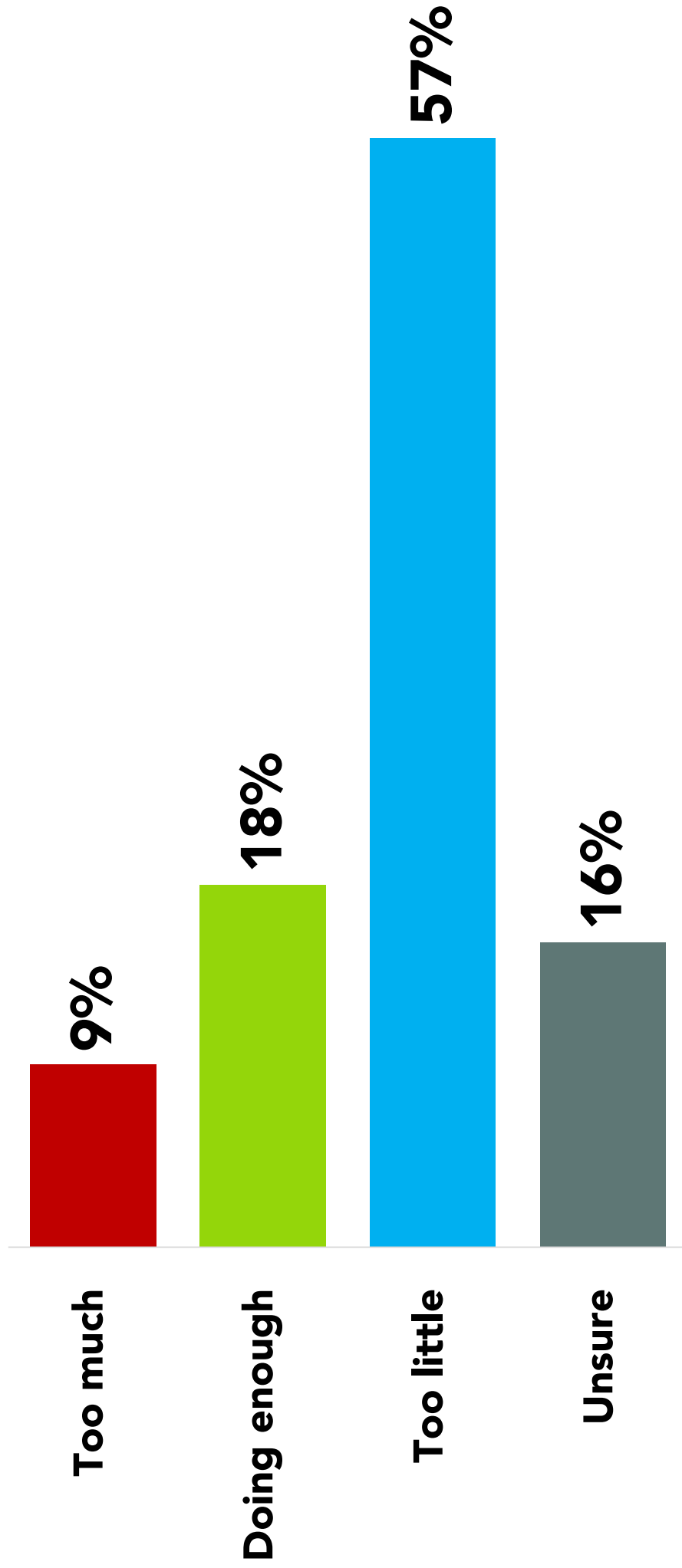


The United Nations Intergovernmental Panel on Climate Change (the world's top climate scientists) recently issued a report warning that carbon pollution – global greenhouse gas (GHG) emissions – must be cut in half by 2030, and that the world must be carbon-zero by 2050. Do you think it is definitely possible, probably possible, probably not possible, or definitely not possible for the world to achieve this goal (or do you oppose even trying)?

POSSIBILITY OF REACHING RECOMMENDED GHG TARGETS

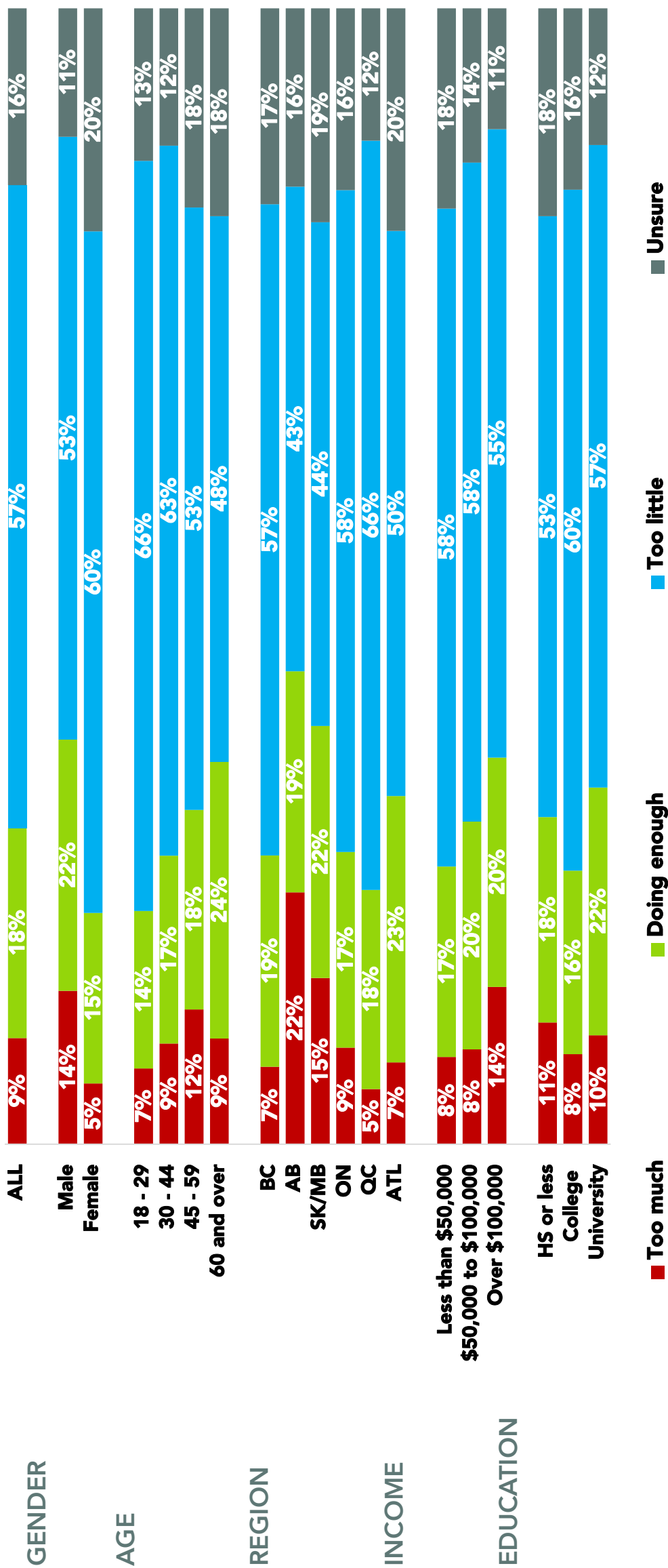


GOVERNMENT COMBATTING CLIMATE CHANGE



Do you think the current federal government is doing too much, too little, or is doing enough to combat climate change?

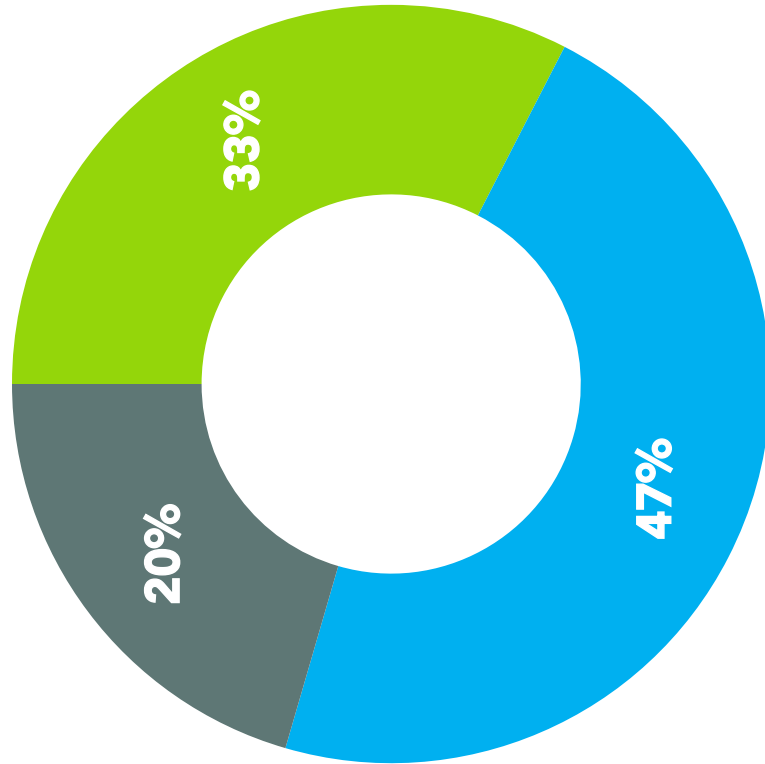
GOVERNMENT COMBATTING CLIMATE CHANGE



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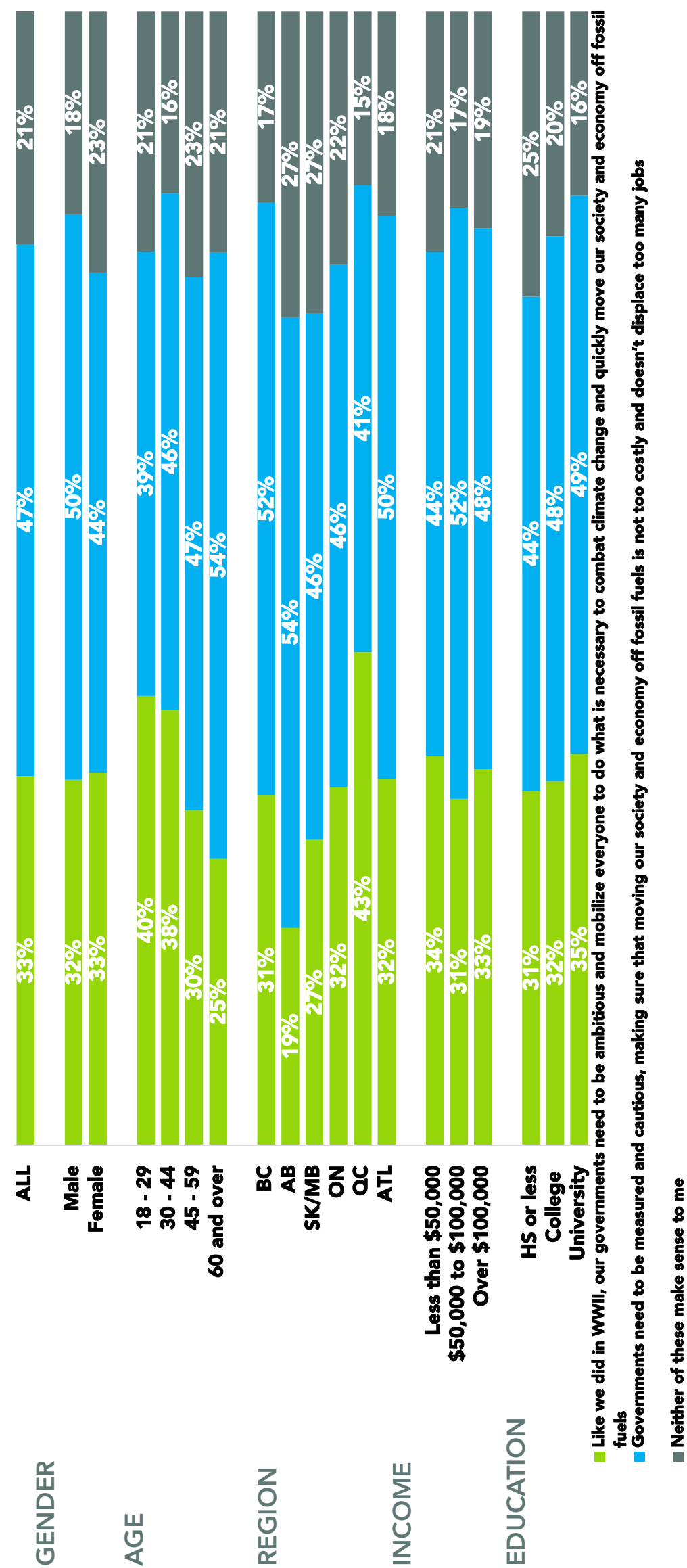
GOVERNMENT COMBATTING CLIMATE CHANGE

- Like we did in WWII, our governments need to be ambitious and mobilize everyone to do what is necessary to combat climate change and quickly move our society and economy off fossil fuels
- Governments need to be measured and cautious, making sure that moving our society and economy off fossil fuels is not too costly and doesn't displace too many jobs
- Neither of these make sense to me

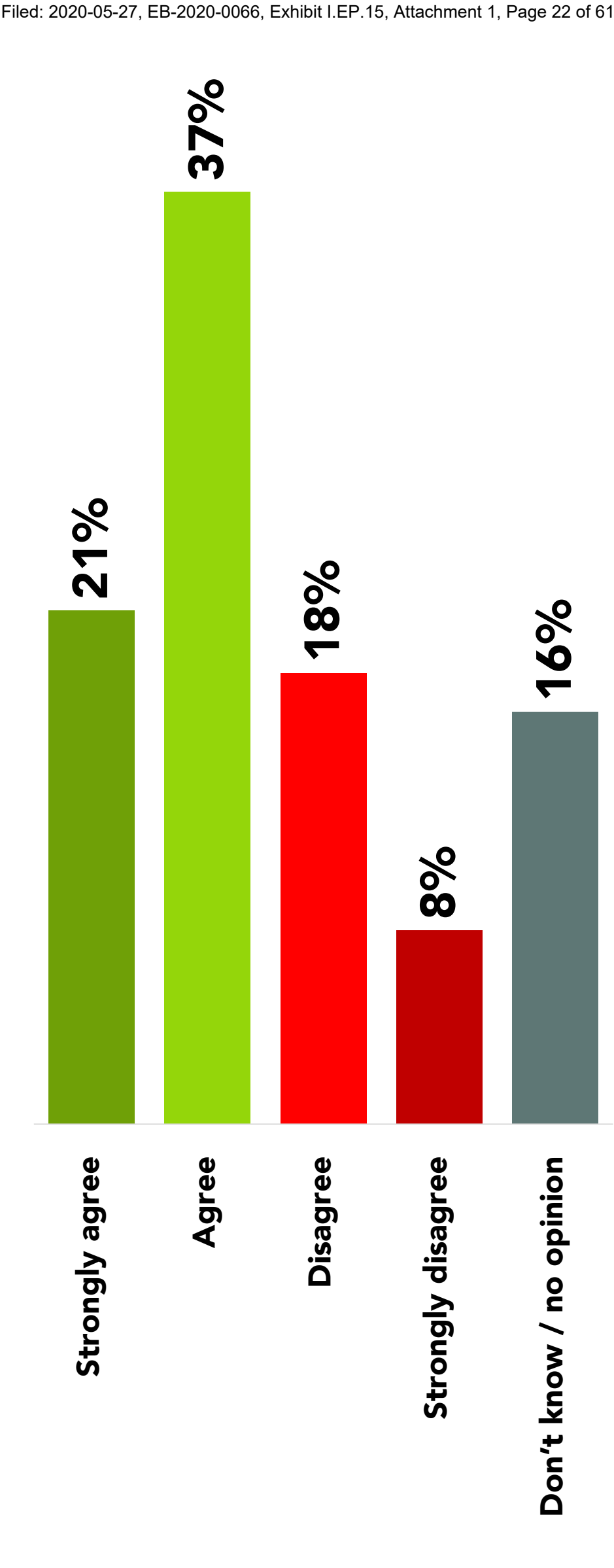


People have different views on the best way to combat climate change. Some have suggested Canada needs to mobilize on the scale it did in World War Two – the last time the country faced a fundamental threat to our way of life. Others have suggested that government action needs to be measured and cautious. Which of the following comes closest to your view?

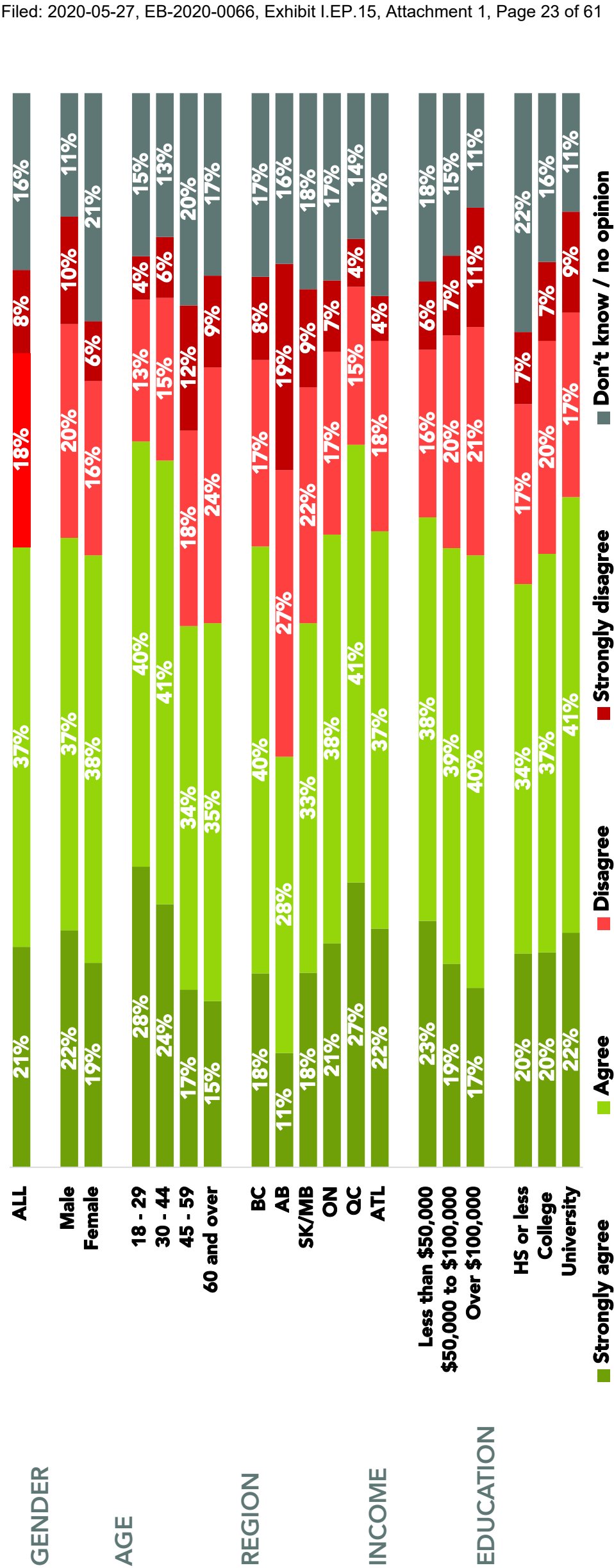
GOVERNMENT COMBATTING CLIMATE CHANGE



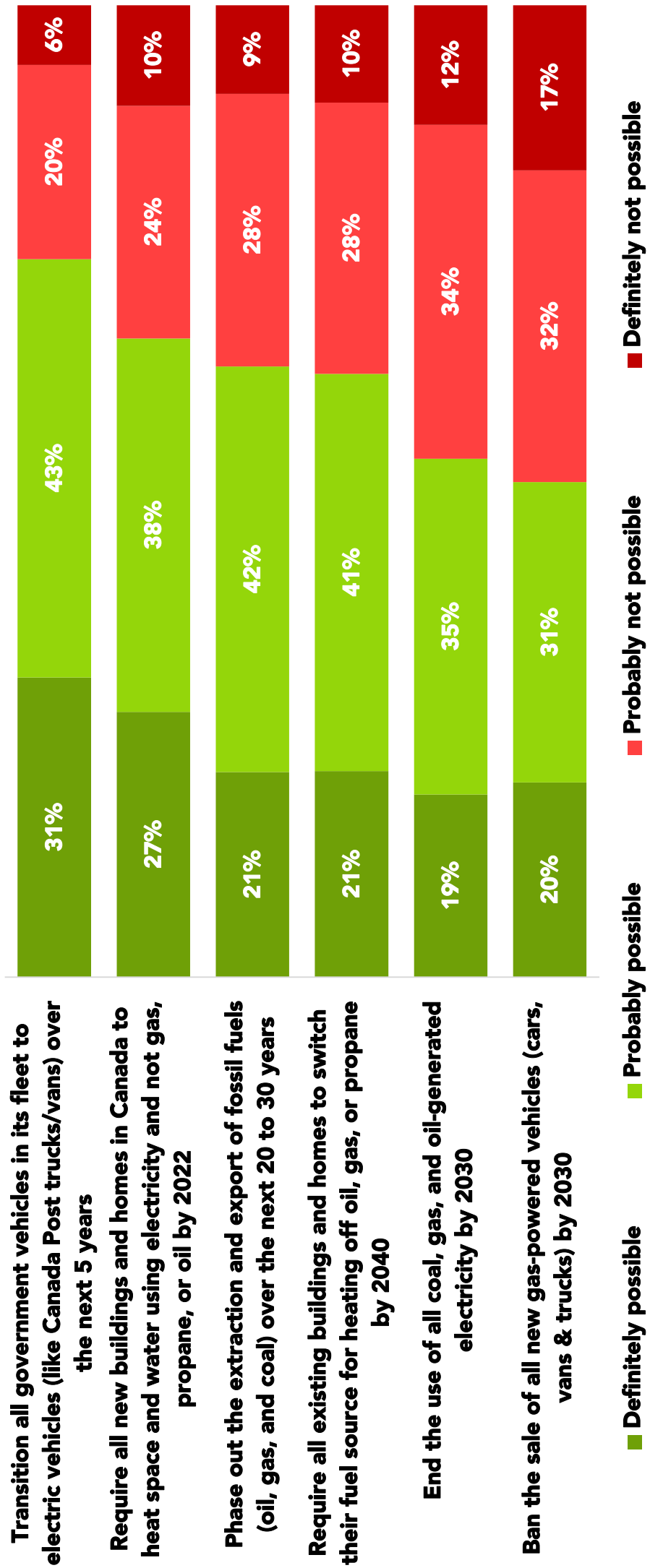
THE CLIMATE EMERGENCY REQUIRES THAT OUR GOVERNMENTS ADOPT A WARTIME-SCALE RESPONSE, MAKING MAJOR INVESTMENTS TO RETOOL OUR ECONOMY, AND MOBILIZING EVERYONE IN SOCIETY TO TRANSITION OFF FOSSIL FUELS TO RENEWABLE ENERGY.



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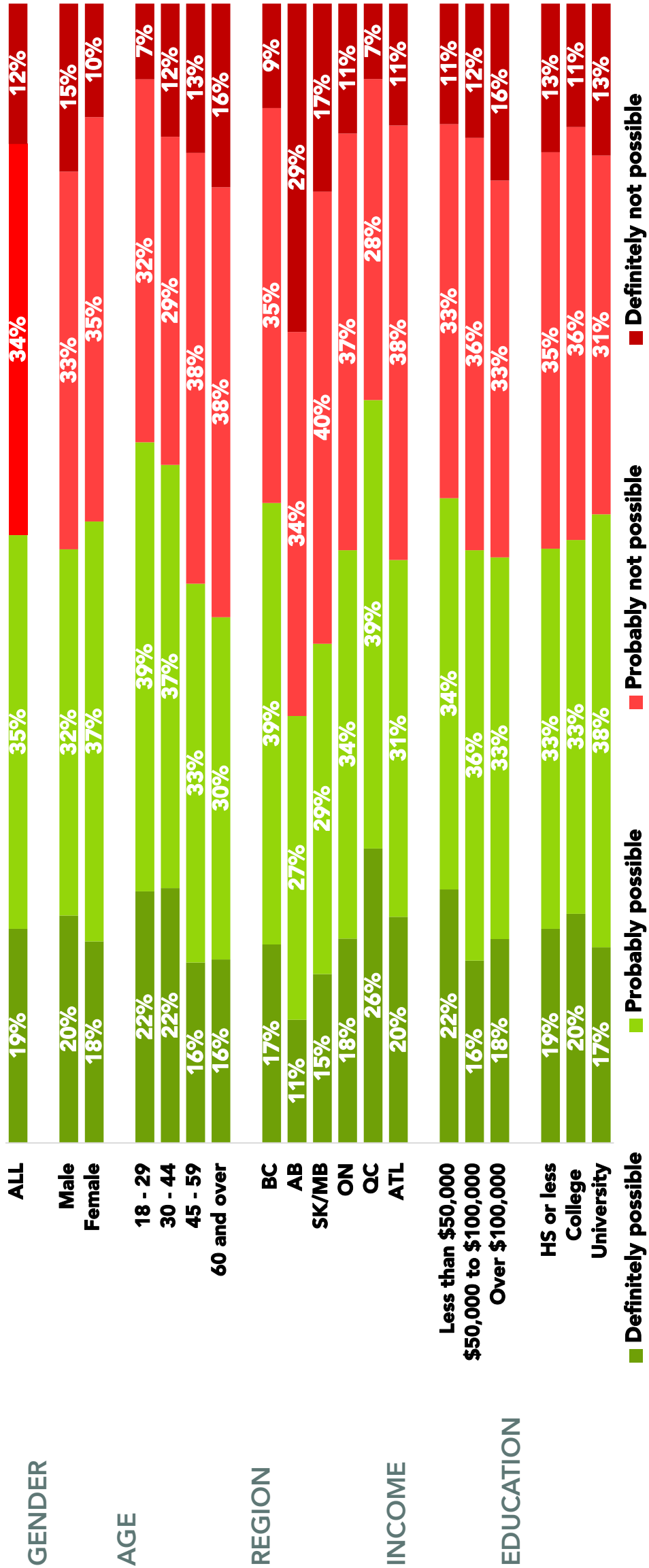
THINGS CANADA COULD DO TO REDUCE GREENHOUSE GAS EMISSIONS



Below are some things Canada could do to reduce greenhouse gas emissions and tackle climate change. For each, tell us whether you think it is...

REDUCE GREENHOUSE GAS EMISSIONS

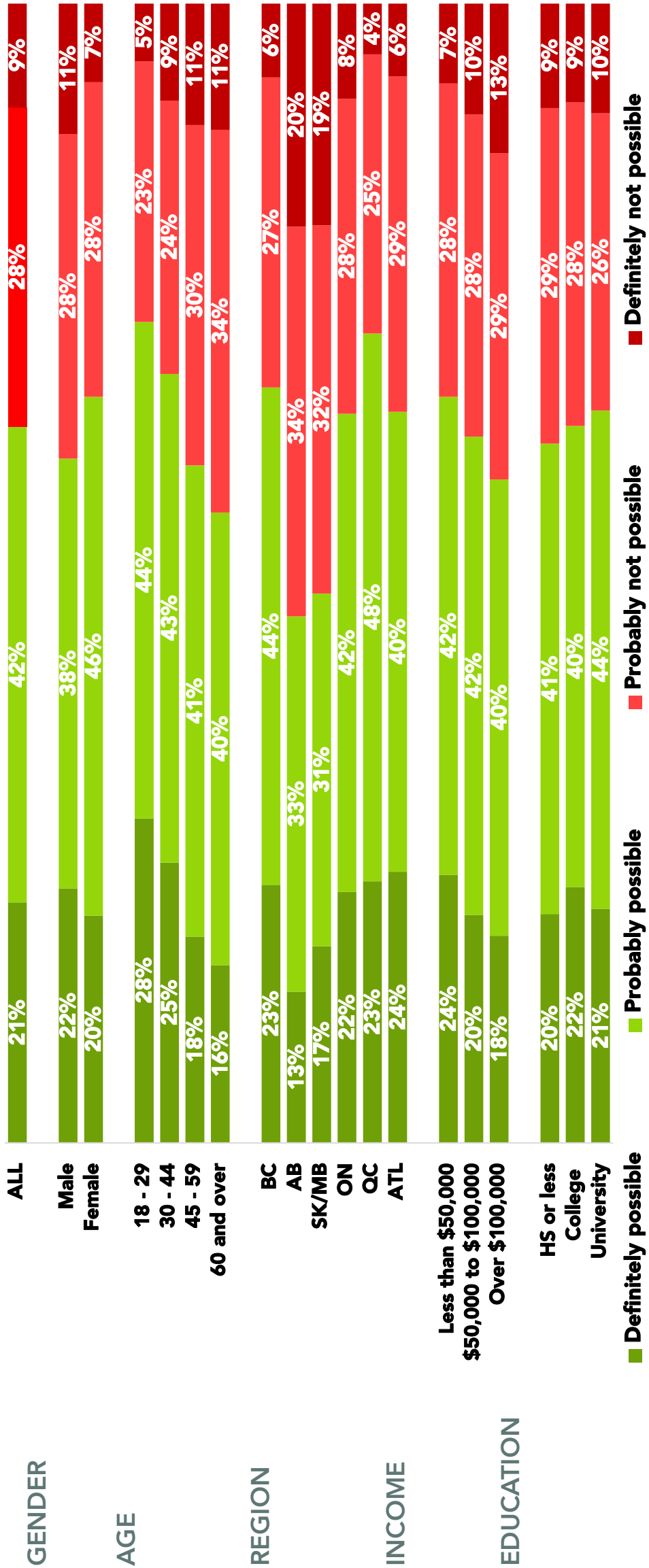
END THE USE OF ALL COAL, GAS, AND OIL-GENERATED ELECTRICITY BY 2030



Below are some things Canada could do to reduce greenhouse gas emissions and tackle climate change. For each, tell us whether you think it is...

REDUCE GREENHOUSE GAS EMISSIONS

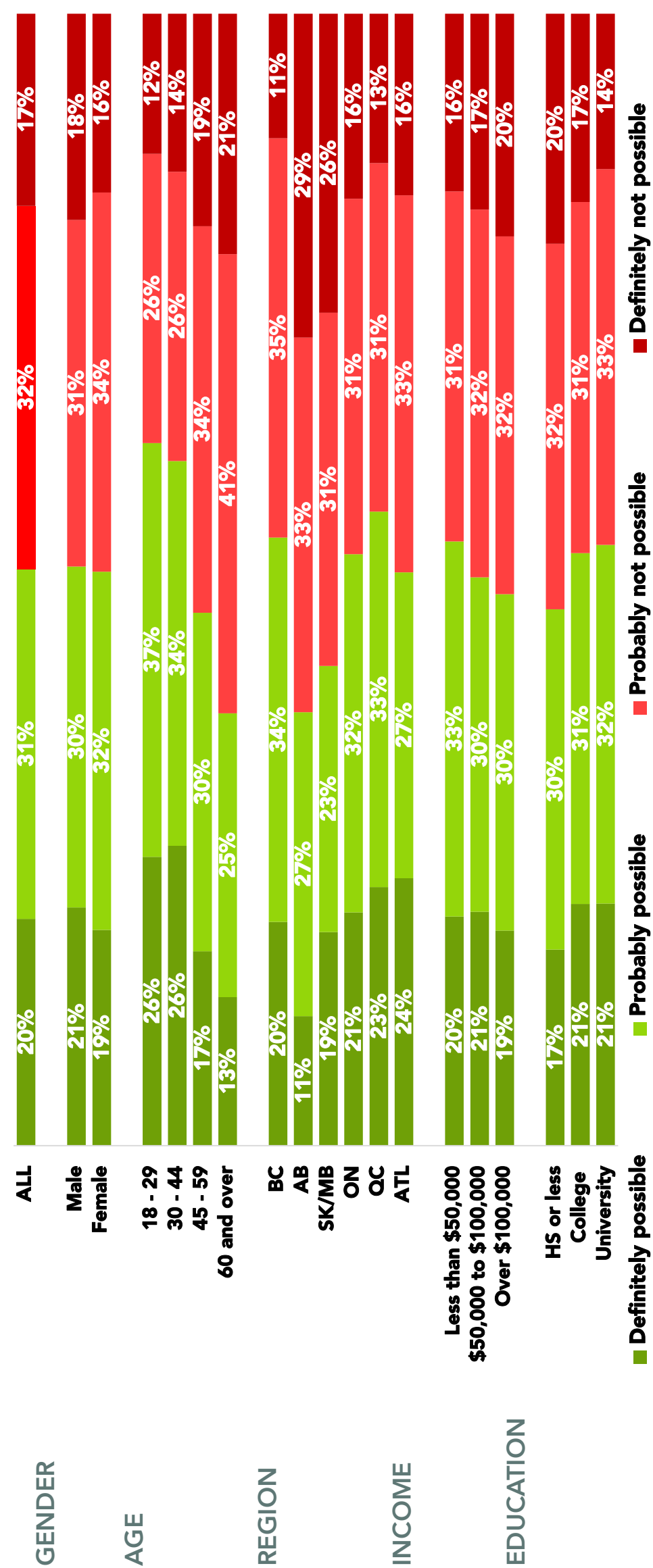
PHASE OUT THE EXTRACTION AND EXPORT OF FOSSIL FUELS (OIL, GAS, AND COAL) OVER THE NEXT 20 TO 30 YEARS



Below are some things Canada could do to reduce greenhouse gas emissions and tackle climate change. For each, tell us whether you think it is...

REDUCE GREENHOUSE GAS EMISSIONS

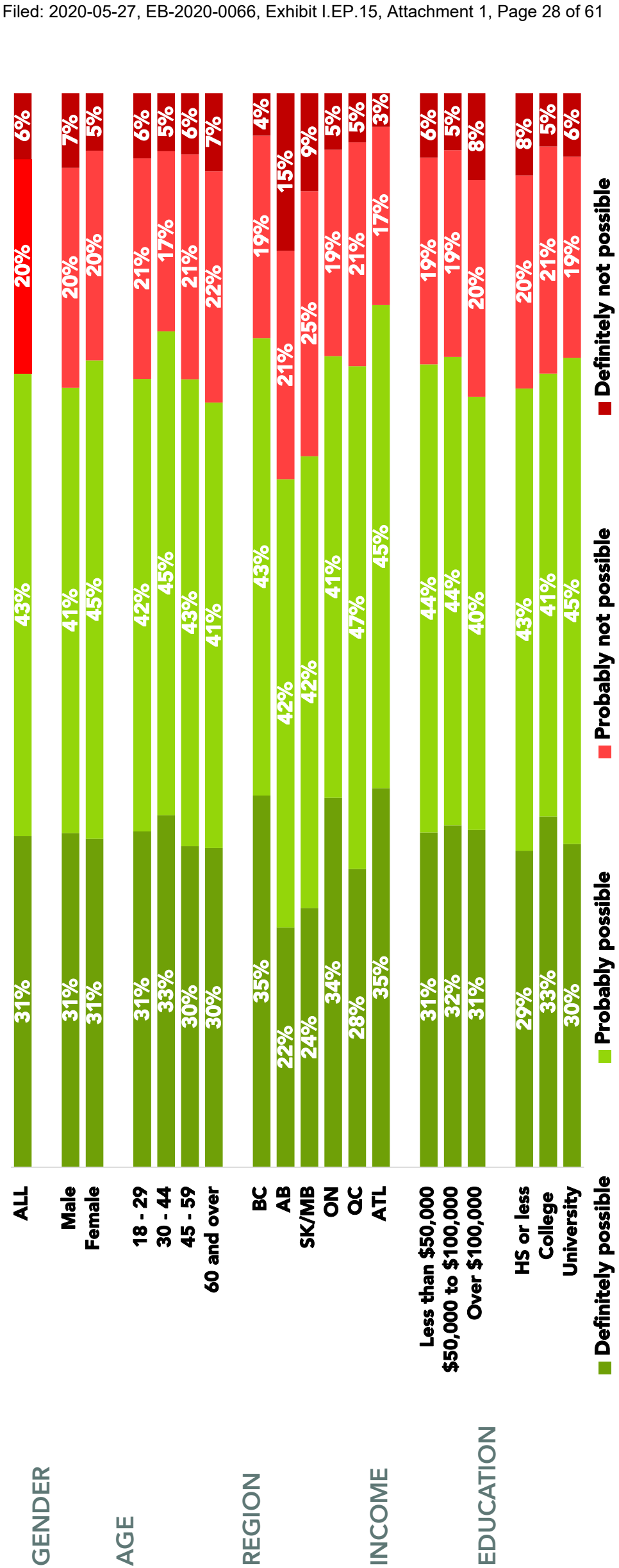
BAN THE SALE OF ALL NEW GAS-POWERED VEHICLES (CARS, VANS & TRUCKS) BY 2030



Below are some things Canada could do to reduce greenhouse gas emissions and tackle climate change. For each, tell us whether you think it is...

REDUCE GREENHOUSE GAS EMISSIONS

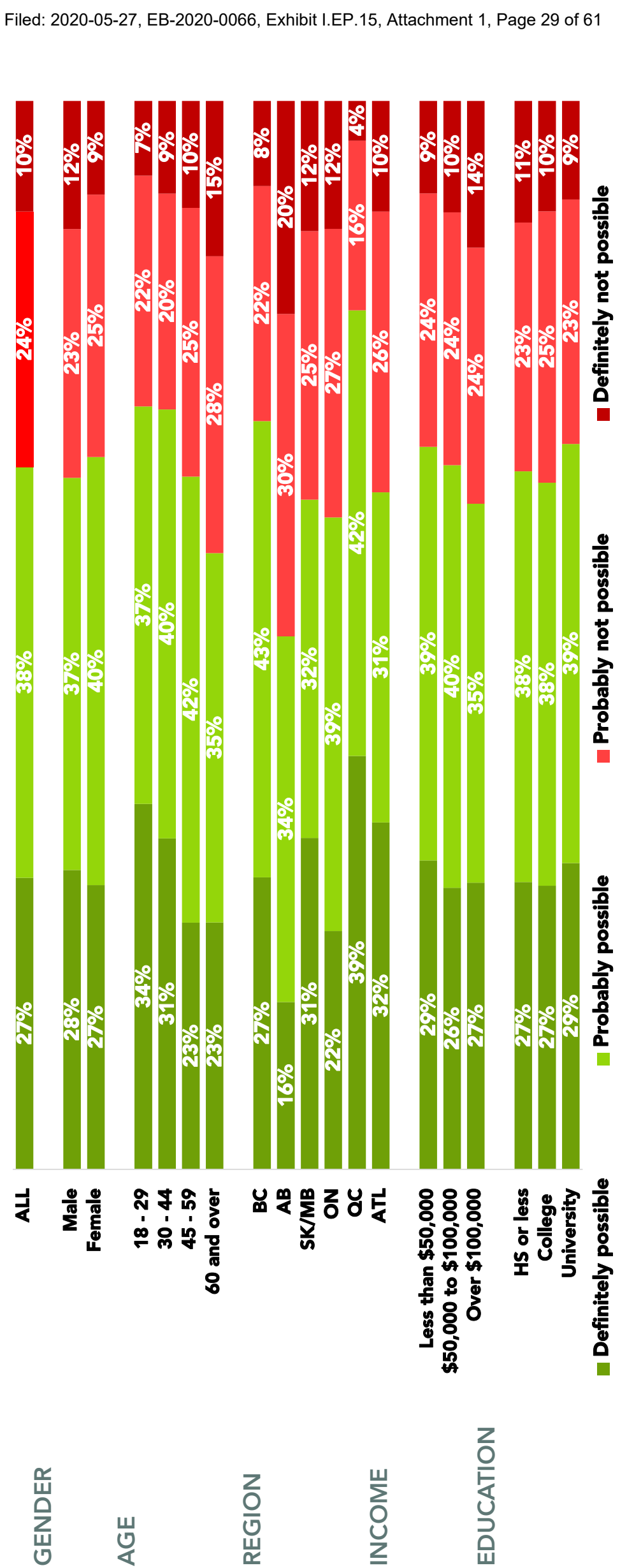
TRANSITION ALL GOVERNMENT VEHICLES IN ITS FLEET TO ELECTRIC VEHICLES (LIKE CANADA POST TRUCKS/VANS) OVER THE NEXT 5 YEARS



Below are some things Canada could do to reduce greenhouse gas emissions and tackle climate change. For each, tell us whether you think it is...

REDUCE GREENHOUSE GAS EMISSIONS

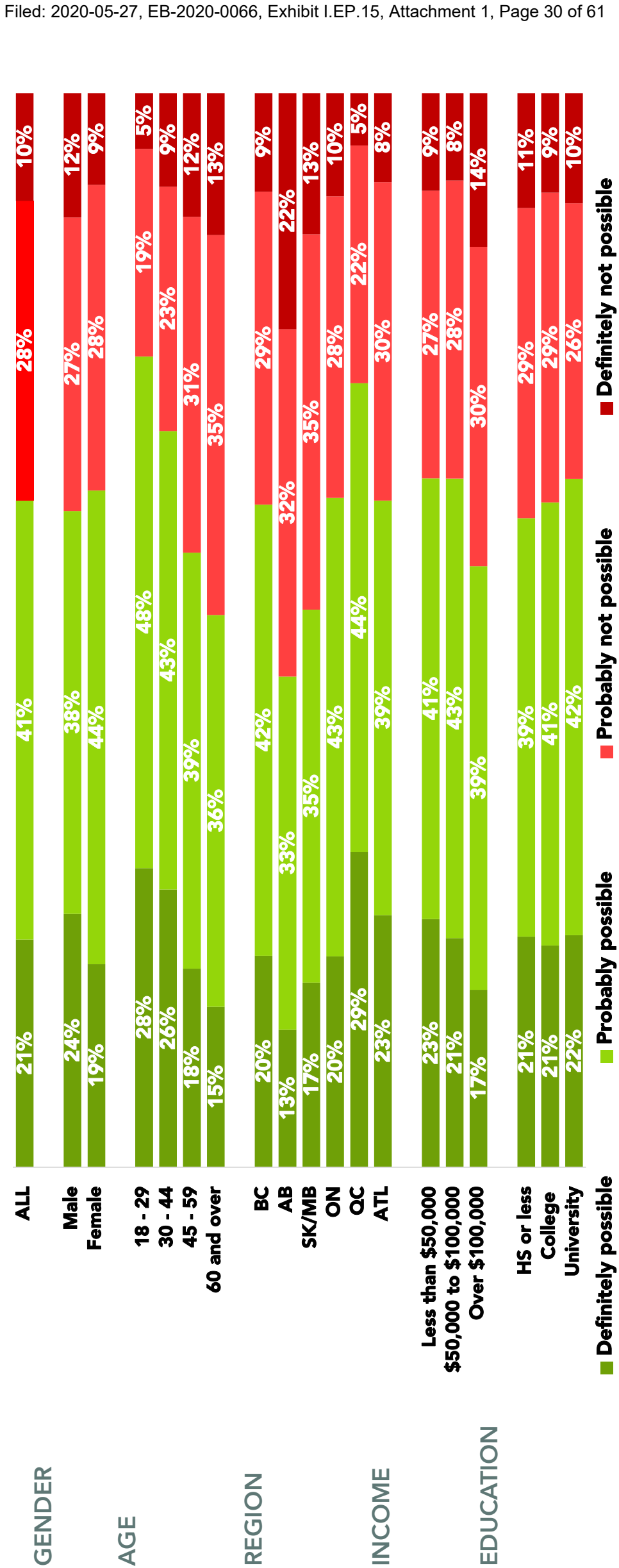
REQUIRE ALL NEW BUILDINGS AND HOMES IN CANADA TO HEAT SPACE AND WATER USING ELECTRICITY AND NOT GAS, PROPANE, OR OIL BY 2022



Below are some things Canada could do to reduce greenhouse gas emissions and tackle climate change. For each, tell us whether you think it is...

REDUCE GREENHOUSE GAS EMISSIONS

REQUIRE ALL EXISTING BUILDINGS AND HOMES TO SWITCH THEIR FUEL SOURCE FOR HEATING OFF OIL, GAS, OR PROPANE BY 2040



Below are some things Canada could do to reduce greenhouse gas emissions and tackle climate change. For each, tell us whether you think it is...

SUPPORT FOR THINGS CANADA COULD DO TO REDUCE GREENHOUSE GAS EMISSIONS

Transition all government vehicles in its fleet to electric vehicles (like Canada Post trucks/vans) over the next 5 years

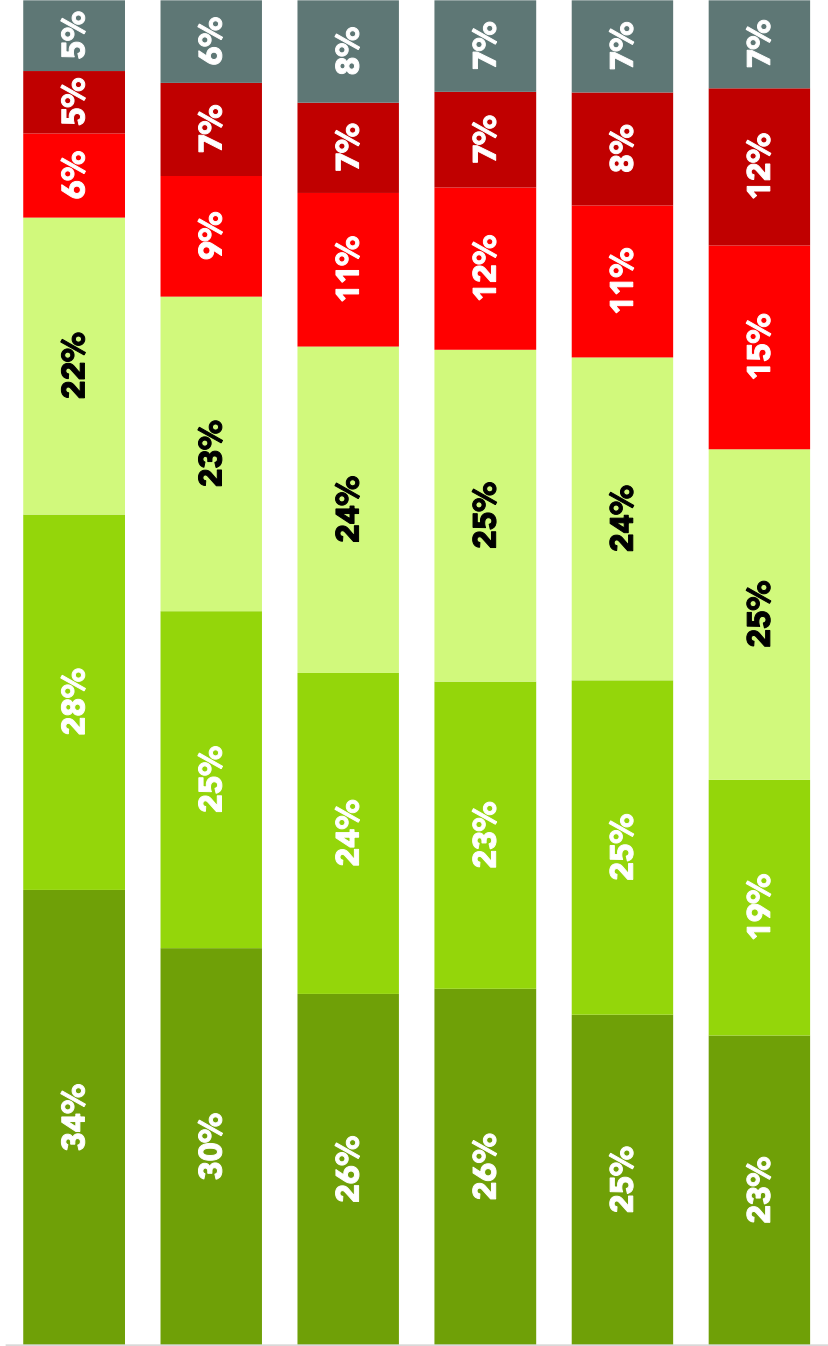
Require all new buildings and homes in Canada to heat space and water using electricity and not gas, propane, or oil by 2022

Phase out the extraction and export of fossil fuels (oil, gas, and coal) over the next 20 to 30 years

End the use of all coal, gas, and oil-generated electricity by 2030

Require all existing buildings and homes to switch their fuel source for heating off oil, gas, or propane by 2040

Ban the sale of all new gas-powered vehicles (cars, vans & trucks) by 2030



Strongly support

Can accept

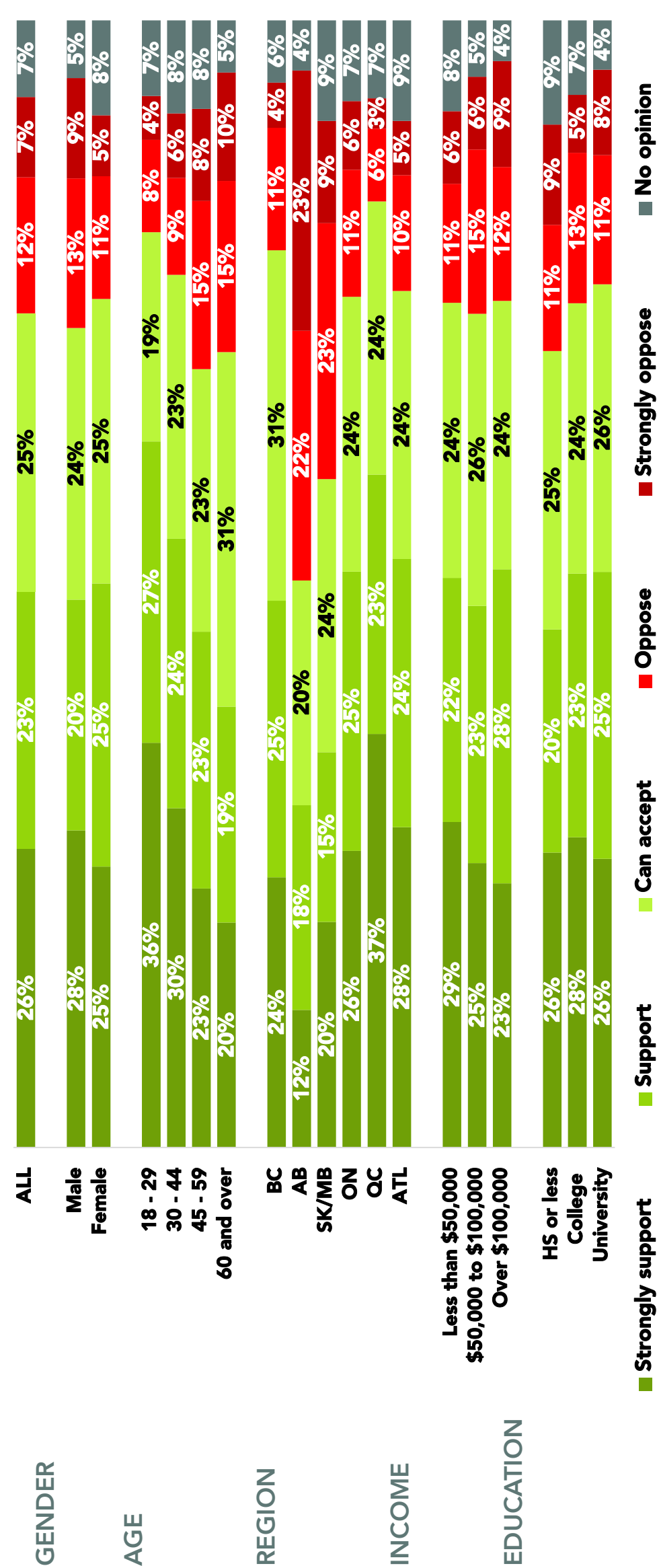
Oppose

Strongly oppose

No opinion

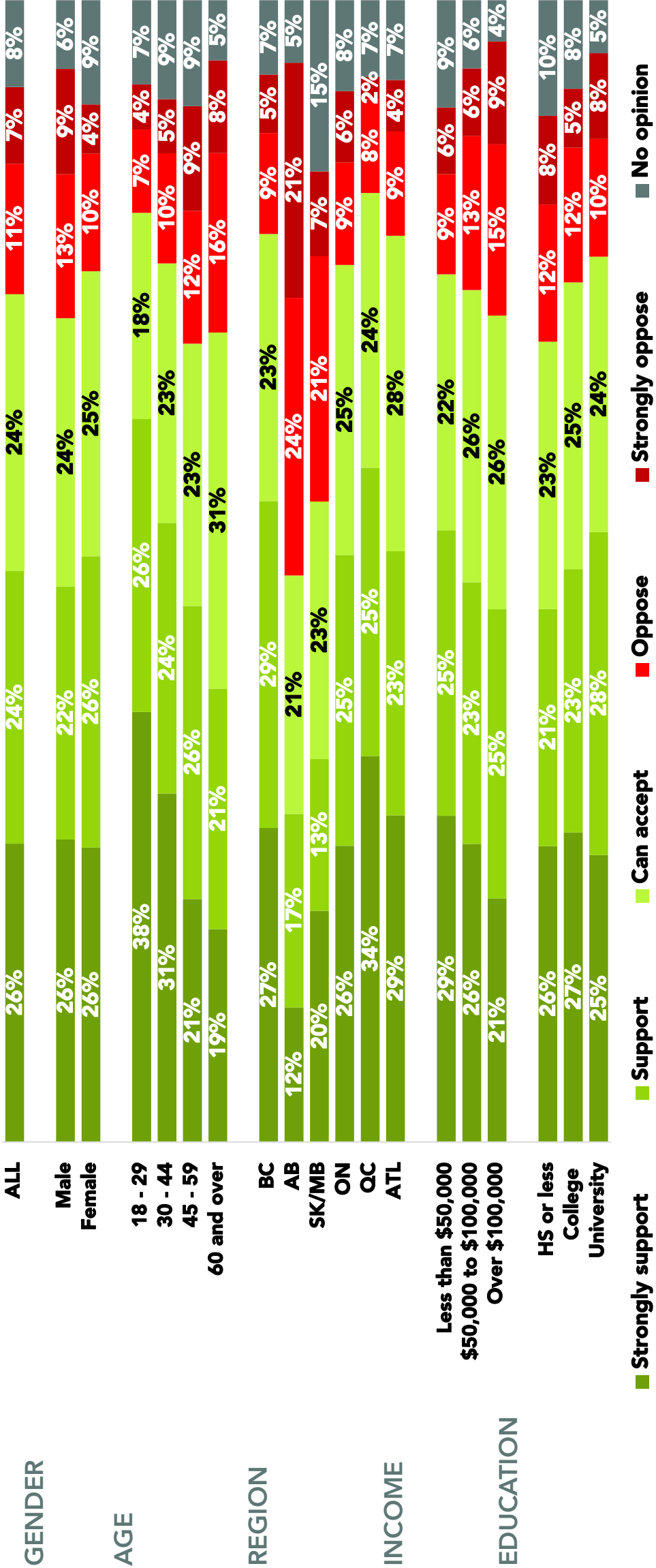
Assuming it is technically and politically possible to do all of the following, do you support or oppose the same actions, or do you not have strong opinions either way?

SUPPORT FOR THINGS CANADA COULD DO END THE USE OF ALL COAL, GAS, AND OIL-GENERATED ELECTRICITY BY 2030



SUPPORT FOR THINGS CANADA COULD DO

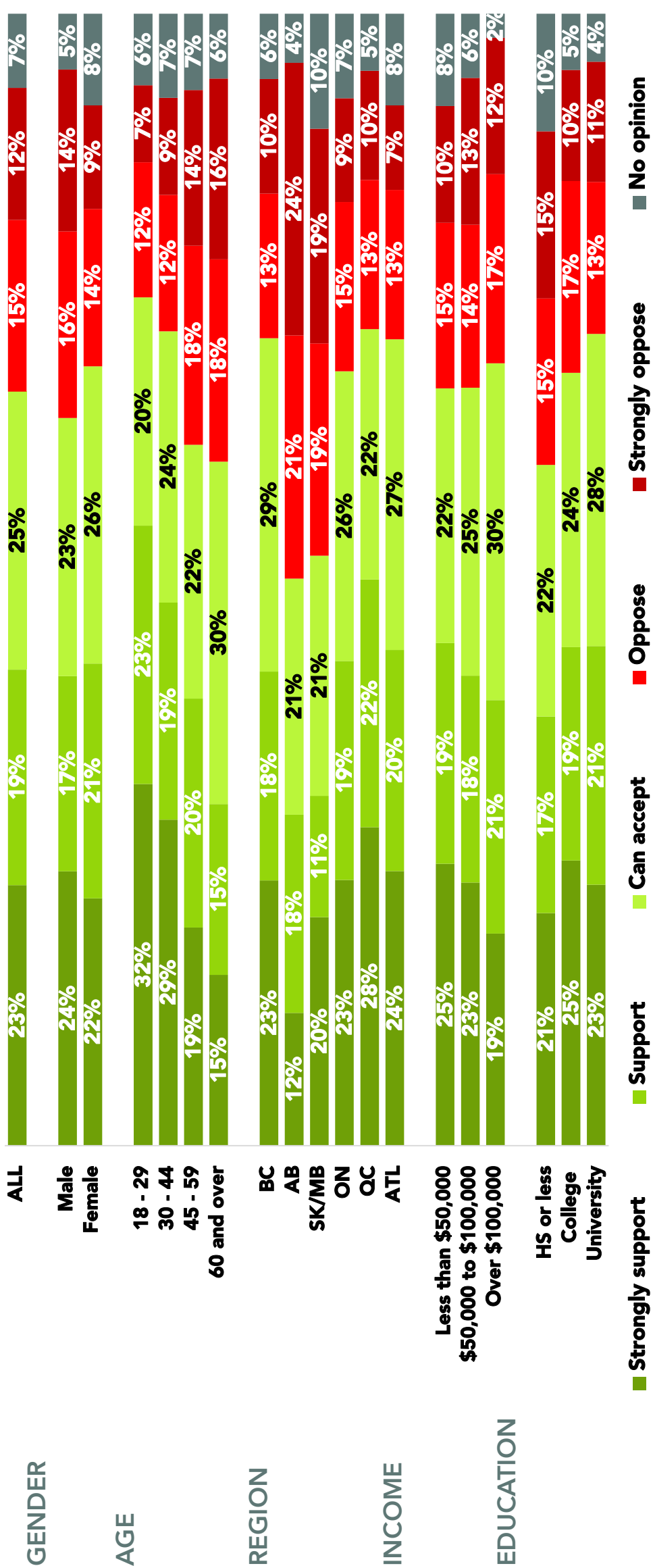
PHASE OUT THE EXTRACTION AND EXPORT OF FOSSIL FUELS (OIL, GAS, AND COAL) OVER THE NEXT 20 TO 30 YEARS



Assuming it is technically and politically possible to do all of the following, do you support or oppose the same actions, or do you not have strong opinions either way?

SUPPORT FOR THINGS CANADA COULD DO

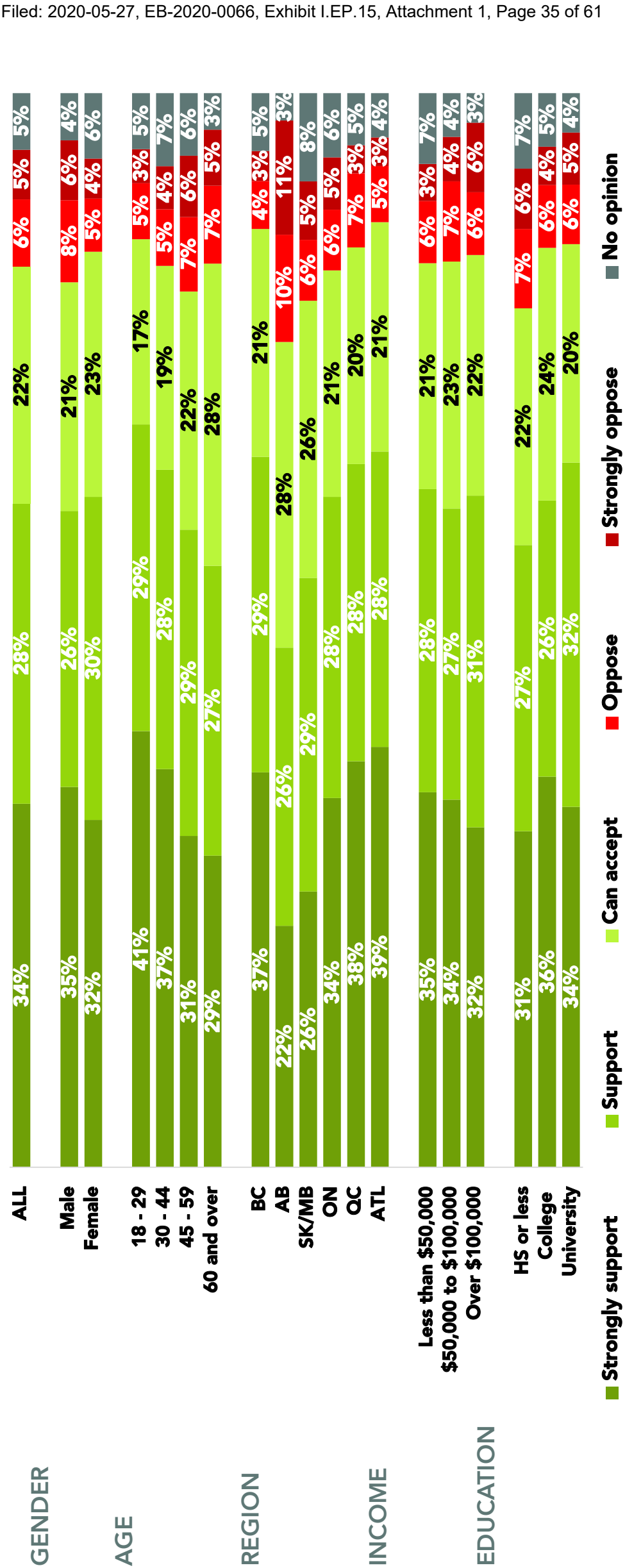
BAN THE SALE OF ALL NEW GAS-POWERED VEHICLES (CARS, VANS & TRUCKS) BY 2030



Assuming it is technically and politically possible to do all of the following, do you support or oppose the same actions, or do you not have strong opinions either way?

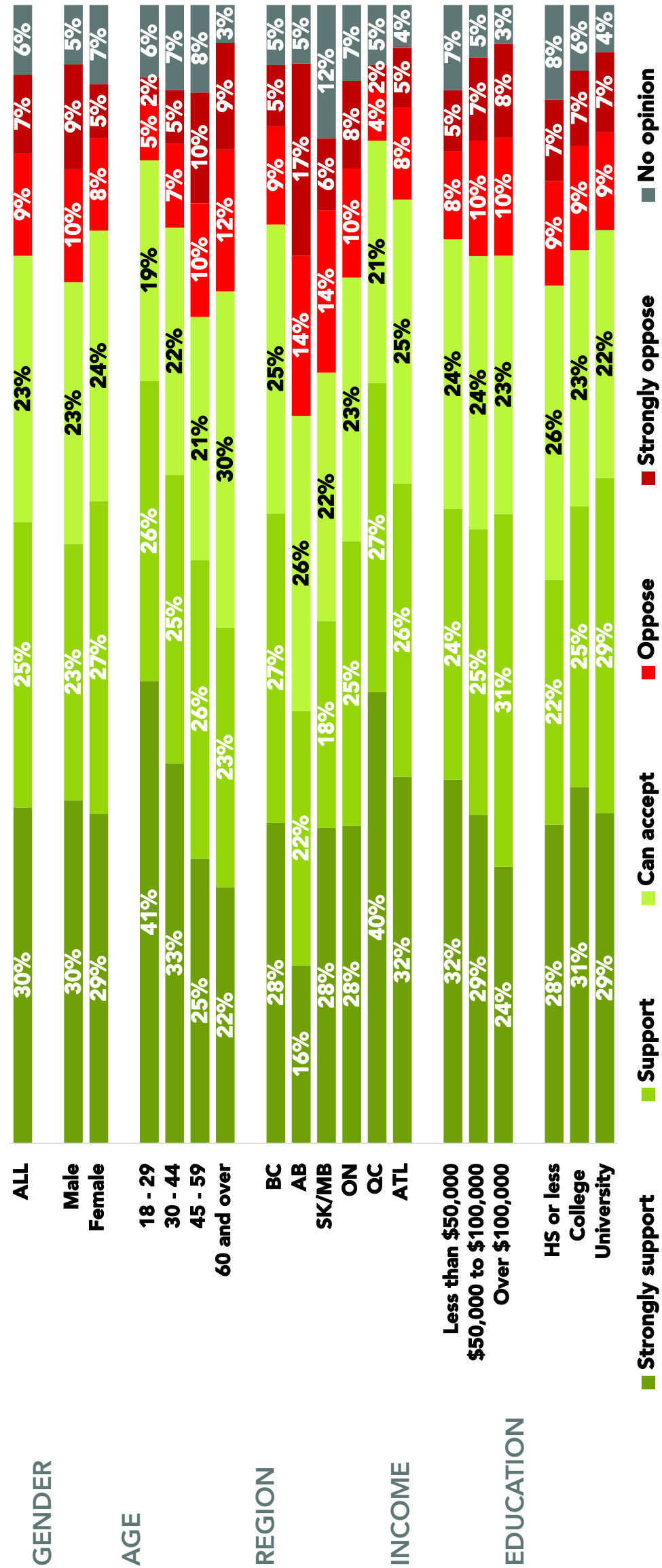
SUPPORT FOR THINGS CANADA COULD DO

TRANSITION ALL GOVERNMENT VEHICLES IN ITS FLEET TO ELECTRIC VEHICLES (LIKE CANADA POST TRUCKS/VANS) OVER THE NEXT 5 YEARS



SUPPORT FOR THINGS CANADA COULD DO

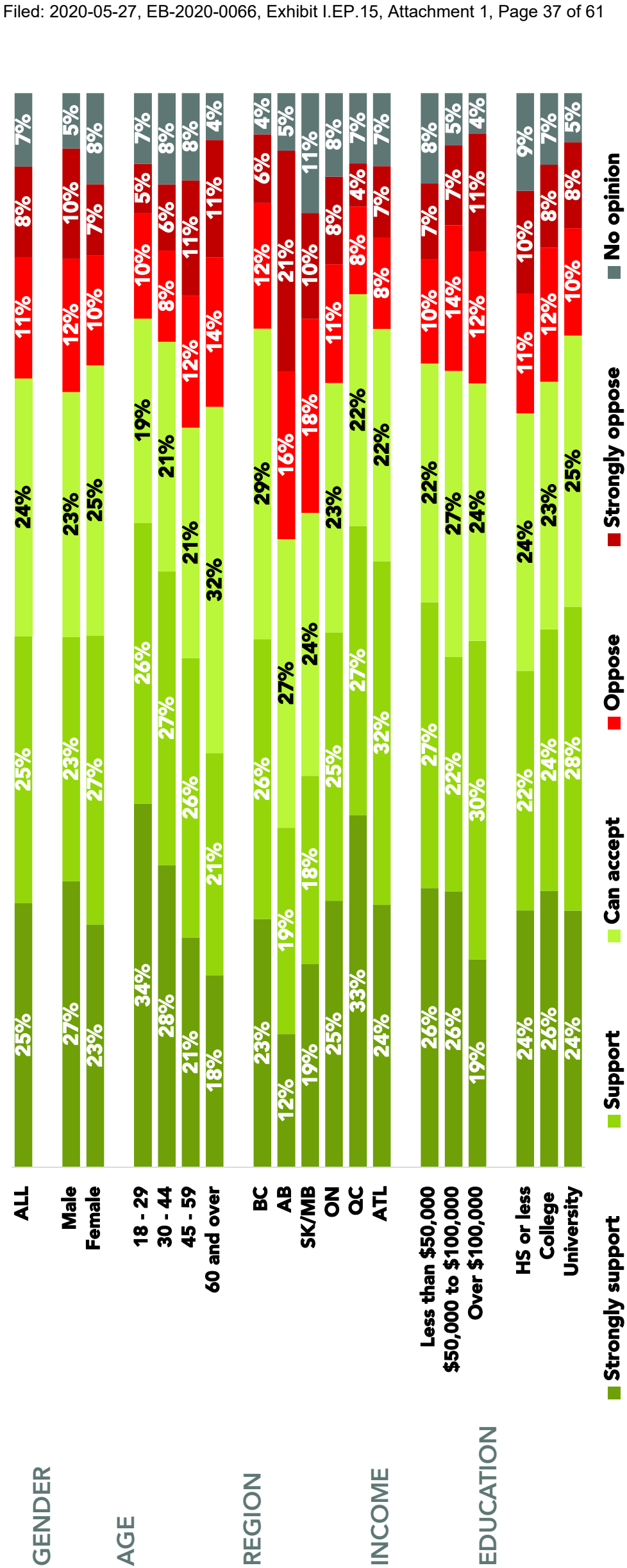
REQUIRE ALL NEW BUILDINGS AND HOMES IN CANADA TO HEAT SPACE AND WATER USING ELECTRICITY AND NOT GAS, PROPANE, OR OIL BY 2022



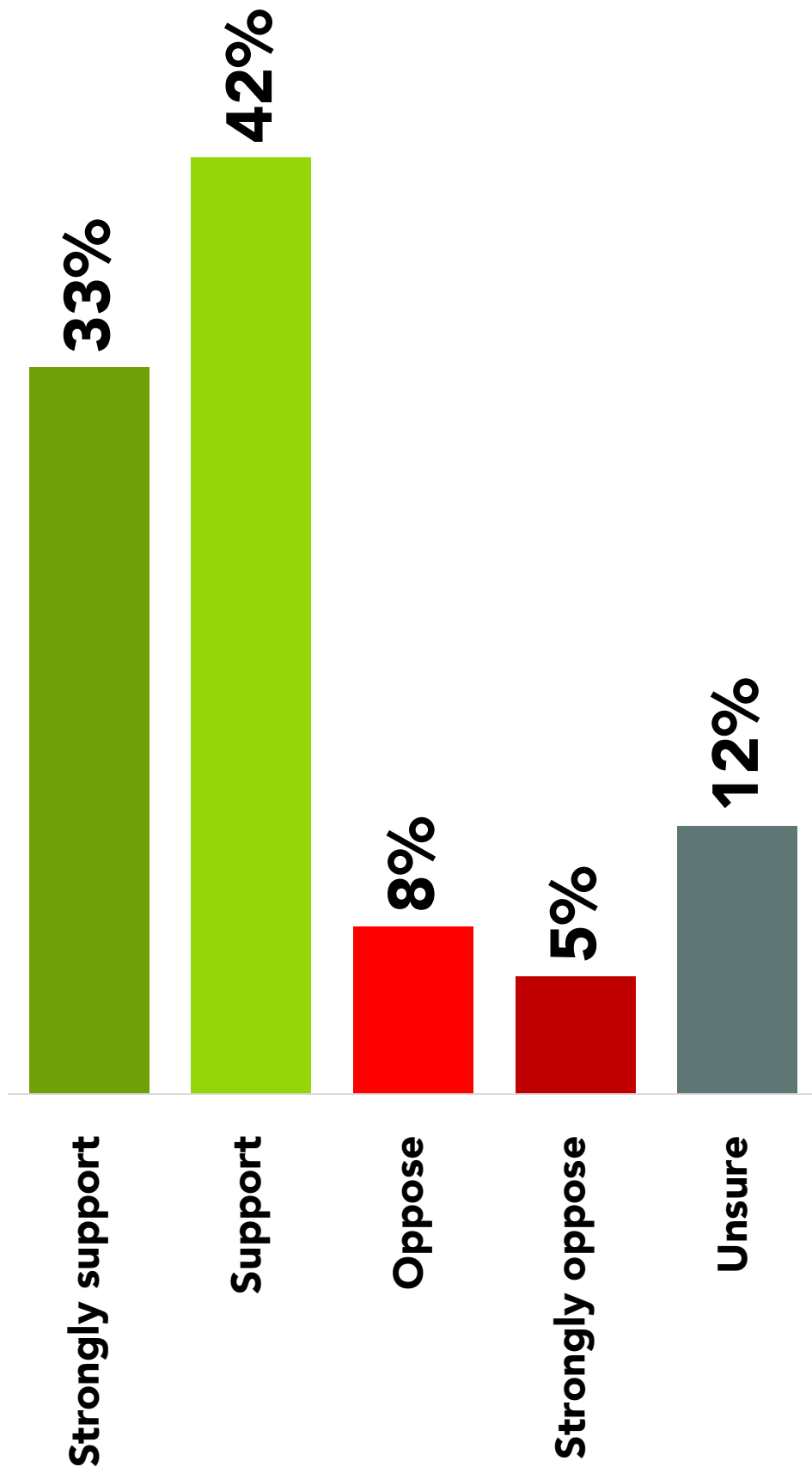
Assuming it is technically and politically possible to do all of the following, do you support or oppose the same actions, or do you not have strong opinions either way?

SUPPORT FOR THINGS CANADA COULD DO

REQUIRE ALL EXISTING BUILDINGS AND HOMES TO SWITCH THEIR FUEL SOURCE FOR HEATING OFF OIL, GAS, OR PROPANE BY 2040

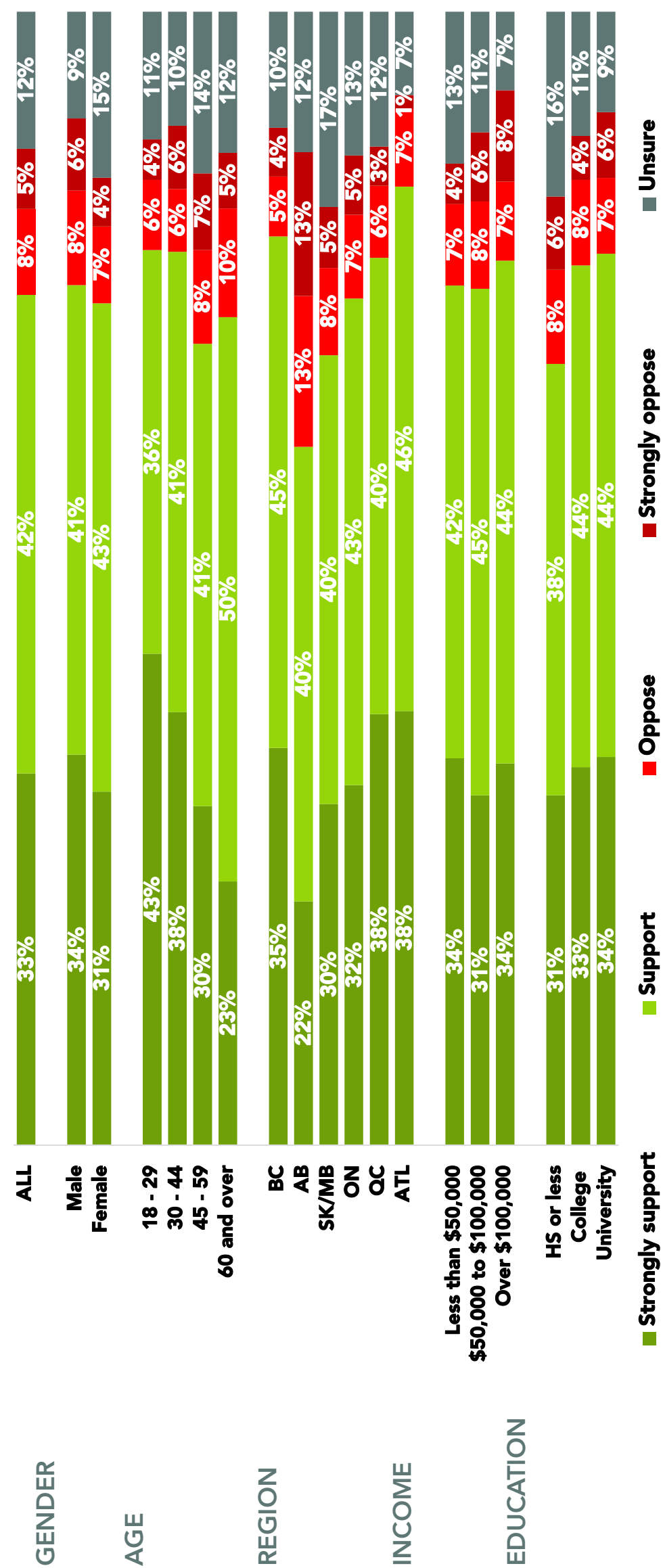


SUPPORT INVESTMENT IN RENEWABLE ENERGY



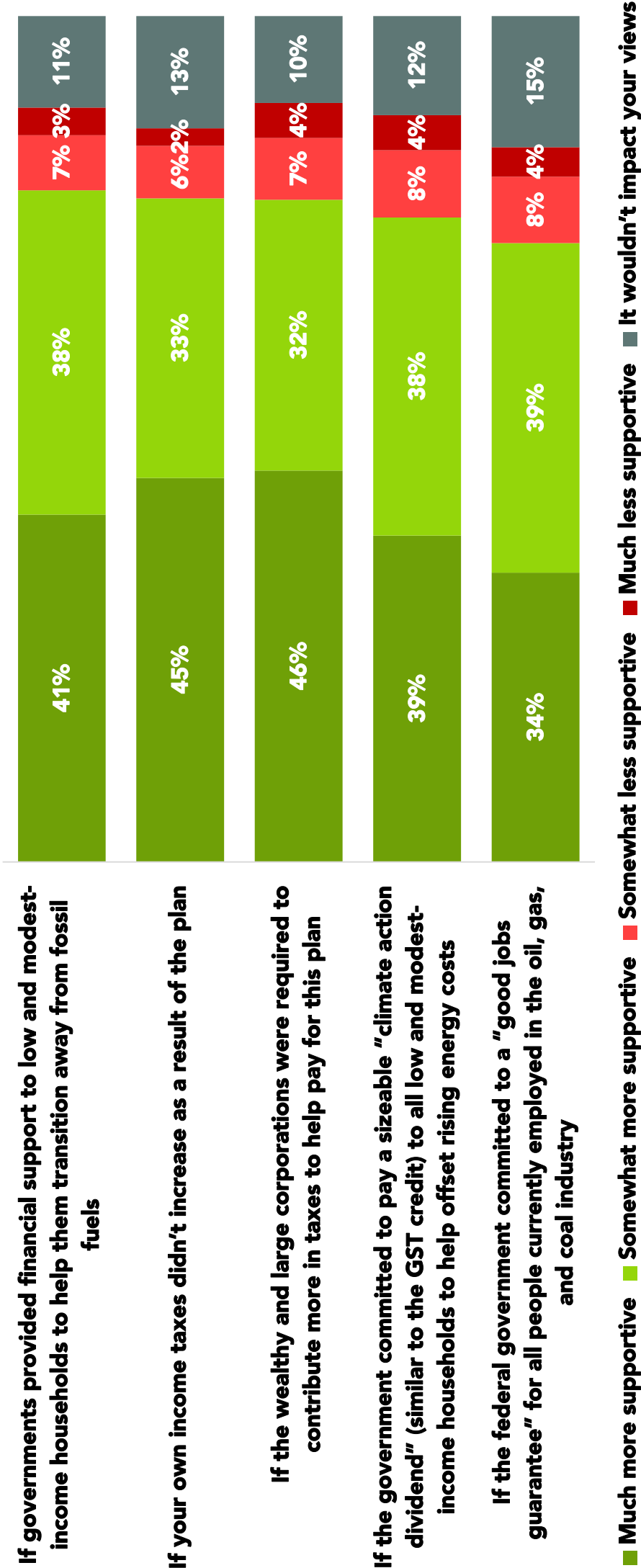
Would you support or oppose our governments making massive investments in new green infrastructure, such as renewable energy (solar panel fields, wind farms, geothermal energy, tidal energy), building retrofits, high-speed rail, mass public transit, and electric vehicle charging stations, as well as reforestation?

SUPPORT INVESTMENT IN RENEWABLE ENERGY



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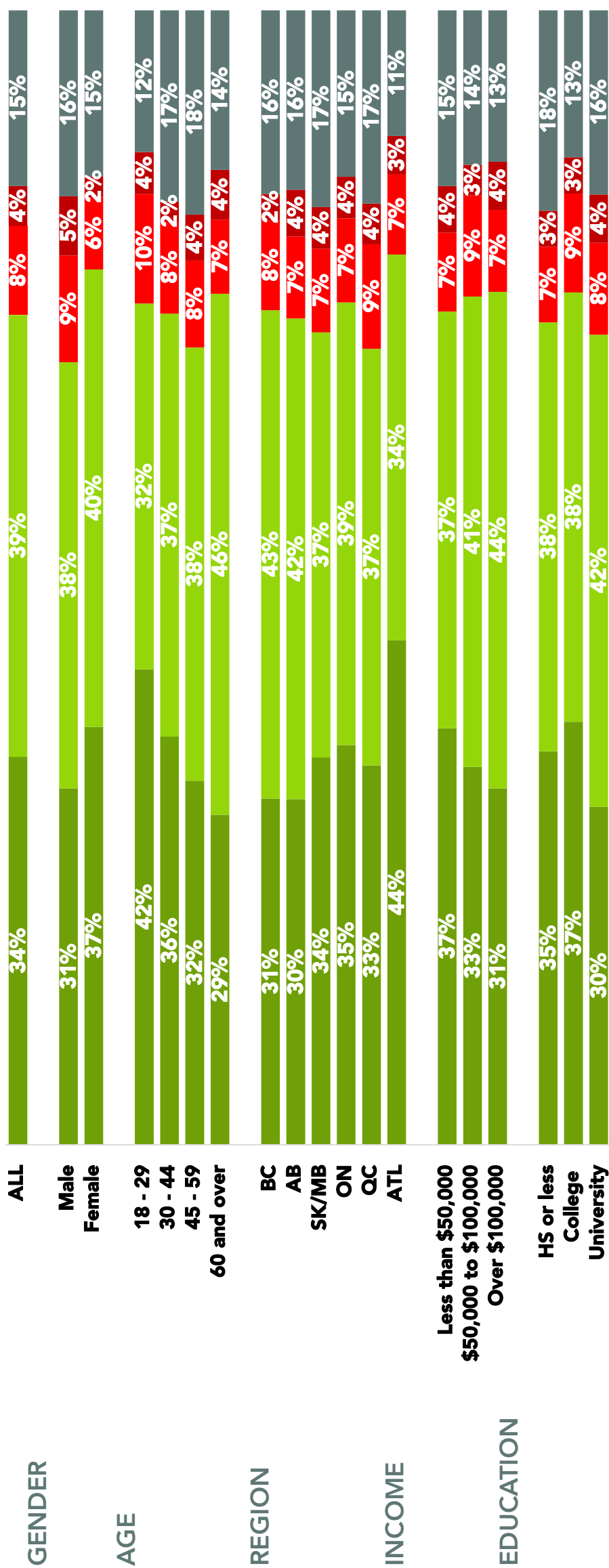
TRANSITIONING THE ECONOMY AND SOCIETY AWAY FROM FOSSIL FUELS



Now we are going to show you some things governments could do to help the speedy transition of the economy and society away from fossil fuels. For each, tell us whether it is something that would make you more or less supportive of a bold and ambitious climate action plan.

TRANSITIONING THE ECONOMY AND SOCIETY

IF THE FEDERAL GOVERNMENT COMMITTED TO A “GOOD JOBS GUARANTEE” FOR ALL PEOPLE CURRENTLY EMPLOYED IN THE OIL, GAS, AND COAL INDUSTRY

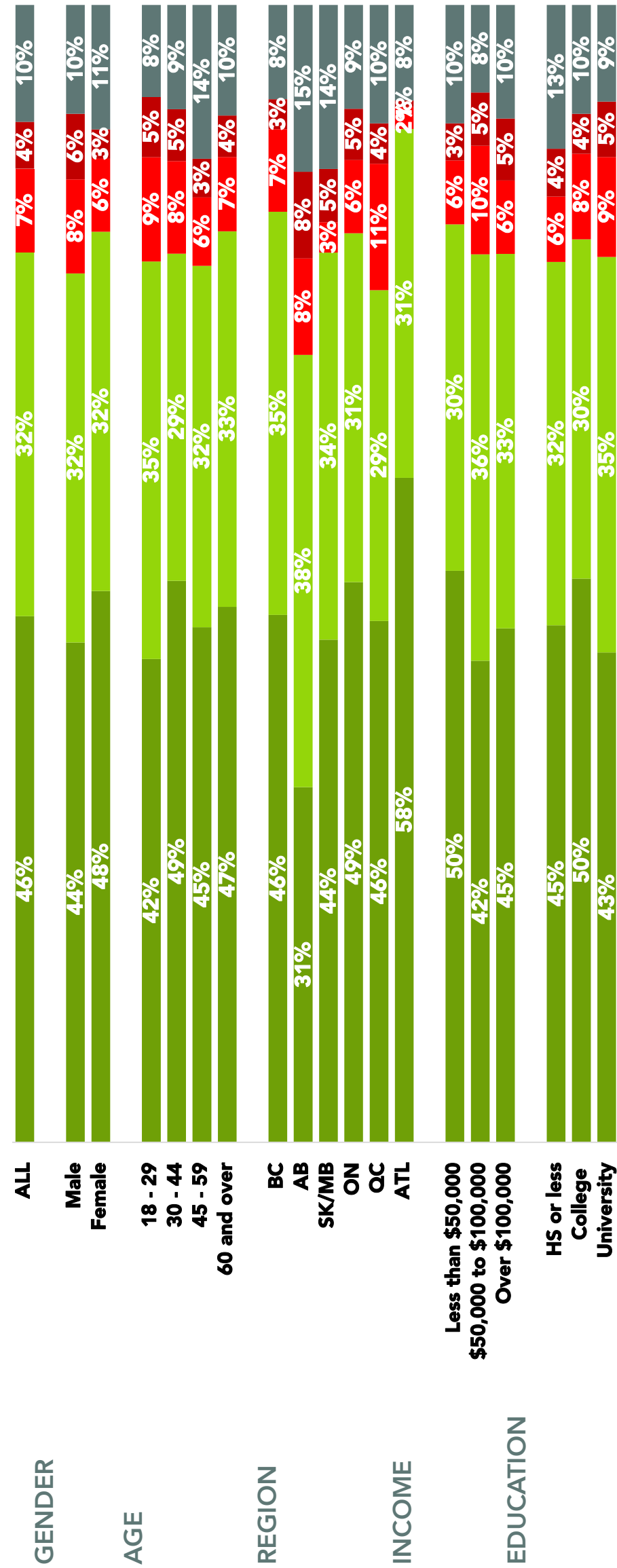


■ Much more supportive ■ Somewhat more supportive ■ Somewhat less supportive ■ Much less supportive ■ It wouldn't impact your views

Now we are going to show you some things governments could do to help the speedy transition of the economy and society away from fossil fuels. For each, tell us whether it is something that would make you more or less supportive of a bold and ambitious climate action plan.

TRANSITIONING THE ECONOMY AND SOCIETY

IF THE WEALTHY AND LARGE CORPORATIONS WERE REQUIRED TO CONTRIBUTE MORE IN TAXES TO HELP PAY FOR THIS PLAN

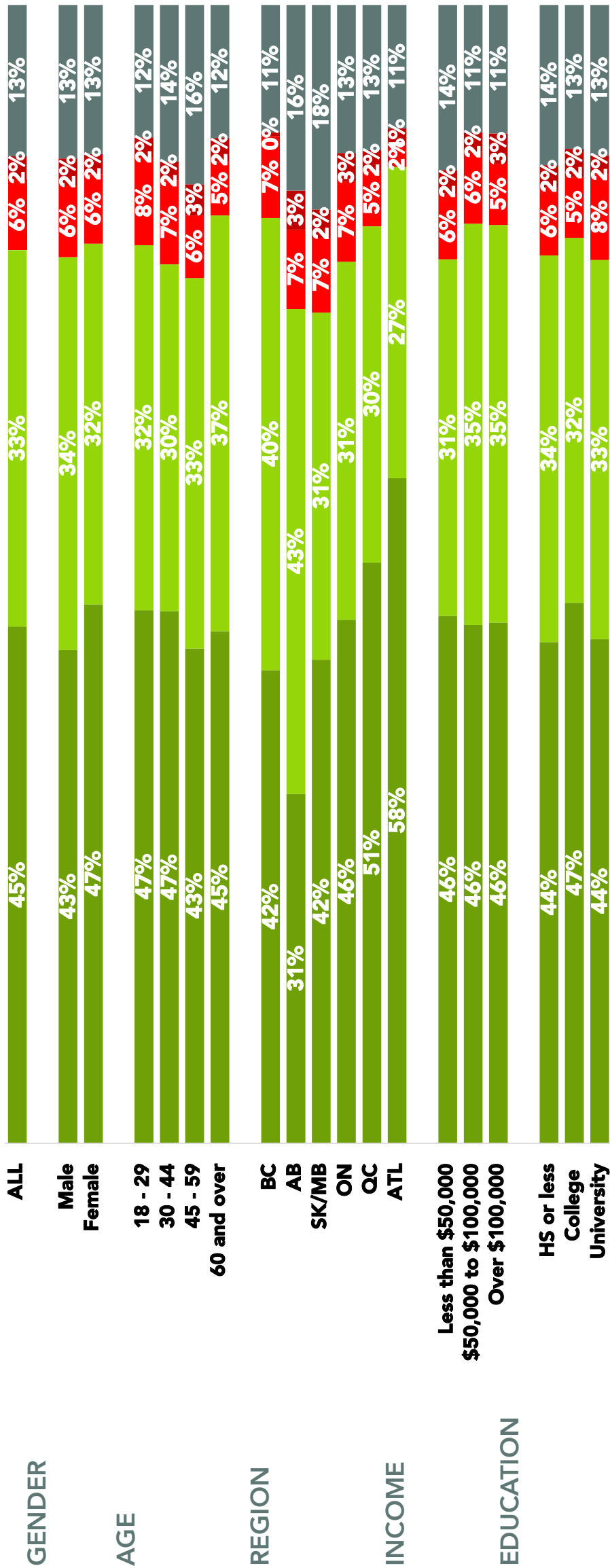


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TRANSITIONING THE ECONOMY AND SOCIETY

IF YOUR OWN INCOME TAXES DIDN'T INCREASE AS A RESULT OF THE PLAN



■ Much more supportive ■ Somewhat more supportive ■ Somewhat less supportive ■ Much less supportive ■ It wouldn't impact your views

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TRANSITIONING THE ECONOMY AND SOCIETY

IF GOVERNMENTS PROVIDED FINANCIAL SUPPORT TO LOW AND MODEST-INCOME HOUSEHOLDS TO HELP THEM TRANSITION AWAY FROM FOSSIL FUEL

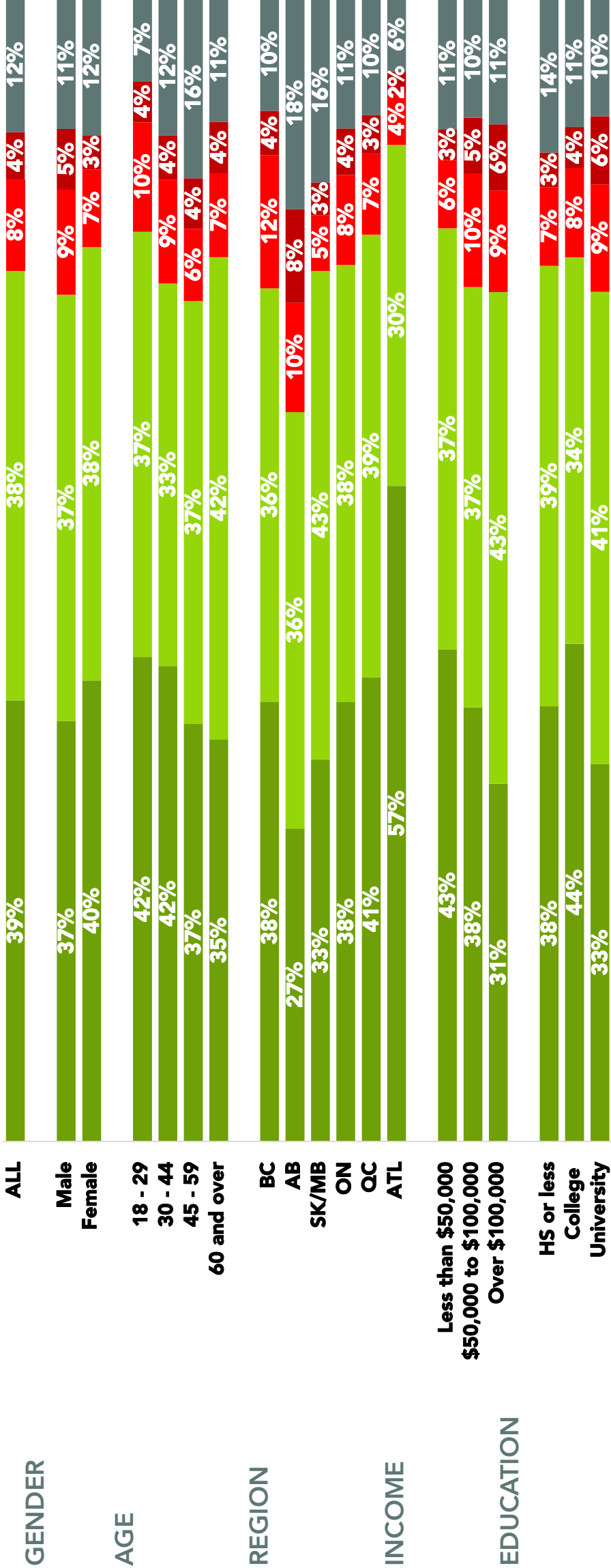


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TRANSITIONING THE ECONOMY AND SOCIETY

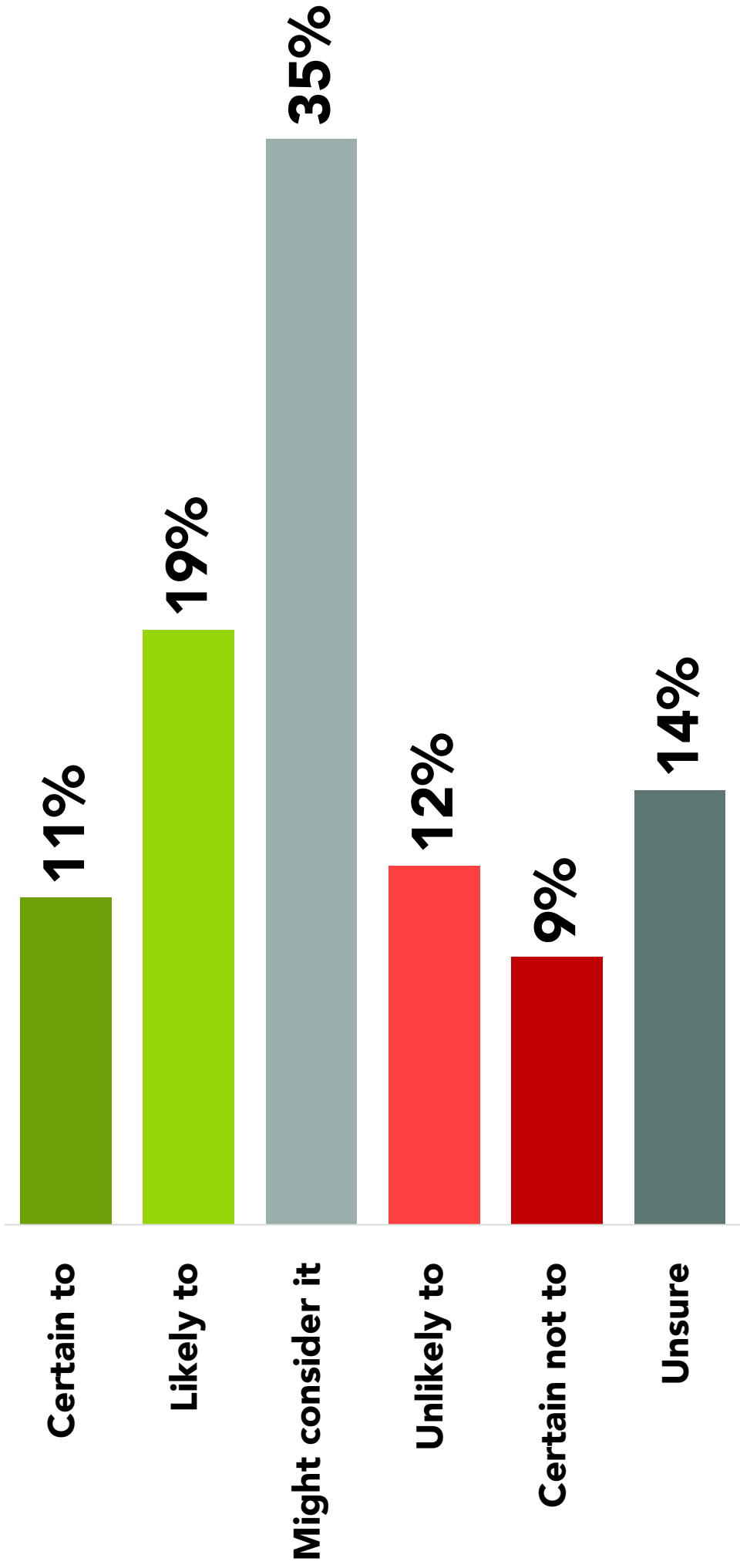
IF THE GOVERNMENT COMMITTED TO PAY A SIZEABLE “CLIMATE ACTION DIVIDEND” (SIMILAR TO THE GST CREDIT) TO ALL LOW AND MODEST-INCOME HOUSEHOLDS TO HELP OFFSET RISING ENERGY COSTS



■ Much more supportive ■ Somewhat more supportive ■ Somewhat less supportive ■ Much less supportive ■ It wouldn't impact your views

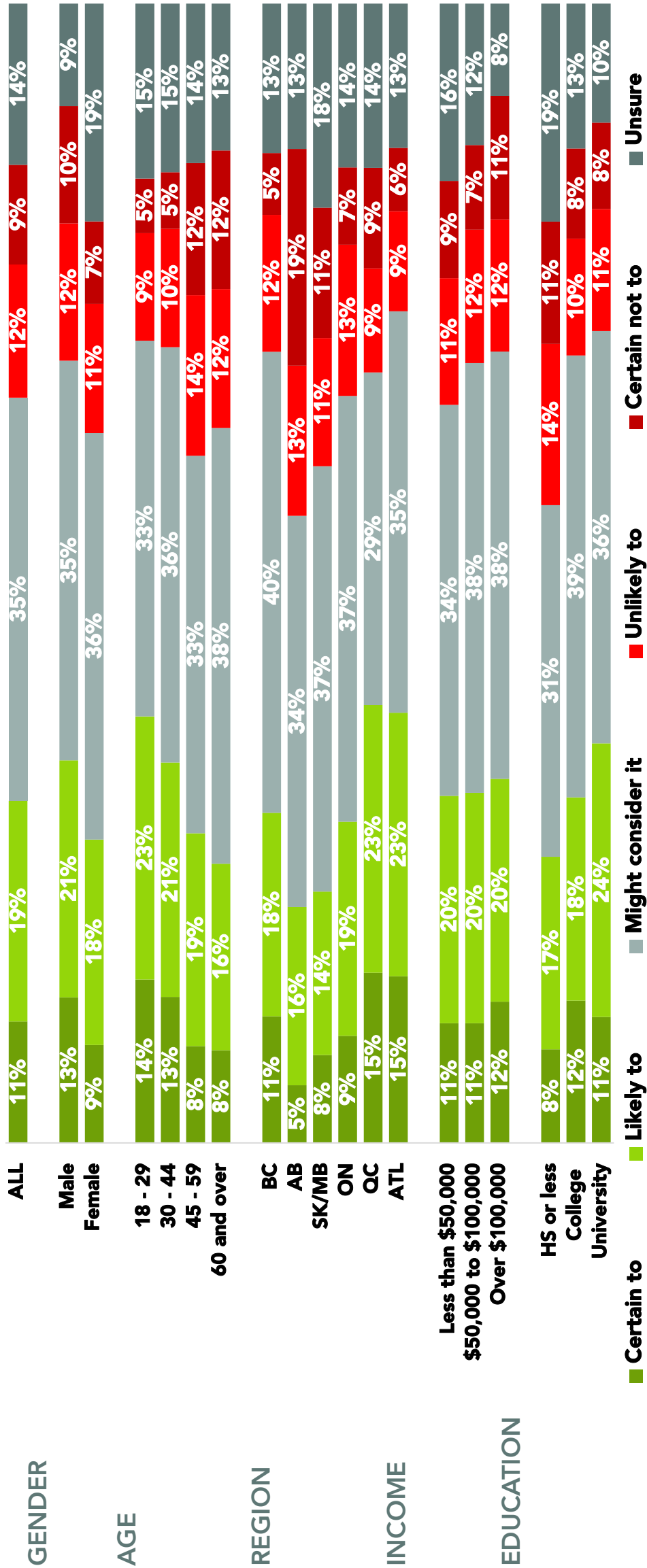
Now we are going to show you some things governments could do to help the speedy transition of the economy and society away from fossil fuels. For each, tell us whether it is something that would make you more or less supportive of a bold and ambitious climate action plan.

LIKELIHOOD TO PURCHASE A "GREEN VICTORY BOND"



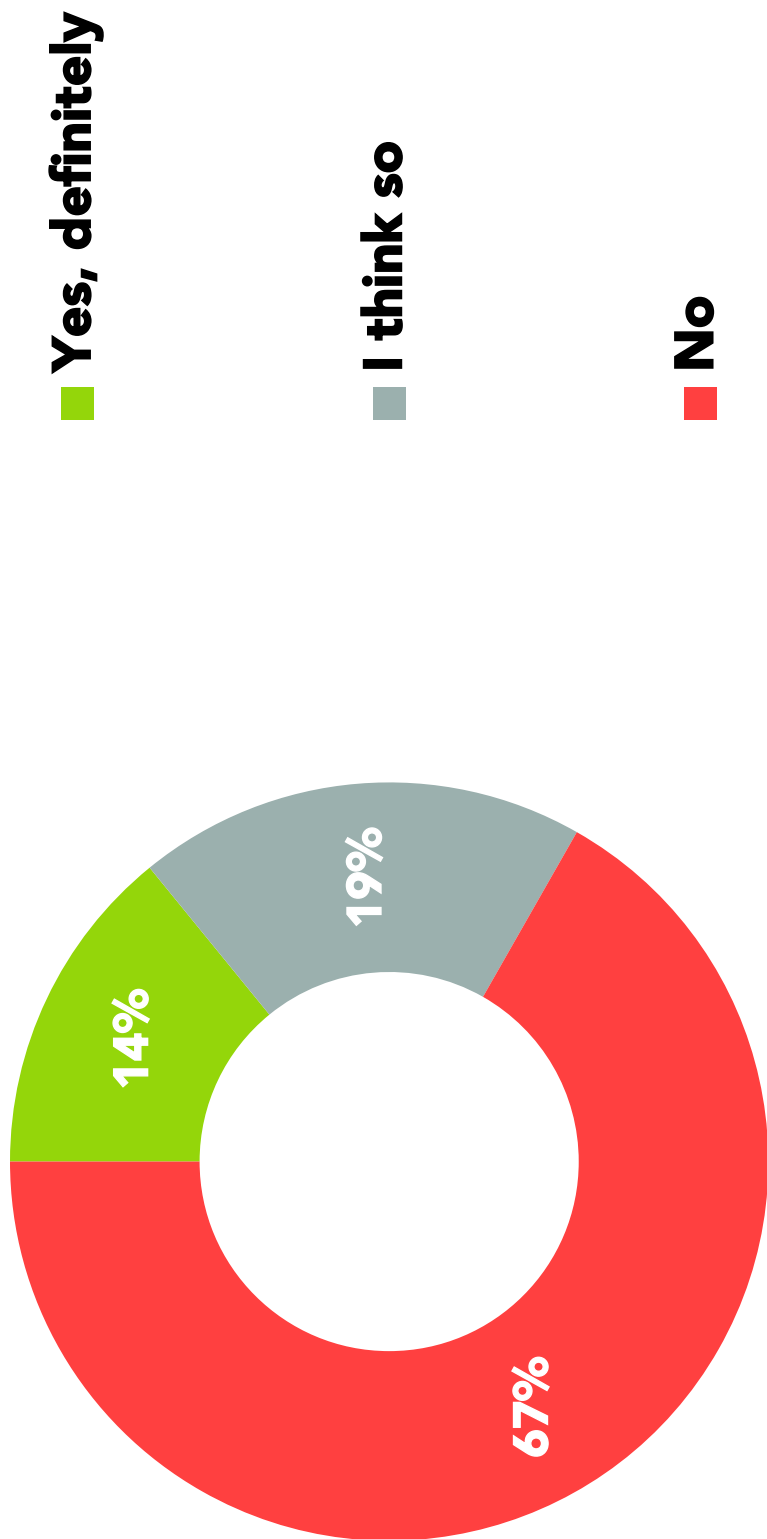
One idea for how to help pay the cost of transitioning the economy away from fossil fuels would be to sell "Green Victory Bonds" (which would be like "Victory Bonds" that were sold during World War II to help pay for the costs of the war). The money raised from these Green Victory Bonds would be used to pay for public infrastructure needed to respond to and tackle climate change (such as public transit, high-speed rail, building retrofits and renewable energy projects). They would also offer a reasonable rate of return for those who buy them. Given this, how likely are you to purchase a "Green Victory Bond"?

LIKELIHOOD TO PURCHASE A "GREEN VICTORY BOND"



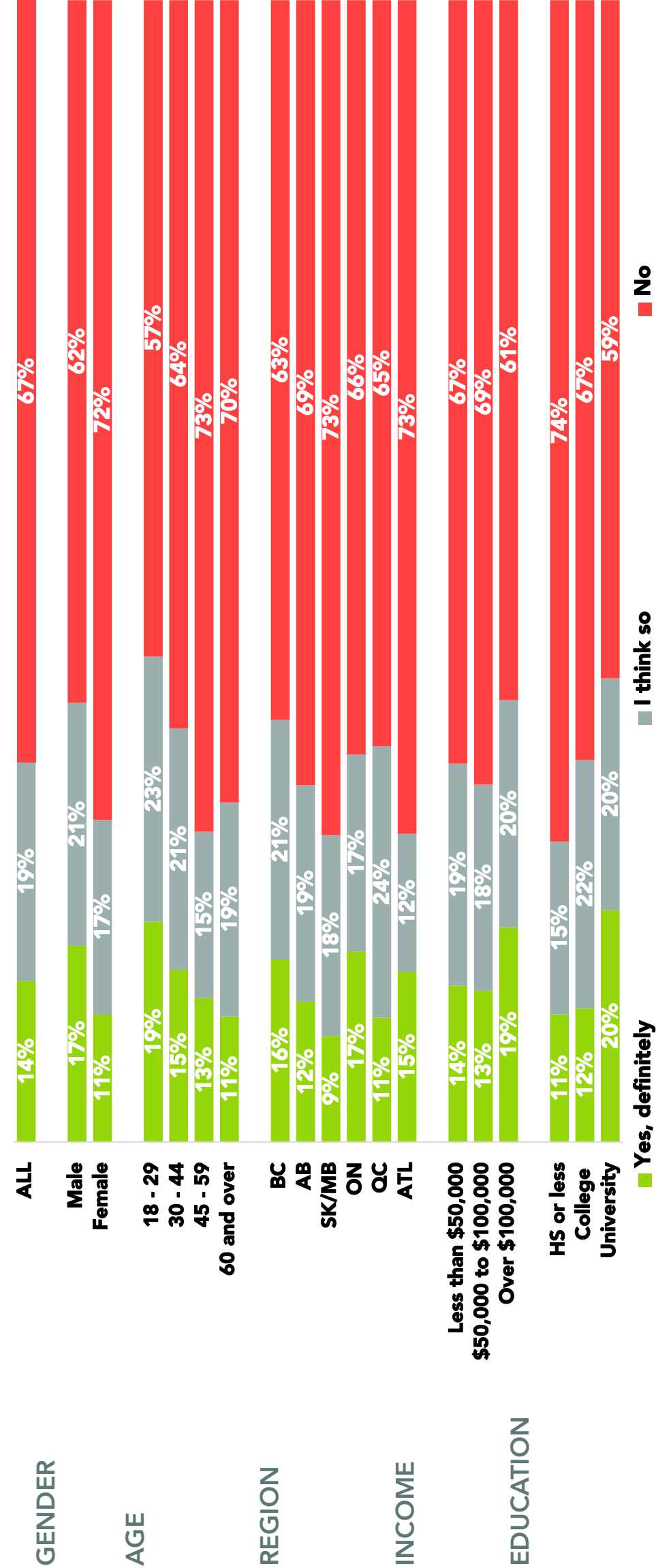
Given this, how likely are you to purchase a "Green Victory Bond"?

AWARE OF "GREEN NEW DEAL"



Before today, have you heard of the term "Green New Deal"?

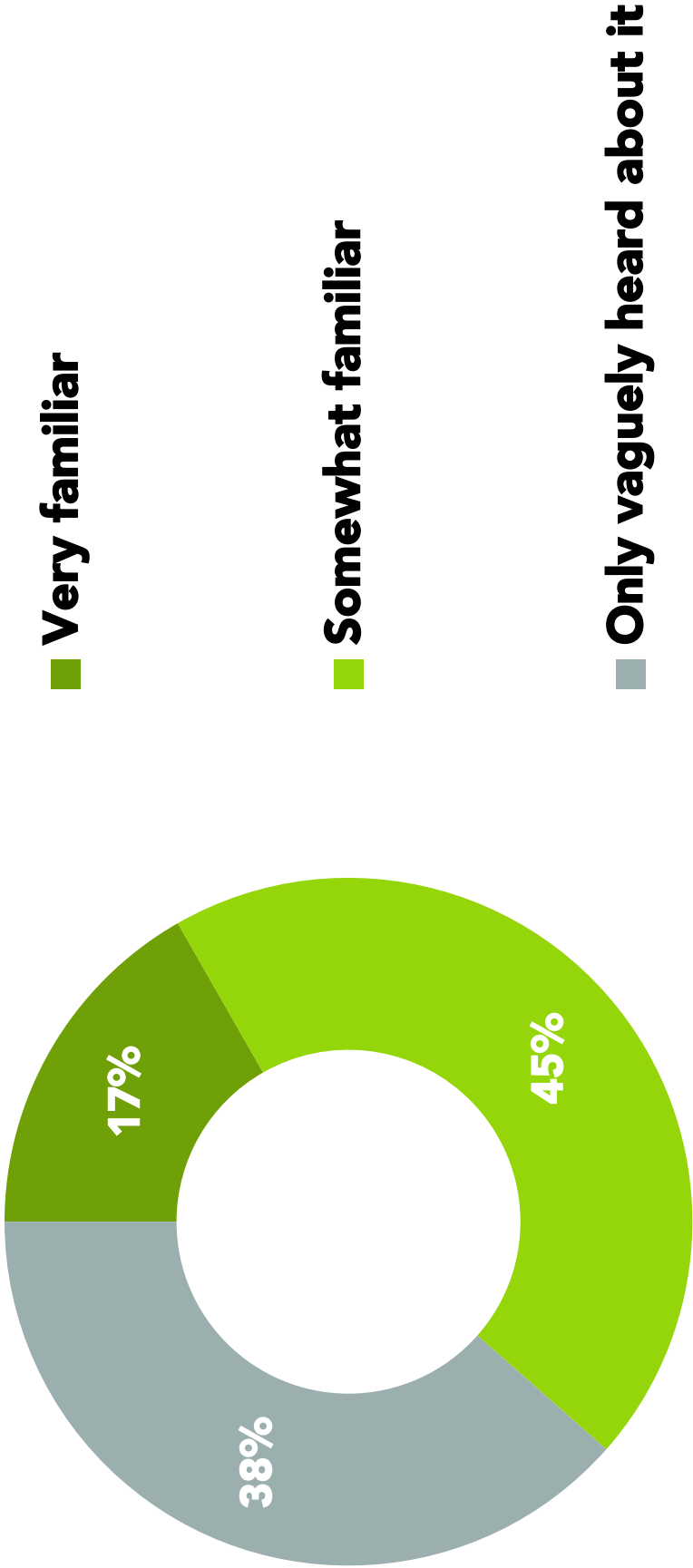
AWARE OF "GREEN NEW DEAL"



Before today, have you heard of the term "Green New Deal"?

FAMILIARITY WITH “GREEN NEW DEAL”

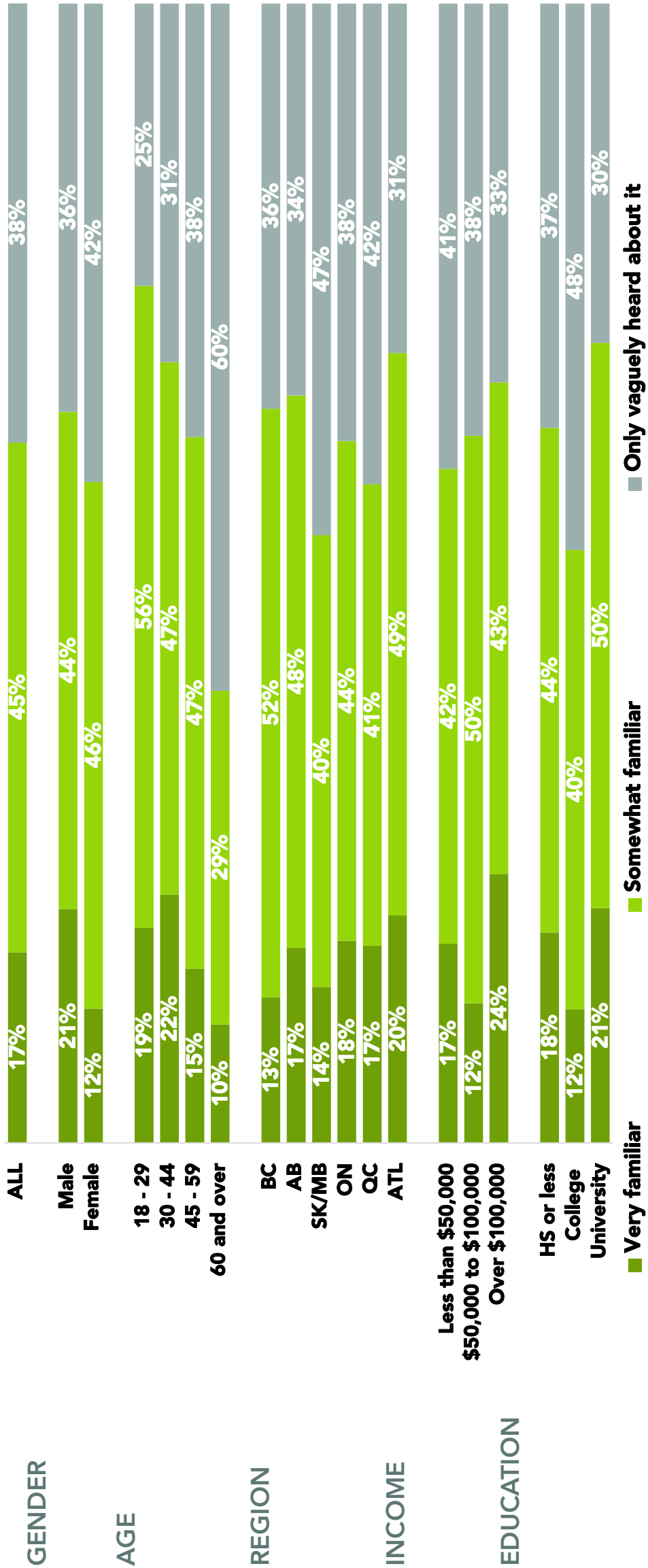
THOSE AWARE OF “GREEN NEW DEAL”



How familiar would you say you are with what “A Green New Deal” refers to?

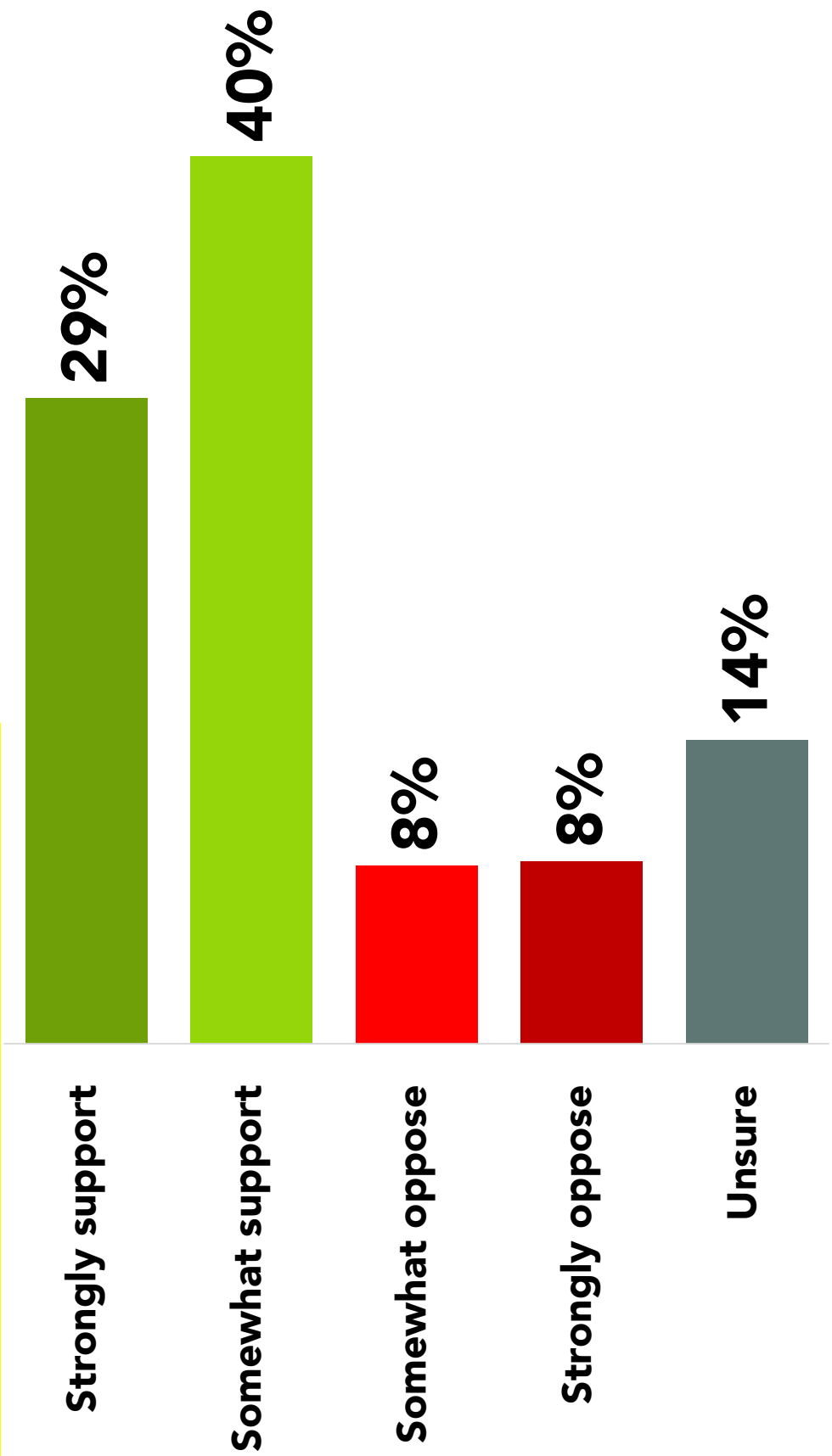
FAMILIARITY WITH “GREEN NEW DEAL”

THOSE AWARE OF “GREEN NEW DEAL”



SUPPORT FOR A MADE-IN-CANADA GREEN NEW DEAL

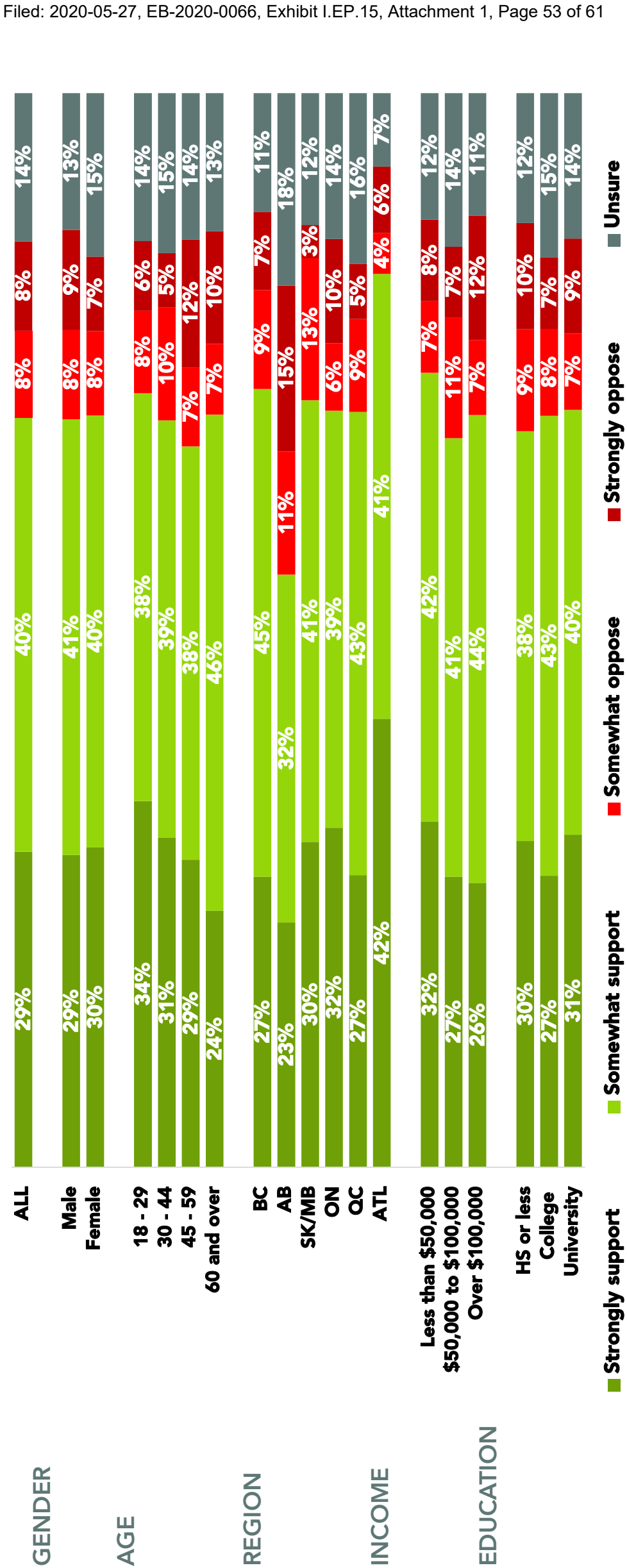
THOSE AWARE OF "GREEN NEW DEAL"



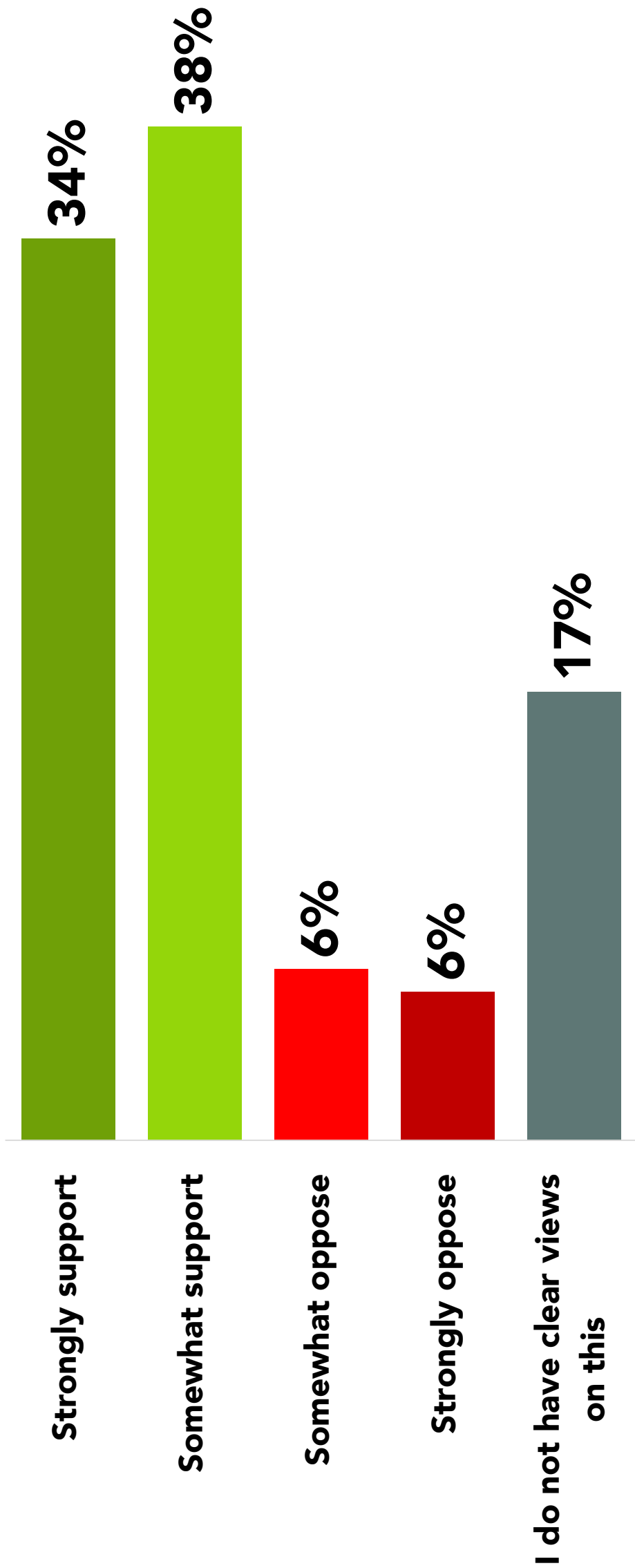
From what you know, do you support or oppose a made-in-Canada Green New Deal?

SUPPORT FOR A MADE-IN-CANADA GREEN NEW DEAL

THOSE AWARE OF "GREEN NEW DEAL"

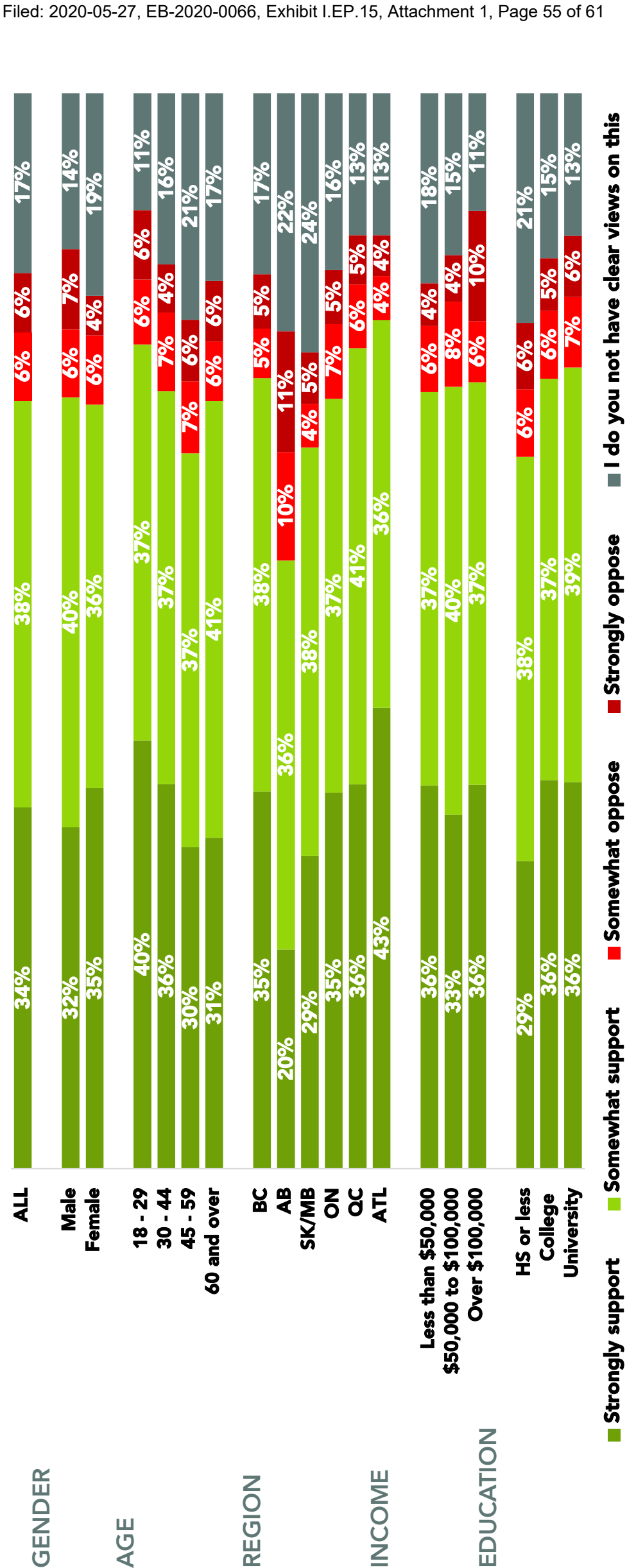


SUPPORT FOR A GREEN NEW DEAL

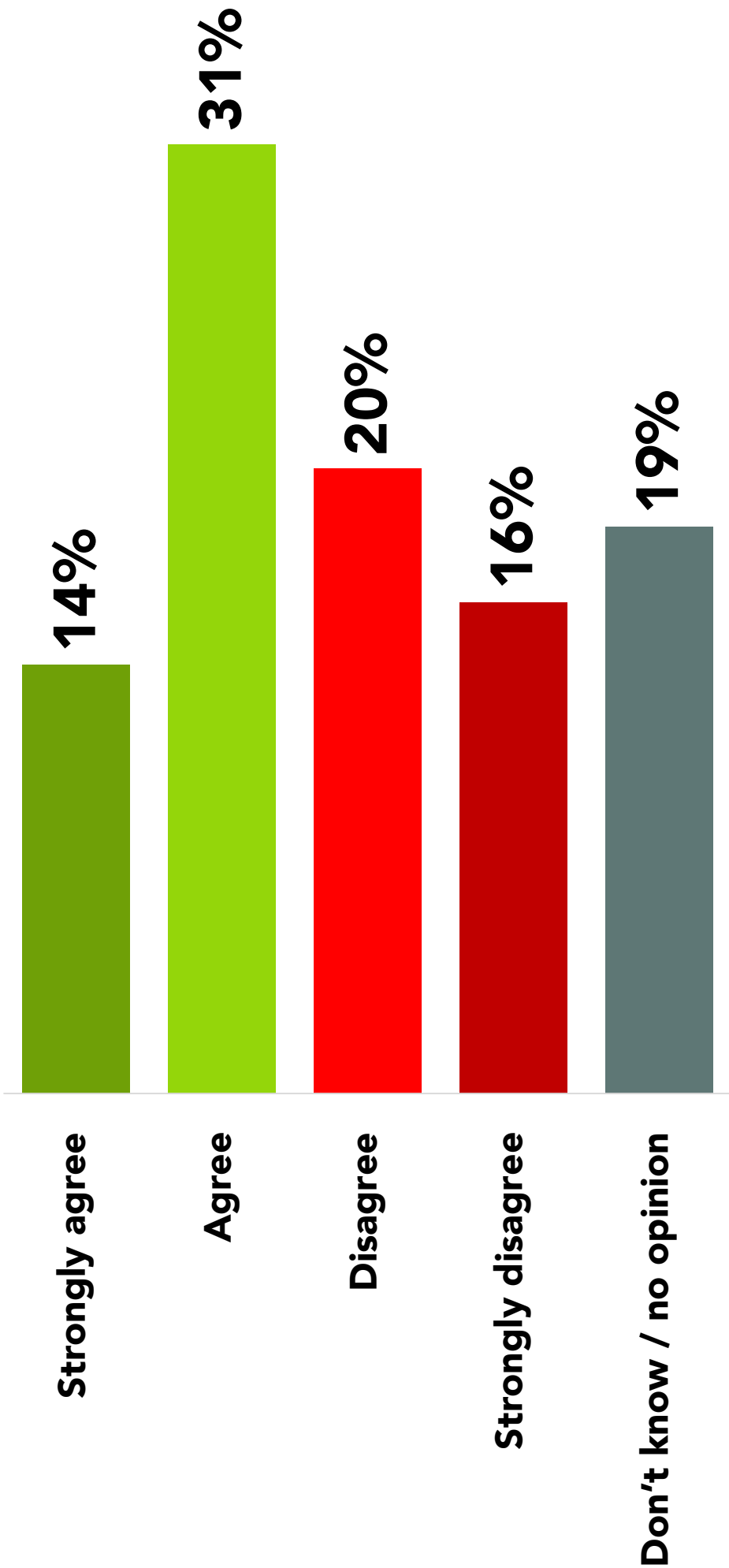


Here's a definition of the Green New Deal: "A Green New Deal is an ambitious vision for tackling the twin crises of climate change and inequality. It would see us cut our greenhouse gas emissions by at least 50% by 2030, while leaving no one behind. It would be a comprehensive plan to massively invest in green infrastructure and renewable energy, and to transform our economy to address the scale of the climate emergency and deepening inequalities. It would see the creation of millions of jobs in the areas of economic/energy transition, affordable housing construction, reforestation, and in the caring economy (education, child care, elder care, etc)." Based on this description, is this something you strongly support, somewhat support, somewhat oppose, or strongly oppose or do you not have clear views?

SUPPORT FOR A GREEN NEW DEAL

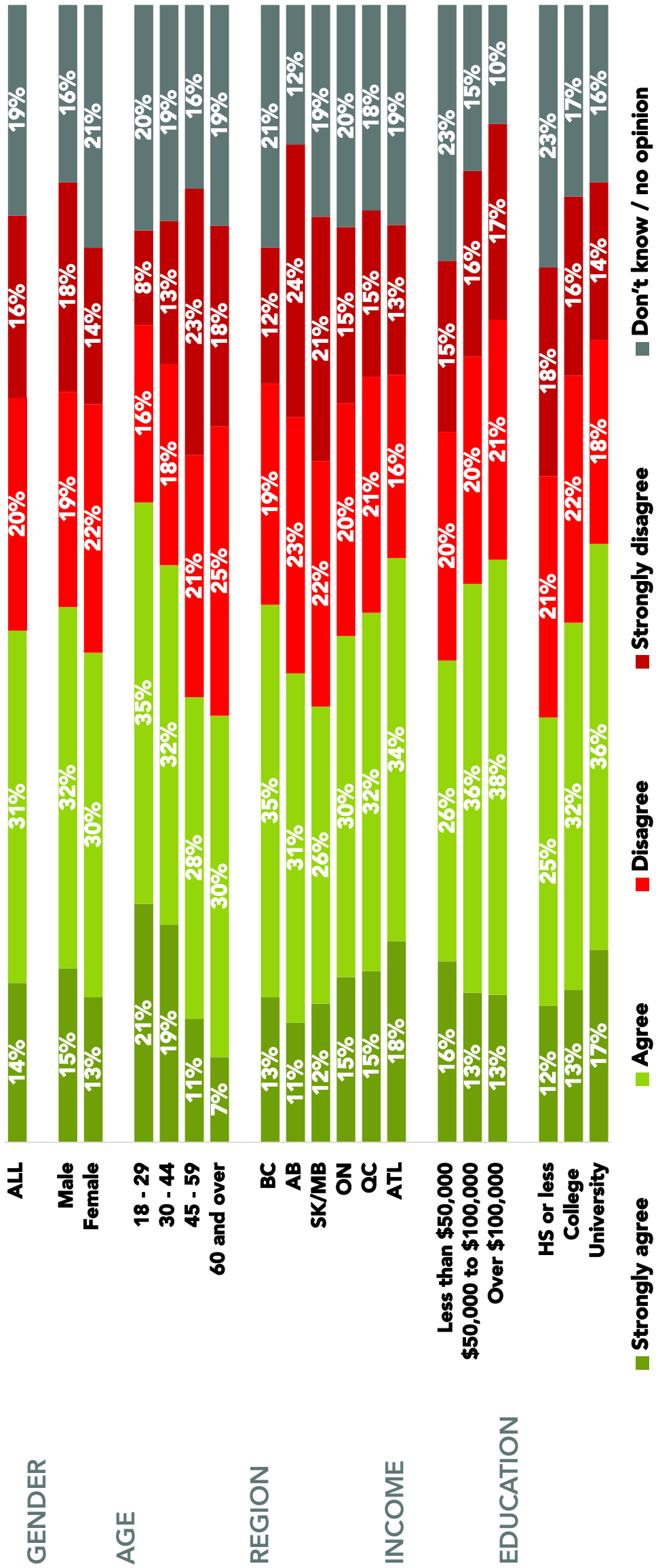


AS CLIMATE CHANGE PROGRESSES AND MORE PEOPLE ARE DISPLACED BY MAJOR WEATHER EVENTS AROUND THE WORLD, CANADA HAS A RESPONSIBILITY TO ACCEPT HIGHER NUMBERS OF CLIMATE MIGRANTS AND REFUGEES



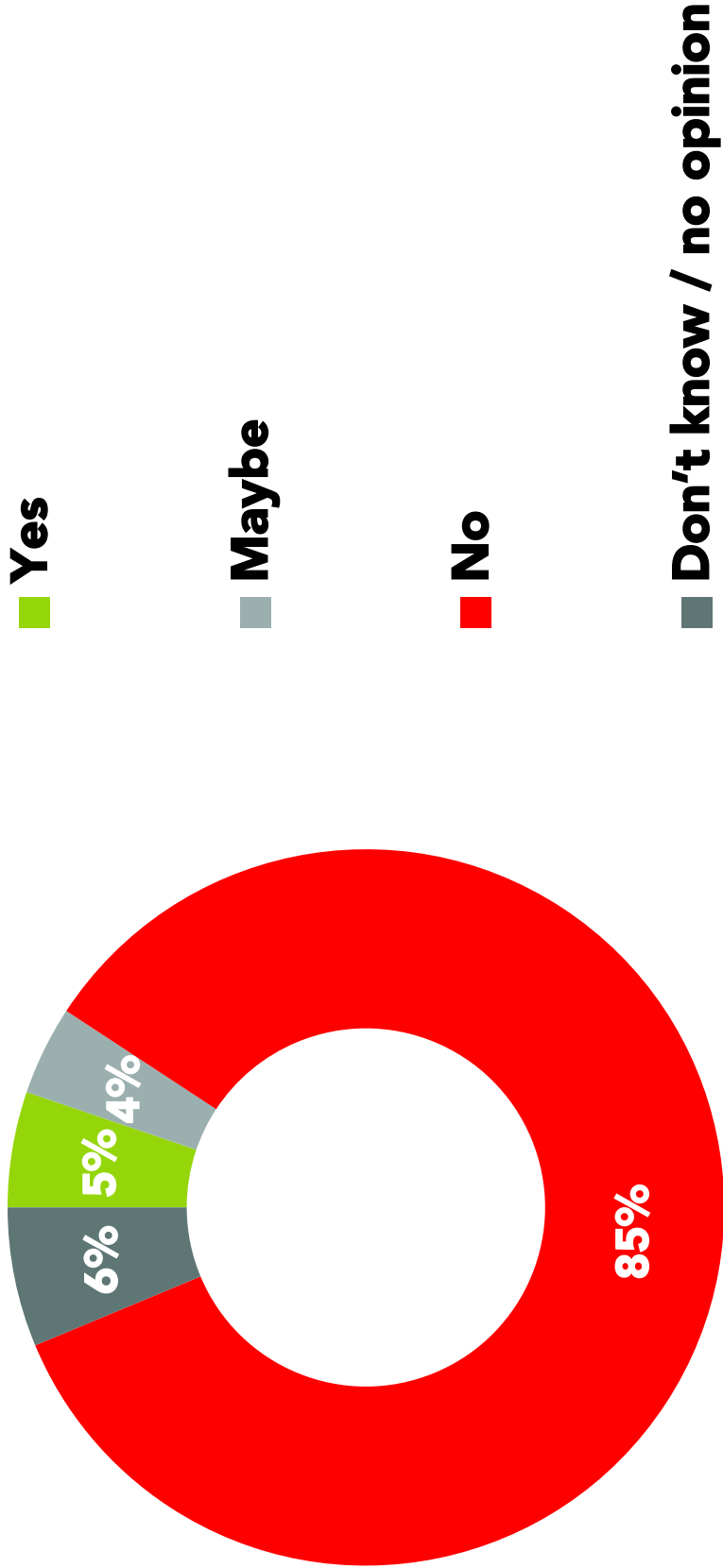
Do you agree or disagree with the following statement: As climate change progresses and more people are displaced by major weather events around the world, Canada has a responsibility to accept higher numbers of climate migrants and refugees?

AS CLIMATE CHANGE PROGRESSES AND MORE PEOPLE ARE DISPLACED BY MAJOR WEATHER EVENTS AROUND THE WORLD, CANADA HAS A RESPONSIBILITY TO ACCEPT HIGHER NUMBERS OF CLIMATE MIGRANTS AND REFUGEES



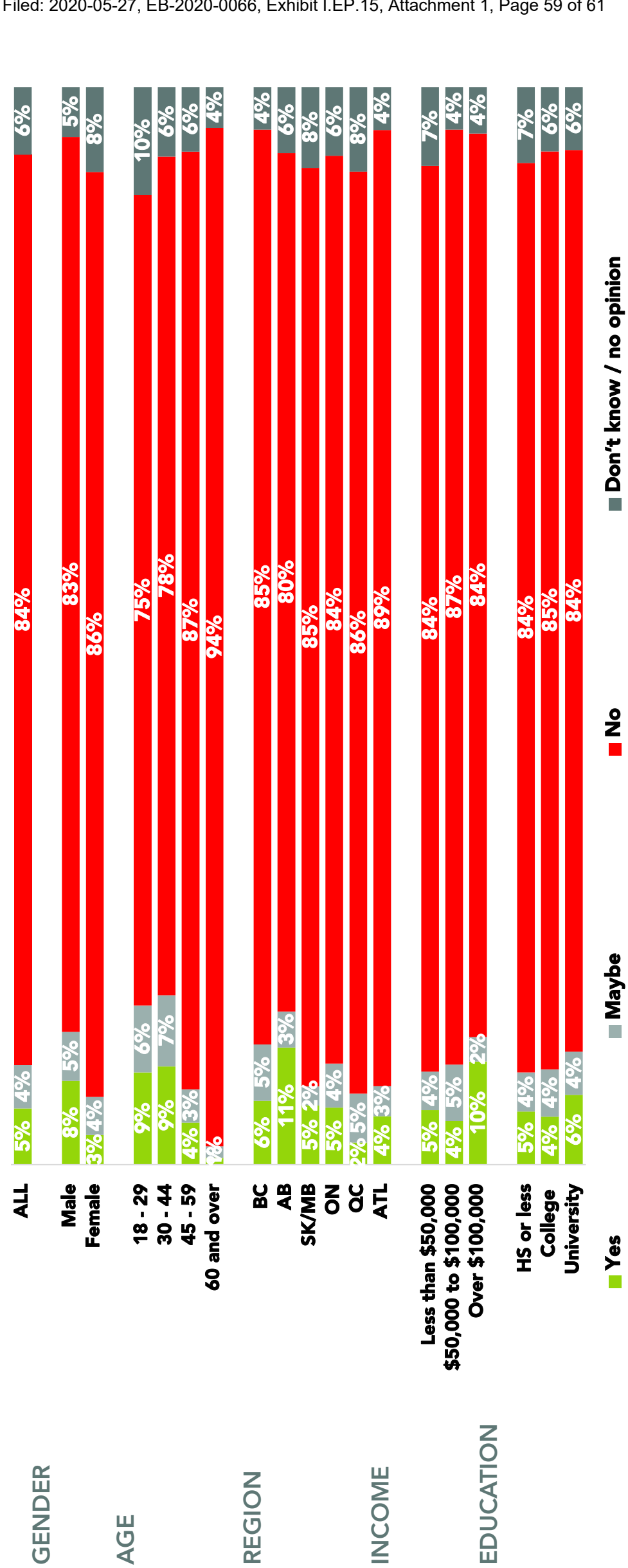
Do you agree or disagree with the following statement: As climate change progresses and more people are displaced by major weather events around the world, Canada has a responsibility to accept higher numbers of climate migrants and refugees?

DO YOU CURRENTLY WORK IN THE OIL, GAS, OR COAL INDUSTRY OR IN A JOB CLOSELY RELATED



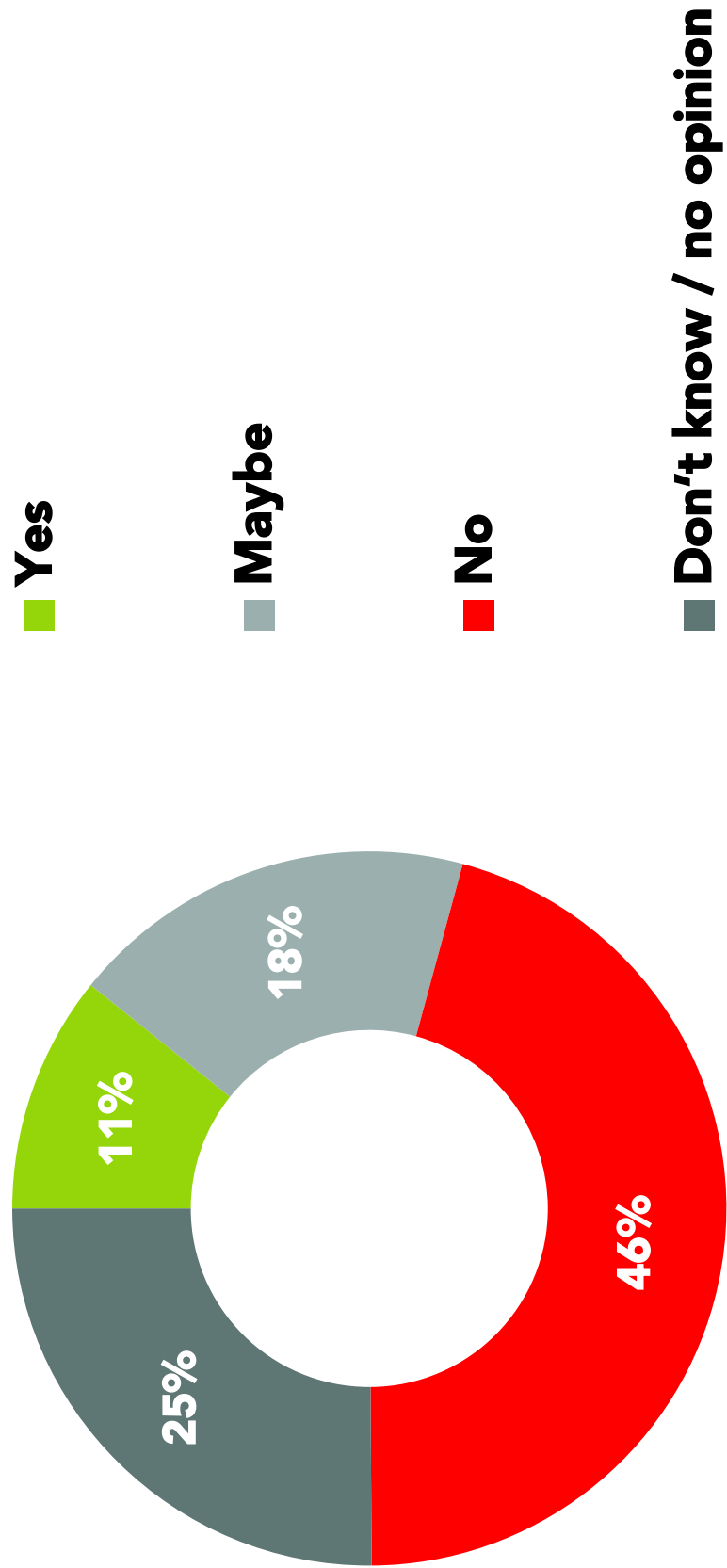
Do you currently work in the oil, gas, or coal industry, or in a job closely related to those sectors?

DO YOU CURRENTLY WORK IN THE OIL, GAS, OR COAL INDUSTRY OR IN A JOB CLOSELY RELATED



WOULD YOU WANT YOUR CHILD TO BE EMPLOYED IN THE OIL AND GAS INDUSTRY

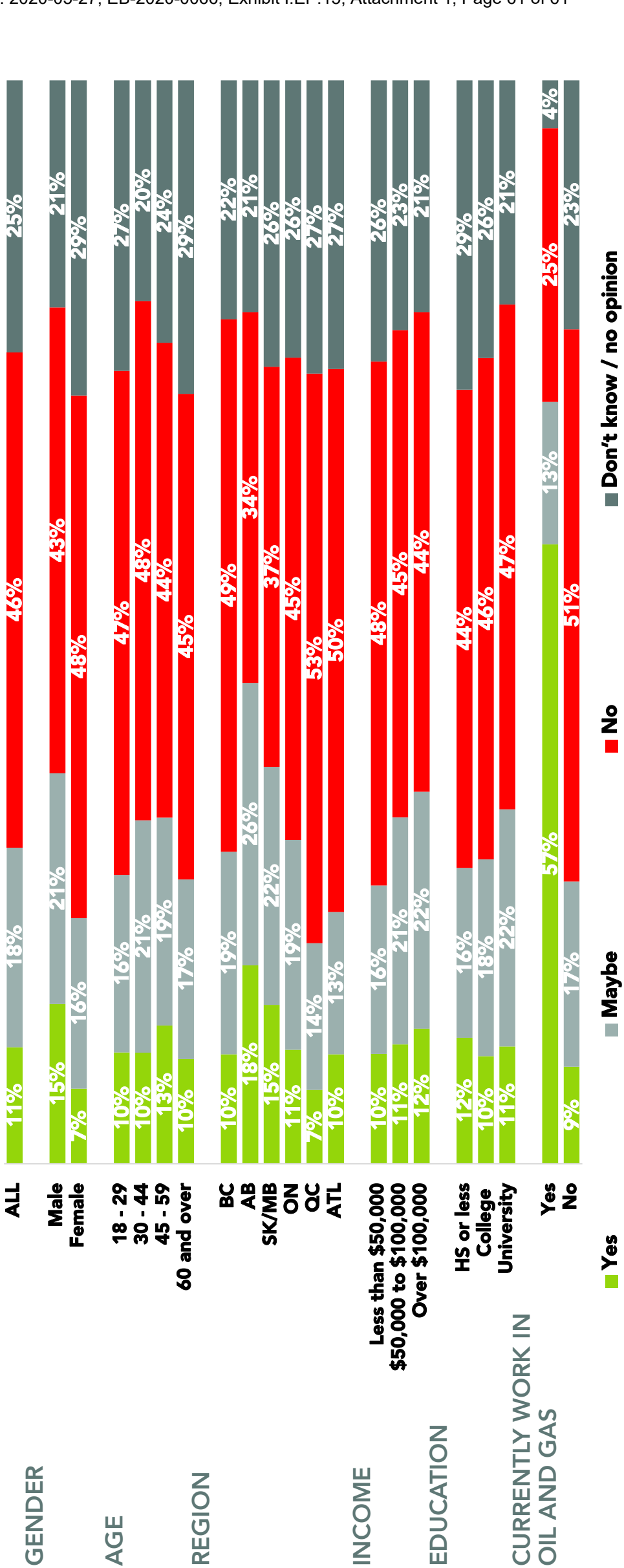
THOSE 18 TO 65



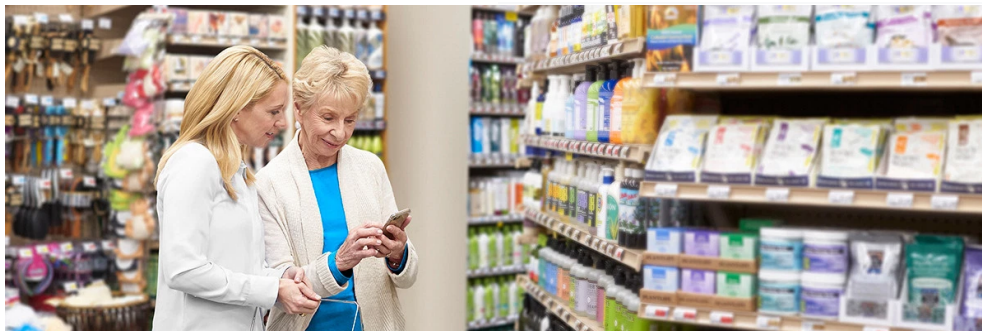
If you have or plan to have children, would you want your child to be employed in the oil and gas industry?

WOULD YOU WANT YOUR CHILD TO BE EMPLOYED IN THE OIL AND GAS INDUSTRY

THOSE 18 TO 65



If you have or plan to have children, would you want your child to be employed in the oil and gas industry?

**ARTICLE**

GLOBAL CONSUMERS SEEK COMPANIES THAT CARE ABOUT ENVIRONMENTAL ISSUES

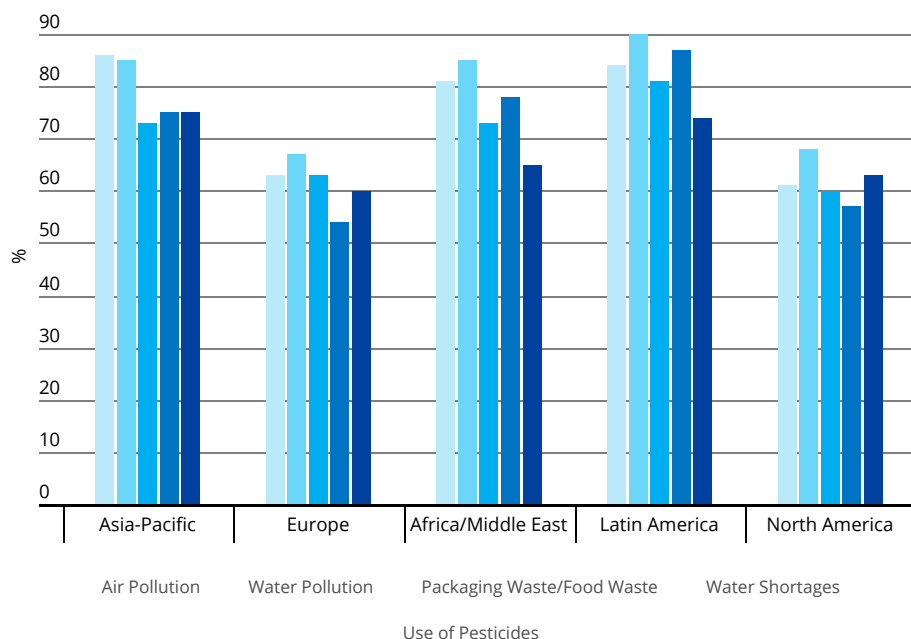
CPG, FMCG & RETAIL | 11-09-2018

A new era of sustainability is rising, and it's touching every corner of the world. Consumers in markets big and small are increasingly motivated to be more environmentally conscious and are exercising their power and voice through the products they buy. But why do these shifts feel so urgent? There is mounting evidence to support that in many parts of the world, sustainability has become a life and death matter.

Health issues like asthma and typhoid have been linked to deteriorating air and water quality, and in extreme cases, decreased brain function and death. The World Health Organization estimates that 12.6 million people die from environmental health risks annually, and that environmental factors in developing countries carry roughly 25% of the disease burden. Air and water pollution are top of mind for global consumers in our recent online survey, but regional differences can be seen in what issues respondents say matter most.

CONSUMERS AROUND THE WORLD CARE ABOUT ENVIRONMENTAL ISSUES

Percentage of respondents who are extremely or very concerned about the following environmental issues



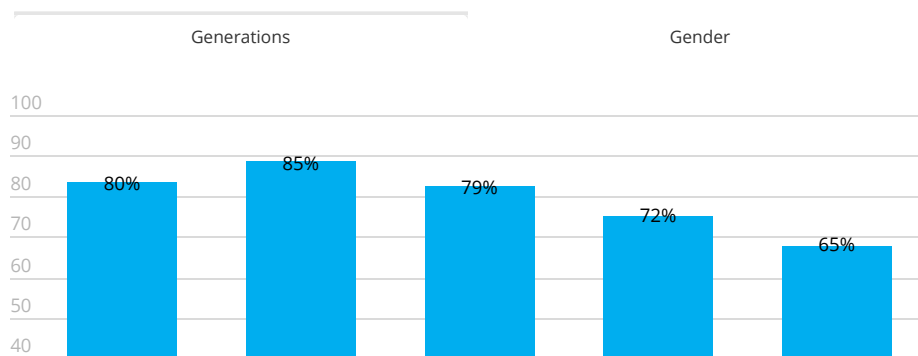
Source: The Conference Board® Global Consumer Confidence Survey, conducted in collaboration with Nielsen Q2 2017

In light of these concerns, consumers around the world are making adjustments in their shopping habits. While still juggling convenience, price and awareness along with their need to better the world, they're looking for companies to step up as partners in their quest to do good.

In fact, a whopping 81% of global respondents feel strongly that companies should help improve the environment. This passion for corporate social responsibility is shared across gender lines and generations. Millennials, Gen Z and Gen X are the most supportive, but their older counterparts aren't far behind.

CORPORATE SUSTAINABILITY IS IN HIGH DEMAND ACROSS GENDER AND GENERATIONS

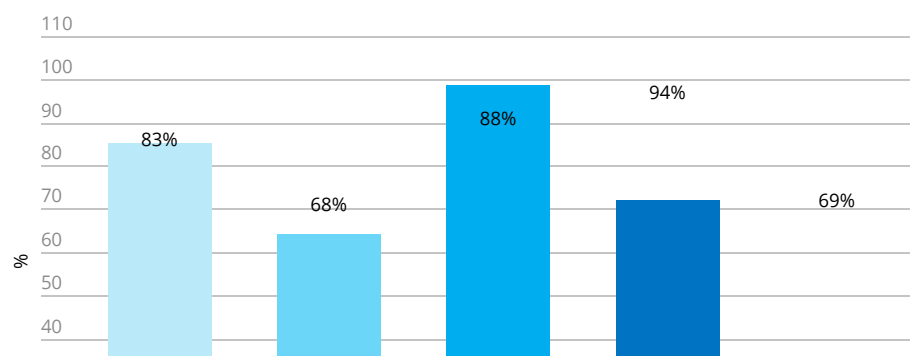
Percentage of respondents who said that it is “extremely” or “very” important that companies implement programs to improve the environment



Regions that are rife with emerging market consumers—many of whom are dealing with environmental hazards in their everyday lives—show higher expectations than developed markets. In search of better solutions, it’s no surprise that these consumers are more demanding of companies.

CONSUMERS EXPECT COMPANIES TO CARE ABOUT THE ENVIRONMENT

Percentage of respondents who say it is extremely or very important that companies implement programs to improve the environment



“Facing rapid urbanization and a growing disparity between classes, many people in emerging markets are experiencing the harsh reality of pollution in this post-modern industrial age,” said Regan Leggett, Executive Director, Thought Leadership and Foresight, Global Markets, Nielsen. “As a result, sustainability has become an urgent opportunity for companies to connect with consumers who are excited about change,” said Regan Leggett, Executive Director, Thought Leadership and Foresight, Global Markets, Nielsen.

Corporate responsibility and sustainability strategies may take different shapes around the world, but one thing is clear: Consumers are using their spending power to effect the change they want to see. The key to being benevolent and bankable partners in their efforts is in understanding where current sales spikes can be seen and embracing the changes that are on the horizon.

For a closer look at the trends that are driving sustainable shopping, a deep dive into specific sales indicators being seen in major markets and a roadmap for future success, check out Nielsen’s [Sustainable Shoppers Buy the Change They Wish to See in the World](#) report. You might also enjoy our recent episode of the Database [podcast on sustainability](#).

5/4/2020

Global Consumers Seek Companies That Care About Environmental Issues – Nielsen

Filed: 2020-05-27

EB-2020-0066

Exhibit I.EP.15

Attachment 2

Page 4 of 4

Tagged: [AROUND THE WORLD](#) | [CAUSE MARKETING](#) | [CONSUMER INSIGHTS](#) | [GLOBAL](#) | [SHOPPER](#)

<https://www.nielsen.com/ca/en/insights/article/2018/global-consumers-seek-companies-that-care-about-environmental-issues/>

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit C, Tab 3, Sch. 2, pages 1 and 2

Preamble:

The Ipsos Public Affairs study for Enbridge was conducted in December 2018. The Abacus study was released in July of 2019.

Question:

Did Enbridge change its plan in any way when it became aware of the results of the Abacus study? If the answer is yes, please explain the changes. If the answer is no, please explain why not, and explain the reason for referring to the Abacus study in the evidence.

Response

No, Enbridge did not change its plan when it became aware of the results of the Abacus study. The results of the study are aligned with the objectives of Enbridge's Program in promoting renewable energy and providing consumers with lower carbon energy options.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibits C, Tab 2 Schedule 2 and Tab 3, Schedule 2

Preamble:

To gauge awareness of and interest in RNG initiatives among Ontario's natural gas customers, Enbridge Gas commissioned a research study in December 2018.

Question:

- a) Please file the Microsoft Word Document Survey instrument (Page 23).
- b) Please confirm the consultant/source of the survey results at Pages C Tab 2 pages 10-12.
- c) Please provide a more complete analysis of questions/responses relevant to the costing basis/rationale for the \$2.00/month charge for the Voluntary RNG Program Customers.
- d) Specifically relate this to the average residential system gas use and price and the 2% RNG shown.

Response

- a) Please see Attachment 1 to this interrogatory response.
- b) The survey was executed by Ipsos Public Affairs. Ipsos provided the anonymized survey responses to the Enbridge Gas Market Research and Analysis team. In an effort to manage costs, the Company's Market Research and Analysis team compiled a report to communicate the results.

- c) The following questions and responses from the attached survey instrument informed the \$2/month charge.
- Q18-Q22 allowed respondents to provide a top of mind (unaided) premium they would be willing to pay for an unspecified and specified amount of RNG.
 - While some respondents are unsure, and others specify that they are not willing to pay anything, there is a sizable group of respondents (47%) who are willing to pay a monthly premium for RNG. The size of the premium varies across respondents, but the majority of those who are willing to pay something offered that they are willing to pay \$2/month or more.
 - Q23 allowed respondents to indicate their willingness to pay a specific monthly premium for specific amount of RNG.
 - Among all respondents, 29% indicate that they “strongly support” a voluntary program that costs \$2/month and 39% “somewhat support” such a program. While some support exists for a program that costs \$10/month and \$20/month, support for a \$2/month program is found among more respondents.
 - Q24 allowed respondents to indicate their likelihood of participating in a voluntary program that offered a specified amount of RNG for a specific monthly charge.
 - Among all respondents, 29% indicate that they are “very likely” to sign-up for a \$2/month program, and 35% indicate that they are “somewhat likely” to do so, providing further support for a \$2/month program.
 - Using responses to Q23 and Q24 together, 25% of respondents indicate that they strongly support and are very likely to sign-up for a \$2/month program.
 - The answers to these questions are included within the report (pages 9-11).
- d) In planning for the survey, Enbridge used a typical annual residential consumption of natural gas and a projected cost of RNG, to determine that the monthly premium for 1% - 2% RNG would be range would be approximately \$2-\$4 per month. Results from the survey validated customer acceptance of a \$2/month option.

Residential RNG Interest Research

Screening Questions

[Cortex 5 Standard Screener: DO NOT MODIFY OR TRANSLATE]

YEAR/MONTH. What is your date of birth?

- ☐ YEAR
- ☐ _1910 1910
- ☐ ...
- ☐ _2015 2015
- ☐ MONTH
- ☐ _1 January
- ☐ _2 February
- ☐ _3 March
- ☐ _4 April
- ☐ _5 May
- ☐ _6 June
- ☐ _7 July
- ☐ _8 August
- ☐ _9 September
- ☐ _10 October
- ☐ _11 November
- ☐ _12 December

[Cortex 5 Standard Screener: DO NOT MODIFY OR TRANSLATE]

RESP_AGE [Hidden]. Hidden Question - RESP_AGE "this is a dummy question that will hold age"

- ☐ USE RESP_AGE [Hidden] response list

[Cortex 5 Standard Screener: DO NOT MODIFY OR TRANSLATE]
[TERMINATE IF UNDER 18]

QUOTAGERANGE [Hidden]. Hidden Question - QUOTAGERANGE "this is a dummy question that will hold age breaks" for the quotas that should be defined by the PM; it CAN be edited and lines can be added to meet survey objectives.

- ☐ _18_24 "18-24",
- ☐ _25_34 "25-34",
- ☐ _35_44 "35-44",
- ☐ _45_54 "45-54",
- ☐ _55_64 "55-64"
- ☐ _65_74 "65-74"
- ☐ _75+ "75 or older "

[Cortex 5 Standard Screener: DO NOT MODIFY OR TRANSLATE]

RESP_GENDER_ca. Are you...?

- ☐ _1 Male
- ☐ _2 Female

[Cortex 5 Standard Screener: DO NOT MODIFY OR TRANSLATE]

QMktSize_CA. What is your postal code? (example: A8A8A8)

*[Cortex 5 Standard Screener: DO NOT MODIFY OR TRANSLATE]
[TERMINATE IF INVALID POSTAL CODE]*

[TERMINTE IF POSTAL CODE DOES NOT FALL WITHIN EGD/UG FRANCHISE AREA]

HCAL_Region1_Label_CA [Hidden]. Hidden Question: Province

- ☐ (48) Alberta
- ☐ (59) British Columbia
- ☐ (46) Manitoba
- ☐ (13) New Brunswick
- ☐ (10) Newfoundland and Labrador
- ☐ (12) Nova Scotia
- ☐ (61) Northwest Territories
- ☐ (62) Nunavut
- ☐ (35) Ontario
- ☐ (11) Prince Edward Island
- ☐ (24) Quebec
- ☐ (47) Saskatchewan
- ☐ (60) Yukon

[TERMINATE IF NOT ONTARIO]

Introduction / Screener

Q1. Are you the person in your household who is fully or jointly responsible for decisions about utility services such as natural gas and electricity?

[DOWN, SINGLE PUNCH]

Yes

No **[TERMINATE]**

Q2. Do you use natural gas in your home? Natural gas can be used as a fuel source for a number of purposes including heating, water heating, cooking, and more.

[DOWN SINGLE PUNCH]

Yes

No **[TERMINATE]**

Don't know **[TERMINATE]**

Q3. Do you own or rent your primary residence?

[DOWN, SINGLE PUNCH]

Own
Rent
Don't Know **[TERMINATE]**

[IF RENT, CONTINUE, IF OWN, SKIP TO Q5]

Q4. Do you receive a natural gas bill?

[ACROSS, SINGLE PUNCH]

Yes
No **[TERMINATE]**

Q5. Who do you receive your natural gas bill from?

[DOWN, SINGLE PUNCH]

Enbridge Gas
Union Gas
Someone else **[TERMINATE]**
Don't know **[TERMINATE]**

Q6. Do you or does anyone in your household work in any of the following areas? (Select all that apply)

[DOWN, MULTIPUNCH]

Market Research
Energy providers (e.g. natural gas, oil, electricity, propane, wood, district energy)
The Provincial Government
Energy sector regulator or intervenor
Refuse, recycling or waste disposal / waste management
Agriculture
None of the above

[If none of the above then continue, else Thank and Terminate]

[MQB]

Q7. When you receive your monthly natural gas bill, do you receive a paperless eBill (online) or a paper bill from **[INSERT OPTION SELECTED @Q5]**?

[DOWN, SINGLE PUNCH]

eBill (Paperless)
Paper bill

Attitudes towards Environment

Q8. Considering all of the issues that face the Ontario government today, how important would you say the issue of the environment is to you?

[DOWN, SINGLE PUNCH]

A critical issue that requires immediate action
A significant issue that needs to be dealt with in the coming years
Just one of many issues government should address
Not really an issue at all
Don't know / not sure

Q9. How concerned would you say that you are with each of the following?

[ACROSS, SINGLE PUNCH]

Very concerned
Somewhat concerned
Not very concerned
Not at all concerned
Don't know / not sure

[DOWN, RANDOMIZE]

The state of the environment
The effects of global warming /climate change
Greenhouse gas emissions
Government leadership on environmental issues
Access to alternative energy solutions
Cost of energy

Q10. Please let me know if you agree or disagree with the following statements.

[ACROSS, SINGLE PUNCH]

Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
Don't know / not sure

[DOWN, RANDOMIZE]

Our communities need to continue to grow if we want to sustain our quality of life
The human race has become an environmental plague on this planet
I don't care where we get energy from so long as it is at the lowest price
What is good for business is usually bad for the average person
Energy is such a fundamental necessity of modern life that access to affordable, reliable energy should be a basic right of citizenship
When we have to choose between jobs and the environment, I believe we should always put the environment first
I am willing to pay more money for many day-to-day products in order to help address environmental problems facing society today

I am prepared to change my behaviour significantly in order to make progress in addressing climate change
The environment is at a critical crossroad and we need to do everything we can do to protect it

Q11. In each of following areas, if you had the choice, how likely would you be to purchase an environmentally friendly option for a premium price, let's say approx. 10% more?

[ACROSS, SINGLE PUNCH]

Very likely
Somewhat likely
Not very likely
Not at all likely
Don't know / not sure

[DOWN, RANDOMIZE]

Clothing
Electronic products, such as computers, smart phones, TVs
Household products
Motor vehicle fuel
Electricity
Natural gas

Awareness and Interest in RNG

Q12. How aware would you say that you are about renewable natural gas, this is sometimes also referred to as bio methane gas, or biogas?

[DOWN, SINGLE PUNCH]

Very aware
Aware
Only a little aware
Not at all aware

[DISPLAY TEXT]

Renewable natural gas is natural gas produced from organic waste from farms, forests, landfills, and water treatment plants. The gas can be captured, cleaned, and injected into traditional natural gas pipelines for use by customers like you. Renewable natural gas has similar environmental benefits as renewable or green electricity and would help you to reduce your greenhouse gas emissions by displacing traditional natural gas. Introducing renewable natural gas is a safe and reliable way for Ontarians to turn waste products into a useful energy source and lower greenhouse gas emissions at the same time.

Q13. Would you support or oppose **[INSERT OPTION SELECTED @Q5]** making investments in renewable natural gas projects in the province of Ontario?

[DOWN, SINGLE PUNCH]

Strongly support

Somewhat support
Somewhat oppose
Strongly oppose
Don't know / not sure

Q14. Would you support or oppose **[INSERT OPTION SELECTED @Q5]** offering a program that allows its residential customers to help pay for renewable natural gas projects in the province?

[DOWN, SINGLE PUNCH]

Strongly support
Somewhat support
Somewhat oppose
Strongly oppose
Don't know / not sure

Q15. **(ASK IF STRONGLY OR SOMEWHAT SUPPORT IN Q14)** What would you say are the main reasons that you would participate in a program in support of renewable natural gas projects?
[LARGE TEXT BOX]

Q16. **(ASK IF SOMEWHAT OR STRONGLY OPPOSE IN Q14)** What would you say are the main reasons that you would not be very likely to participate in a program in support of renewable natural gas projects?
[LARGE TEXT BOX]

[DISPLAY TEXT]

The cost of renewable natural gas is greater than the cost of traditional natural gas. The additional costs for a renewable natural gas program can be paid by consumers in different ways.

Q17. Which way would you prefer to see **[INSERT OPTION SELECTED @Q5]** offer this program, if it were to do so?

[DOWN, SINGLE PUNCH]

A renewable natural gas program that customers can sign up for. Only those who volunteer to sign up would pay a small premium for a portion of their gas to be renewable natural gas.
The increase in cost for renewable natural gas would be paid by all gas customers equally.
Some combination of these two options.
I would not support any program.
Don't know

Q18. What would you say is the **absolute maximum** amount of money you would pay as a premium, or extra per month, to ensure that a proportion of the natural gas used in homes and businesses in Ontario is renewable natural gas?

\$ [NUMERIC TEXT BOX RANGE 0 to 99] / month

I would not be willing to pay anything [EXCLUSIVE]

Don't know/not sure [EXCLUSIVE]

[DO NOT ASK Q19-Q22 IF "I WOULD NOT BE WILLING TO PAY ANYTHING" IS SELECTED @Q18]

[DISPLAY TEXT – SHOW BEFORE EACH OF Q19-22]

Please consider the same question for each of the specified levels of renewable natural gas.

Q19. What would you say is the **absolute maximum** amount of money you would pay as a premium, or extra per month, if the proportion of natural gas delivered to your home is **2%** renewable natural gas?

\$ [NUMERIC TEXT BOX RANGE 0 to 99] / month

Don't know/not sure [EXCLUSIVE]

Q20. What would you say is the **absolute maximum** amount of money you would pay as a premium, or extra per month, if the proportion of natural gas delivered to your home is **5%** renewable natural gas?

\$ [NUMERIC TEXT BOX RANGE 0 to 99] / month

Don't know/not sure [EXCLUSIVE]

Q21. What would you say is the **absolute maximum** amount of money you would pay as a premium, or extra per month, if the proportion of natural gas delivered to your home is **10%** renewable natural gas?

\$ [NUMERIC TEXT BOX RANGE 0 to 99] / month

Don't know/not sure [EXCLUSIVE]

Q22. What would you say is the **absolute maximum** amount of money you would pay as a premium, or extra per month, if the proportion of natural gas delivered to your home is **50%** renewable natural gas?

\$ [NUMERIC TEXT BOX RANGE 0 to 99] / month

Don't know/not sure [EXCLUSIVE]

[DISPLAY TEXT]

Investing in renewable natural gas can start with modest levels of blending renewable natural gas with conventional natural gas. Over time, it is expected the cost of renewable natural gas will decline, making renewable natural gas less expensive than it is today.

[SPLIT SAMPLE. SAMPLE A: Ascending order / SAMPLE B: Descending order

ASK Q23 and Q24 for each scenario, and ask them together

\$2.00 / 2%

\$10.00 / 5%

\$20.00 / 10%]

Q23. Knowing this, would you support or oppose a voluntary program that you can choose to register for that costs **[INSERT \$]** for the benefit of knowing that **[INSERT %]** of the natural gas you use is from renewable sources?

[DOWN, SINGLE PUNCH]

Strongly support

Somewhat support

Somewhat oppose

Strongly oppose

Don't know / not sure

Q24. If this program were offered today, how likely would you be to sign-up for this program that costs **[INSERT \$] extra per month** within the next month?

[DOWN, SINGLE PUNCH]

Very likely

Somewhat likely

Not very likely

Not at all likely

Don't know / not sure

[ASK IF STRONGLY OR SOMEWHAT SUPPORT @Q14, OR Q23]

[INSERT \$ AS FOLLOWS:

\$20 – if Q23 @ \$20 = strongly / somewhat support

\$10 – if Q23 @ \$10 = strongly / somewhat support (but no support at \$20)

\$5 – if Q23 @ \$2 = strongly / somewhat support (but no support at \$10 or

\$20) and if support at Q14, but no support at Q23]

Q25. If it were to do so, which way would you prefer to see **[INSERT OPTION SELECTED @Q5]** charge a voluntary premium in support of renewable natural gas projects? Please read these options carefully.

[DOWN, SINGLE PUNCH]

A fixed charge of an amount that would be the same each month regardless of how much natural gas you use. This would be like a monthly greenhouse gas offset purchase that stays the same each month.

A variable charge that would be calculated based on the amount of natural gas you use and capped at **[INSERT \$] per month**. This would be like a monthly greenhouse gas premium that varies each month depending on the amount of natural gas you used in that month.

Don't know

Q26. Or as a different option, would you support or oppose a voluntary program that would allow you to register to round up your bill to the nearest dollar each month, in support of renewable natural gas projects?

[DOWN, SINGLE PUNCH]

Strongly support

Somewhat support

Somewhat oppose

Strongly oppose

Don't know / not sure

Q27. How likely would you be to consider a voluntary agreement where you would pay a voluntary premium in support of renewable natural gas, where the terms of agreement were over a ...

[ACROSS, SINGLE PUNCH]

Very likely

Somewhat likely

Not very likely

Not at all likely

Don't know / not sure

[DOWN, ROTATE OPTIONS]

1 year period

2 year period

5 year period

10 year period

Q28. Alternatively, rather than offering a voluntary program, **[INSERT OPTION SELECTED @Q5]** can ask all its customers to pay an additional **\$2.00 per month** in a customer-wide program in support renewable natural gas. Would you support or oppose this program?

[DOWN, SINGLE PUNCH]

Strongly support

Somewhat support

Somewhat oppose
Strongly oppose
Don't know / not sure

Q29. Please consider the following statements about renewable natural gas. How important is it to you that

[ACROSS, SINGLE PUNCH]

Very important
Somewhat important
Not very important
Not at all important
Don't know

[DOWN, RANDOMIZE]

Renewable Natural Gas is locally produced
Renewable Natural Gas is carbon neutral and reduces carbon emissions
Renewable Natural Gas is an environmentally friendly fuel source
Renewable Natural Gas helps you do the right thing
Renewable Natural Gas supports local developments, benefiting municipalities as well as farms and other businesses
Renewable Natural Gas puts waste to good use, diverting it from landfills
Renewable Natural Gas remains an affordable option to heat your home when compared with other renewable energy sources

Brand Impressions

[ASK THE FOLLOWING QUESTIONS FOR ONE OPTION BASED ON UNION GAS AND ENBRIDGE GAS DISTRIBUTION IN Q5]

Q30. Using a scale of 1 to 10 where 1 means "Poor" and 10 means "Excellent" and all things considered, what is your overall impression of **[INSERT OPTION SELECTED @Q5]** as a company?

[DOWN, SINGLE PUNCH]

1 – Poor
2
3
4
5
6
7
8
9
10 – Excellent

Don't know

Q31. Are you aware that **[INSERT OPTION SELECTED @Q5]** offers energy conservation & energy efficiency improvement programs & incentives to help residential customers like you to save money on their energy bills?

[DOWN, SINGLE PUNCH]

Yes

No

Don't Know

[IF YES, CONTINUE, OTHERS SKIP TO DEMOGRAPHIC SECTION]

Q32. Have you ever participated in any energy conservation programs offered by **[INSERT OPTION SELECTED @Q5]**?

[DOWN, SINGLE PUNCH]

Yes

No

Don't Know

DEMOGRAPHICS

Q33. Are you enrolled in a Budget or Equal Billing Plan (a payment plan that spreads your natural gas costs over the year)?

[DOWN, SINGLE PUNCH]

Yes

No

Don't Know

Q34. How would you classify the area where your home is located?

[DOWN, SINGLE PUNCH]

Rural/Farm/Country

Recreational/Cottage

Suburban

Urban

Not sure

Q35. Now thinking about your home, in what year was it built?

[NUMERIC TEXT BOX] [ACCEPTABLE RANGE 1700 – 2018]

Don't Know **[EXCLUSIVE]**

Q36. Which of the following best describes your primary residence?

[DOWN, SINGLE PUNCH]

Single detached house
Semi-detached house
Row or Townhouse
Low rise apartment building (4 stories or less)
Duplex or triplex
High rise apartment building (greater than 4 stories)
Other – (please specify) **[SMALL TEXT BOX]**
Not sure

Q37. What is the main space heating fuel type in your home?

[DOWN, SINGLE PUNCH]

Natural gas
Electricity
Propane
Oil
Wood
Other
Don't know / Not sure

Q38. What is the approximate size of your home?

[DOWN, SINGLE PUNCH]

Less Than 1000 Square Feet (93 Sq. meters)
1000 To 1499 Square Feet (94 To 139 Sq. Meters)
1500 To 1999 Square Feet (140 To 185 Sq. Meters)
2000 To 2499 Square Feet (186 To 232 Sq. Meters)
2500 To 2999 Square Feet (233 To 278 Sq. Meters)
3000 Square Feet Or More (279 Sq. Meters Or More)
Don't Know

Q39. Which of the following categories represents your total annual household income before taxes?

[DOWN, SINGLE PUNCH]

Less than \$40,000
\$40,000-\$59,999
\$60,000-\$79,999
\$80,000-\$99,999
\$100,000-\$149,999
\$150,000-\$199,999
\$200,000-\$249,999

\$250,000-\$300,000
\$300,000 or more
Not sure
Prefer not to say

Q40. Including yourself, how many people live in your household?

[NUMERIC TEXT BOX] [ACCEPTABLE RANGE 1-30]

Prefer not to say **[EXCLUSIVE]**

Q41. How would you best describe your current employment status?

[DOWN, SINGLE PUNCH]

Working full-time
Working part-time
Self-employed
Retired
Unemployed, but looking for work
Student
Not in workforce
Other
Prefer not to say

Q42. What is the highest level of education you have completed? Would you say ...

[DOWN, SINGLE PUNCH]

Partial elementary or high school
High school graduate
Apprenticeship or trades certificate or diploma
College, CEGEP, or college classique
Bachelor's degree
Master's degree
Degree in medicine, dentistry, veterinary medicine, optometry, or law
Doctorate
Prefer not to say

[DISPLAY TEXT]

Those are all the questions we have for you today.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 2, *Ontario Results – Report, Renewable Natural Gas – Residential Program*

Question:

- a) Were survey participants told prior to the questions leading to the results at pages 10-13 (customer-wide mandatory program):
 - i. that they are already paying for Demand Side Management (EE page 20) and
 - ii. paying the Federal Greenhouse Gas Reduction Charge?
- b) If the answer to a) is yes, please indicate what were the amounts being paid provided to survey customers as part of the background information?
- c) If the existing charges for DSM and the Federal Greenhouse Gas Reduction were not indicated to survey participants, please explain why this was not done and why is the result not biased due to lack of proper background information?
- d) Is the Board being asked to approve the Voluntary RNG marketing program/messages, to ensure these reflect Provincial/Board policy and are factual?
- e) Please list and where possible quantify, the benefits of the Voluntary RNG Program to EGL's shareholder, including financial (e.g. the return component) and non-financial benefits.

Response

- a) No.
- b) Not applicable.

- c) The purpose of the survey was to assess consumer interest in a voluntary RNG program and inform program design. Existing amounts paid in rates for DSM and the cost of carbon were not relevant to customers' feedback on these matters, and as such their exclusion did not result in any bias. Enbridge Gas believes that its customers had sufficient background information about their present gas distribution costs to complete the survey.
- d) No.
- e) Through the deferred rebasing term (Program implementation through 2023), there will be no financial benefits to Enbridge Gas shareholders, as the Company is proposing to fund the program's costs through existing revenues (i.e. through rates derived under a Price Cap Incentive Regulation mechanism, without adjustments or increases to reflect program costs), and any reduction in Federal Carbon Charge obligations will be captured in the Federal Carbon Charge – Customer Variance Accounts. Shareholders may or may not derive non-financial benefits as a result of positive public sentiment related to the Program's environmental and sustainability benefits. The determination of whether there will be any shareholder financial benefits upon rebasing and beyond will depend on the Program's treatment for rate setting purposes at that time. Please see Exhibit I.STAFF.12 1) for further discussion of the treatment of costs upon rebasing.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe ("EP")

Interrogatory

Reference:

Exhibit C, Tab 5, Schedule 2 and Exhibit B, Tab 2, Schedule 4

Preamble:

The Voluntary RNG Program will offer general service system gas customers the option to pay a \$2 fixed monthly charge to fund the incremental cost of including RNG volumes in system gas supply. The Program will be available to system gas customers in general service rate classes in the EGD and Union rate zones, specifically Rate 1, Rate 6, Rate 01, Rate 10, Rate M1 and Rate M2.

Question:

- a) Please provide an example of the rate rider calculation and presentation on the bill.
- b) Please provide an example of a Residential Gas Bill showing additional charges for, FCP Program Carbon Charge and the Voluntary RNG charge.
- c) What is the incremental cost per bill?

Response

- a) Please see Exhibit I.Summitt.2 Attachment 1.
- b) Please see Exhibit I.Summitt.2 Attachment 1.
- c) The costs of the Program, including the cost to update Enbridge Gas's CIS system to accommodate the additional bill line item, can be found at Exhibit C, Tab 2, Schedule 2. Please also see Exhibit I.EP.12 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario ("FRPO")

Interrogatory

Reference:

Ex. B, Tab 2, Sch. 2, p. 1

Question:

How does EGI propose to manage the difference between forecast need and actual utilization? Please explain fully.

- a) If through some form of variance account, who would be responsible for:
 - i) Positive variances?
 - ii) Negative variances?

Response

Enbridge Gas understands the interrogatory to relate to the difference between forecast RNG volumes required and actual RNG volumes required based on current Program participation. Please see Exhibit I.PP.13 b) and Exhibit I.STAFF.6 4).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario ("FRPO")

Interrogatory

Reference:

Ex. B, Tab 2, Sch. 2, p. 2, Ex.B, Tab 2, Sch. 4, p. 1 and Ex. C, Tab 2 Sch.2

Preamble:

The second reference states: *"Forecast costs include marketing costs, billing processing costs, customer contact center costs, legal costs and the revenue requirement associated with capital costs required for upgrades to internal systems (Exhibit C, Tab 2, Schedule 2).*

*The Company will manage these **operating** costs within its existing budgets until rebasing in 2024."* **emphasis added**

Question:

The above reference delineates **operating** costs that will be managed within its existing budgets.

What costs will be recovered from the monthly \$2 from voluntary participants?

- a) How will the costs and revenues be tracked?
- b) How will 2020 expenditures be handled? Please explain fully.
- c) How will the interest and revenue requirement be handled? Please explain fully.

Response

Please see Exhibit I.LPMA.10 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario ("FRPO")

Interrogatory

Reference:

Ex. C, Tab 2 Sch.1, pages 3-4

Preamble:

We would like to understand better how the researched programs work for their applicability to the Ontario context.

Question:

For DTE's BioGreen Gas Program, please estimate the average monthly cost per residential customer based upon a \$2.5 US/Dth price.

Response

The monthly charge was \$2.50 per month.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario ("FRPO")

Interrogatory

Reference:

Ex. C, Tab 2 Sch.1, pages 3-4

Preamble:

We would like to understand better how the researched programs work for their applicability to the Ontario context.

Question:

Does Bullfrog Power offer its Green Natural Gas Program in Ontario?

- a) If so, how has Bullfrog Power injected its customer's RNG on to the legacy Union, EGD or current EGI systems. Please explain fully.

Response

It is Enbridge Gas's understanding that Bullfrog Power offers its program across Canada.

As per Bullfrog Power's website, "any location can be bullfrog powered with electricity or green natural gas"¹.

- a) The Company is not permitted to provide information about marketer/vendor activity (see GDAR, section 3.3).

¹ <https://www.bullfrogpower.com/green-energy/how-it-works-2/>

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario ("FRPO")

Interrogatory

Reference:

Ex. C, Tab 2 Sch.1, pages 3-4

Preamble:

We would like to understand better how the researched programs work for their applicability to the Ontario context.

Question:

Within the research performed, what has EGI learned about programs to reach apartment owners who may or may not run their own sustainability programs?

- a) Please explain the findings from the research.
- b) With or without the findings, how does EGI view the opportunity to do outreach to apartment owners interested in sustainability?
- c) Are these considerations part of the expected EGI program? Please explain fully.

Response

- a) As described in Exhibit B, Tab 2, Schedule 1, pages 4-9, Enbridge Gas's Voluntary RNG Program was designed with a residential focus, as was the supporting market research conducted in December 2018. The market research specifically targeted residential Enbridge Gas customers fully or jointly responsible for decisions associated with their natural gas service. Owners of multi-family complexes were not in scope for the research.
- b) Enbridge has not investigated this specific opportunity. As noted on page 5 of Exhibit B, Tab 2, Schedule 1 "working with a gas marketer, RNG producer, or other third party, commercial and industrial customers can arrange for the purchase of RNG commodity or RNG-based offsets under a variety of commercial arrangements."

- c) Existing access to RNG among commercial customers was a key consideration in the decision to initially focus the program on residential customers.

ENBRIDGE GAS INC.

Answer to Interrogatory from
GFL Environmental Inc. ("GFL")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 2, paras 3-4
Exhibit B, Tab 2, Schedule 1, para 12

Preamble:

Enbridge Gas acknowledges that RNG suppliers would prefer that it enter into long-term (i.e., multi-year) RNG supply commitments which support investment in RNG production facilities. However, Enbridge Gas says that it is not prepared to enter into such long-term commitments at this time without having a mechanism in place that would ensure the recovery of the associated RNG costs in rates years into the future.

Question:

- a) Does Enbridge Gas believe that Board approval of the Program would enable it to begin entering into long-term (i.e., multi-year) RNG supply commitments?

If so, please provide the proposed timeline for initiating long-term RNG supply commitments, given an early 2021 start to the Program.

If not, please provide a detailed description of the other criteria that Enbridge Gas considers necessary in order to initiate long-term RNG supply commitments.

- b) What does Enbridge Gas envisage in terms of the duration of offtake agreements with RNG suppliers once a mechanism is in place to ensure the recovery of RNG costs?

Response

- a) Enbridge Gas does not believe that Board approval of the Program would enable it to begin entering into long-term RNG supply commitments. Enbridge Gas would require assurance of cost-recovery for the incremental cost of RNG relative to traditional natural gas in rates years into the future in order to commit to longer term RNG purchase agreements. Please see Exhibit I.VECC.8.
- b) Further evaluation of long-term commitments would be required once Enbridge Gas had assurance of cost-recovery.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Industrial Gas Users Association ("IGUA")

Interrogatory

Reference & Preamble:

- (a) *ExA/T2/S1/p1, paragraph 3 ; ExB/T1/S1/p2, paragraph 6.* EGI's Application refers to the *Made-in-Ontario Environment Plan* as requiring natural gas utilities to implement a voluntary RNG option for customers.
- (b) *Made-in-Ontario Environment Plan*, page 33, 4th bullet. The Ontario government's *Made-in-Ontario Environment Plan* includes as an "Action";

Require natural gas utilities to implement a voluntary renewable natural gas option for customers.

Question:

- a) Has EGI received any correspondence or other documentation from the Ontario government requiring EGI to implement a voluntary renewable natural gas option for customers, other than the *Made-in-Ontario Environment Plan*?
- b) If so, please file copies of any such correspondence or other documentation.

Response

- a) No.
- b) Not applicable.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Industrial Gas Users Association ("IGUA")

Interrogatory

Reference & Preamble:

- a) *ExA/T2/S1/paragraph 9.* The evidence addresses the recovery of direct costs for RNG, which are to be funded entirely by Voluntary RNG Program participants.
- b) *ExB/T2/S3.* The evidence discusses EGI's marketing and communications activities in relation to the Voluntary RNG Program.
- c) *ExB/T2/S4.* The evidence addresses additional Voluntary RNG Program costs.

Question:

- a) Please confirm that non-commodity program costs (capital and operating) for the Voluntary RNG Program will be expensed against EGI earnings during its current incentive rate plan period and will thus have the effect of reducing earnings otherwise available for earnings sharing (and, in this respect, will be recovered from all of EGI's customers).
- b) In October 2018, Enbridge Gas Distribution received approval [EB-2017-0319] for a rate regulated RNG injection service, and associated rate (Rate 401). In respect of the RNG to be procured under the voluntary RNG program, who will pay for the injection of the RNG supplied to customers?

Response

- a) Please see Exhibit I.LPMA.10 a).
- b) RNG producers injecting RNG into the Company's gas distribution system will be paying the charges applicable to them for services provided to them under Rate 401 or Rate M13.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Industrial Gas Users Association ("IGUA")

Interrogatory

Reference & Preamble:

ExB/T2/S2/p1, paragraph 1. The evidence indicates some risk of net customer attrition from the voluntary program.

Question:

Please explain how the commodity cost of any RNG procured for customers leaving the program will be recovered in the event that customers joining the program in the relevant procurement period do not fully offset customers leaving the program in the applicable period.

Response

Please see Exhibit I.STAFF.6 4).

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit A, Tab 2, Schedule 1, page 3, paragraph 9

Question:

The evidence states that the incremental cost of RNG above the traditional gas supply will be funded entirely by voluntary RNG program participants, with no direct costs for RNG procured assigned to non-participants. (underlining added)

- a) What in-direct costs will assigned to:
 - i. non-participants;
 - ii. participants;
 - iii. non-general service customers;
 - iv. general service system gas customers;
 - v. general service direct purchase customers, and
 - vi. any other relevant category of customers.
- b) How will the benefits associated with RNG, being the reduced federal carbon charges, be allocated to the different types of customers noted above?
- c) Please provide a table that shows whether the various customer groups will be allocated costs, benefits, both or neither for each of the categories shown in part (a) above or any other such grouping as EGI feels is more appropriate.

Response

- a) Please see Exhibit I.LMPA.10 a).
- b) Please see Exhibit I.STAFF.14. Based on the referenced approach, these costs will be allocated to the Company's rate classes in the same manner as Federal Carbon Charge costs.

c) Please see Exhibit I.LMPA.10 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, page 4, paragraph 10

Question:

In paragraph 10, EGI states that it would be required to procure RNG as part of the Company's supply portfolio. Does this RNG have to be produced in Ontario, or could EGI purchase RNG purchased elsewhere in Canada or the United States and still satisfy the Clean Fuel Standard?

Response

As per Section 5.2, of the Clean Fuel Standard ("CFS") Proposed Regulatory Approach, "Credits will be created under the Clean Fuel Standard for low-carbon-intensity fuels produced and imported in Canada".¹ In accordance with this statement, Enbridge Gas understands that the Company will be able to procure RNG that has been produced within Ontario, Canada, the United States and potentially from other countries to meet proposed CFS compliance obligations.

¹ Environment and Climate Change Canada, Clean Fuel Standard Proposed Regulatory Approach, June 2019

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, page 4, paragraph 8

Question:

As noted in paragraph 8, the Federal Carbon Charge is imposed on distributors, importers and producers under Part 1 of the GGPPA. Who pays the carbon charge on natural gas produced in Ontario that is:

- a) sold to EGI:
- b) sold to other local distributors in Ontario; and
- c) sold to entities other than EGI and other local distributors in Ontario?

Response

In accordance with Part 1 of the Greenhouse Gas Pollution Pricing Act ("GGPPA"), all producers, importers and distributors of natural gas are required to register with CRA as "Registered Distributors", and the sale of natural gas from one Registered Distributor to another Registered Distributor would be done on a charge-free basis. The carbon charge is only paid to the Canadian Revenue Agency ("CRA") by the distributor who physically delivers the natural gas to end users. The carbon charge in the scenarios provided would be payable to CRA by the following parties:

- a) Enbridge Gas
- b) The other local distributor
- c) The producer, unless the entity buying the natural gas holds a CRA exemption certificate.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, page 5, paragraph 13

Question:

In paragraph 13, EGI states that the program would apply to its general service customers.

- a) Please explain why contract customers will not be included in the program.
- b) Will contract customers benefit from the program through lower federal carbon charges?
- c) Does the program apply to all general service customers, including both system gas customers and direct purchase customers?

Response

- a) As noted in Exhibit B, Tab 2, Schedule 1, Page 4, "the Program has been designed with a residential focus and will be marketed as such. Enbridge Gas expects that the small contribution amount of \$2 per month will naturally appeal most to residential customers, in addition to some small commercial customers." The target market identified for the Program does not include contract customers given the small contribution amount of \$2 per month is unlikely to appeal to them.

Further, Exhibit B, Tab 2, Schedule 1, page 5 states that "To the degree large commercial and industrial customers are interested in purchasing RNG, Enbridge Gas submits that this opportunity exists in the market today. Specifically, working with a gas marketer, RNG producer, or other third party, commercial and industrial customers can arrange for the purchase of RNG commodity or RNG-based offsets under a variety of commercial arrangements. Enbridge Gas can facilitate the delivery

of all or a portion of such customer's RNG gas supply through currently available direct purchase and gas transportation options."

- b) The variance tracked through the Federal Carbon Charge – Customer Variance Accounts ("FCCCVA") will be disbursed to all customers subject to the Federal Carbon Charge, which will include contract customers.
- c) As noted on page 4 of Exhibit B, Tab 2, Schedule 1 the Program "will be open to any system gas general service customer across all rate zones..." Please also see Exhibit I.LMPA.11.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 1, paragraph 3

Question:

Point iii) in paragraph 3 states that the program will no increase the rates or costs of non-participating customers.

- a) Please confirm that this statement is meant in the context of both the current incentive regulatory mechanisms used by EGI and in the expected cost of service rebasing application to be filed for 2024 rates by EGI. If this cannot be confirmed, please explain fully.
- b) Please confirm that no increase in rates means that EGI will have no capital investments in or associated with RNG facilities and will not incur any RNG related operating expenses. If this cannot be confirmed, please explain fully.
- c) Will the new \$2 per month charge for those general service customers that join the program on a voluntary basis require changes to billing systems? If no, please explain why not. If yes, what are the projected costs of these changes and explain fully who will pay for these costs. For example, will the incremental costs associated with changes to the billing system be covered by the revenue generated through the voluntary \$2 per month charge?
- d) Please confirm that the program is a voluntary opt in program and not a voluntary opt out program.

Response

- a) Please see Exhibit I.LPMA.10 a) and Exhibit I.STAFF.12 1).

- b) Please see Exhibit I.LPMA.10 a). Please also see program costs provided in Exhibit C, Tab 2, Schedule 2.
- c) Yes. Please see Exhibit I.EP.12 regarding changes to Enbridge Gas's billing system and Exhibit I.LPMA.10 a) regarding the recovery of program costs.
- d) Confirmed.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 2, paragraph 4

Question:

- a) Will the incremental cost of gas associated with RNG relative to traditional natural gas be based on forecasted costs at a point in time and then trued up on a monthly basis to reflect the actual difference between RNG and traditional natural gas, similar to the true up in the PGVA? Please explain fully.
- b) Will EGI be using a request for proposal mechanism to purchase the RNG?
- c) Will Ontario produced RNG be given priority over RNG produced elsewhere even if the Ontario produced RNG has a higher price? Please explain fully.
- d) With respect to the incremental cost of gas associated with RNG relative to traditional natural gas, how is the traditional natural gas price calculated? For example, is it the average natural gas price for a month, season, year, or is it the lowest priced natural gas included in the supply portfolio or some other price? Please explain fully and provide an example of the calculation.
- e) Will the traditional natural gas that is displaced by the RNG be the most expensive natural gas on a landed basis? If not, please explain fully what natural gas will be displaced and why.

Response

- a) Please see Exhibit I.STAFF.7.
- b) Enbridge Gas will procure RNG in accordance with its "Gas Supply Procurement Policies and Practices", which can be found at Exhibit I.Anwaatin.3 Attachment 1. At

this time, Enbridge Gas expects that it will primarily use request for proposals (RFPs) to acquire RNG supply.

- c) No, Ontario produced RNG will not be given priority over RNG produced elsewhere if the Ontario produced RNG has a higher price. Please also see Exhibit I.CBA.4 c).
- d) Please see Exhibit I.STAFF.7.
- e) Please see Exhibit I.STAFF.7.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 2, paragraphs 6&7

Question:

How will the marketing, administration and communication costs related to RNG be funded, given that they will not be included in the rates of customers?

Response

Please see Exhibit I.LPMA.10 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 3, paragraph 11, Corrected

Question:

Please explain why any reduction in the federal carbon charge will be tracked in the existing federal carbon charge pricing program customer-related variance accounts and not also in the facility-related variance accounts.

Response

Any reduction in the Federal Carbon Charge will be tracked in the existing Federal Carbon Pricing Program customer-related variance accounts because all volumes of RNG procured will be for end-customer use and not for use in Enbridge Gas facilities. Please see Exhibit I.STAFF.14.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 4, paragraph 13

Question:

The evidence states that measures will be included that do not result in increased gas supply costs for non-participating customers.

Will there be any increase in distribution related costs for either participating or non-participating customers under the current incentive regulation mechanism or the a cost of service re-basing application?

Response

Please see Exhibit I.LPMA.10 a) with respect to costs during the deferred rebasing period and Exhibit I.STAFF.12 1) with respect to costs upon rebasing.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4, page 1, paragraph 4

Question:

The evidence states that the company will manage the operating costs within its existing budgets until rebasing in 2024.

- a) Do these operating costs include capital related costs such as depreciation, interest expense, return on equity and income taxes? If not, how are the capital related costs proposed to be managed?
- b) What is the EGI proposal with respect to the capital and operating costs in the 2024 rebasing application?
- c) How does EGI propose to treat the costs (both operating and capital related) in the period through 2023 with respect to the earnings sharing calculation to ensure that there is no impact on any earnings sharing for customers?
- d) What capital expenditures are included in the initial capital cost of \$600,000 shown Exhibit C, Tab 2, Schedule 2?
- e) Please explain why EGI has determined that a 10% depreciation rate is applicable.

Response

- a) As noted on page 1 of Exhibit B, Tab 2, Schedule 4, "Forecast costs include marketing costs, billing processing costs, customer contact center costs, legal costs and the revenue requirement associated with capital costs required for upgrades to internal systems." The Company goes on to note that managing these costs within existing revenues "will allow Enbridge Gas to dedicate all RNG Contributions

collected during the deferred rebasing term toward the procurement of RNG, rather than the recovery of the Company's costs." For clarity, in stating "operating costs" in pre-filed evidence Enbridge Gas is referring to the cost to operate the program (inclusive of the revenue requirement associated with capital investment as noted), as opposed to a reference to O&M expenses.

As noted, over the deferred rebasing term, all revenues collected through the \$2 monthly charge will be directed toward the incremental cost of RNG; all other costs will be funded through Enbridge Gas's existing revenues. Given that Enbridge Gas is operating under a Price Cap Incentive Regulation model, non-participants will not see rate increases as a result of funding these costs through existing revenues throughout the Company's deferred rebasing term. Enbridge Gas will include operating costs of the program as part of utility results (i.e. within utility rate base and O&M) for the purpose of calculating earnings sharing (ESM) for each year within the deferred rebasing period.

The Company believes this approach benefits Program participants and protects all ratepayers. It ensures no rate increases for non-participants and maximizes the amount of RNG that can be purchased using Program revenues.

The inclusion of Program costs within ESM calculations is consistent with the fact that those calculations capture all utility results that are not subject to a separate cost-sharing approach. In any event, the costs in question are immaterial relative to Enbridge Gas's annual revenues during the deferred rebasing term and the costs that will be used to assess any earnings sharing. Under the circumstances the Company submits that a standalone accounting of the small amounts associated with the Program would not yield benefits commensurate with the costs to do so.

- b) Please see Exhibit I.Staff.12 1.
- c) Please see a).
- d) Please see Exhibit I.EP.12 a).
- e) The referenced capital costs are associated with changes to Enbridge Gas's CIS SAP system . The 10%, or 10 year, depreciation rate utilized for this project is consistent with the depreciation rate applicable to the original CIS asset.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4, page 2, paragraph 6, Corrected

Question:

Please explain why only general service system gas customers have the option to pay the voluntary \$2 per month fixed charge and not also general service direct purchase customers.

Response

The RNG funded by the Program will be included within the Company's system supply gas portfolio, subject to measures ensuring that such inclusion does not increase the gas supply costs of non-participants. Direct purchase customers do not pay for or receive gas from this portfolio, and thus are not included in the Program.

Please see Exhibit B, Tab 2, Schedule 1, paragraphs 15 – 17 for discussion of how Direct Purchase customers (especially larger customers) could pursue the inclusion of RNG within their gas supply using existing direct purchase and transportation services.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

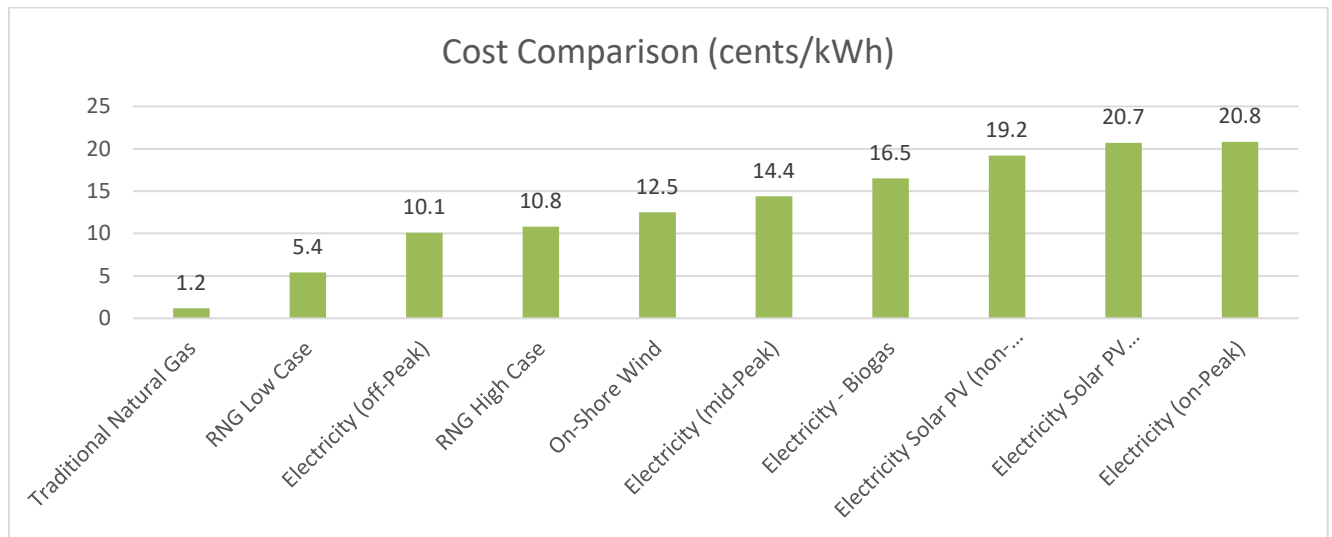
Reference:

Exhibit C, Tab 1, Schedule 1

Question:

Please add a bar to the chart for the cost of traditional natural gas.

Response



1

¹ Source for Natural Gas Price: S&P Global Platts, ©2020 by S&P Global Inc.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 2

Question:

- a) Will EGI provide all stakeholders with an annual report that shows the actual costs incurred in each year of the program in a level of detail similar to that shown in Schedule 2? If not, why not?
- b) What are the interest rates and return on equity used in Schedule 2?
- c) How will the total revenue requirement be allocated between the EGD, Union North and Union South rate zones?
- d) Which rate classes will be allocated these costs upon rebasing?
- e) Has EGI used the Accelerated Investment Incentive (AII) program from Bill C-97 in the calculation of the capital cost allowance? If not why not and please provide an updated Schedule 2 that includes the accelerated capital cost allowance.

Response

- a) Please see Exhibit B, Tab 2, Schedule 1, paragraph 9, Exhibit I.Anwaatin.9, and Exhibit I.VECC.1.
- b) Legacy EGD's 2018 approved capital structure was used for the Revenue Requirement Calculation which consists of:

	<u>Weighting</u>	<u>Rate</u>
LT Debt	61.84%	4.70%
ST Debt	0.56%	1.60%
Pref Shares	1.60%	2.72%
Common Equity	36.00%	9.00%

- c) Please see Exhibit I.LPMA.10 a). Costs incurred during the deferred rebasing term will be managed within existing revenues, and will not affect rates during under Enbridge Gas's Price Cap Incentive Regulation rate-setting mechanism.
- d) Please see Exhibit I.STAFF.12 1).
- e) Yes, the Accelerated Investment Incentive program was used in the calculation of CCA used in the Revenue Requirement Calculation.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 2

Question:

- a) Please explain why none of the costs shown in the table are not considered system gas purchase administration costs. In particular, please explain why costs related to program administration, program marketing and legal should not be considered gas supply purchase costs.
- b) For each of the operating costs shown in the table, please explain why these costs are different from those similar costs incurred in the purchase of traditional system gas, such activities such as contracting, legal, credit checks, administration, etc.

Response

- a) The Company does not consider the costs shown in the table to be part of its normal system gas purchase administration costs as they relate to the cost of managing the Program, as opposed to the costs of actually procuring RNG.
- b) None of the program costs listed in Exhibit C, Tab 2, Schedule 2 are incurred in the process of procuring traditional natural gas. As noted in a) above, Program administration costs do not relate to the act of procuring natural gas. Similarly, the procurement of natural gas does not require marketing. As noted the Company is managing the costs of the program within existing revenues during the deferred rebasing term.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 3, Corrected

Question:

For each year shown in the table, please add lines that shown the RNG volumes as percentages of:

- i) total gas throughput;
- ii) total gas purchases;
- iii) total general service gas consumption; and
- iv) total general service system gas consumption.

Response

Please see table below.

TABLE 1

	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>	<u>YEAR 6</u>	<u>YEAR 7</u>	<u>YEAR 8</u>	<u>YEAR 9</u>	<u>YEAR 10</u>
Funds Collected	\$386,090	\$548,264	\$590,438	\$632,613	\$674,787	\$716,961	\$759,135	\$801,309	\$843,483	\$885,658
RNG Volumes (GJ)	22,711	32,251	34,732	37,213	39,693	42,174	44,655	47,136	49,617	52,098
RNG Volumes (m³)	609,863	866,032	932,649	999,267	1,065,885	1,132,503	1,199,121	1,265,739	1,332,356	1,398,974
RNG Volume as a Percentage of Total EGI Demand¹	0.003%	0.004%	0.005%	0.005%	0.005%	0.006%	0.006%	0.006%	0.007%	0.007%
RNG Volume as a Percentage of Total EGI Purchases²	0.004%	0.006%	0.007%	0.007%	0.008%	0.008%	0.009%	0.009%	0.010%	0.010%
RNG Volume as a Percentage of General Service Demand³	0.004%	0.005%	0.006%	0.006%	0.007%	0.007%	0.007%	0.008%	0.008%	0.009%
RNG Volume as a Percentage of General Service⁴ System Demand	0.005%	0.007%	0.007%	0.008%	0.008%	0.009%	0.009%	0.010%	0.010%	0.011%

¹ As per EB-2020-0135

² Ibid.

³ Ibid.

⁴ Ibid.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association ("LPMA")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 2 & Exhibit C, Tab 2, Schedule 3, Corrected

Question:

The total revenue requirement shown in Schedule 2 for the 10 year period is about \$2.7 million and the funds collected over the same period shown in Schedule 3, Corrected are about \$6.8 million. This means that the revenue requirement of the proposal is about 40% of the funds collected.

- a) Assuming that the incremental revenue requirement shown in Schedule 2 was to be funded through the \$2 per month voluntary payment, please provide a revised Schedule 3 that shows the funds collected, the revenue requirement, the resulting funds collected to be use for RNG purchases, and the RNG volumes that could be purchased with these remaining funds (in both GJ and m³).
- b) Assuming that the \$2 per month voluntary payment was only used to purchase RNG, as shown in Schedule 3, but that the incremental revenue requirement shown in Schedule 2 was to be recovered from the voluntary participants through a monthly charge that was in excess of the \$2 per month, please provide an estimate of the monthly fixed charge from voluntary participants that would be required to dedicate \$2 per month to the purchase of RNG and cover the incremental revenue requirement shown in Schedule 2.
- c) Under the assumption in part (b), please provide an updated forecast of the participants as shown in Exhibit C, Tab 2, Schedule 1, if EGI believes that participants forecast would be materially affected by the monthly fixed charge calculated in part (b) above.

Response

- a) Please see table below:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Collected Funds	\$386,090	\$548,264	\$590,438	\$632,613	\$674,787	\$716,961	\$759,135	\$801,309	\$843,483	\$885,658
Program Costs	\$259,106	\$340,881	\$263,978	\$262,531	\$261,144	\$259,817	\$258,552	\$257,351	\$256,214	\$255,143
Net Funds for RNG Purchases	\$126,984	\$207,383	\$326,460	\$370,081	\$413,643	\$457,144	\$500,583	\$543,958	\$587,269	\$630,514
RNG Volumes (GJs)	7,470	12,199	19,204	21,769	24,332	26,891	29,446	31,998	34,545	37,089
RNG Volumes (m3)	200,583	327,580	515,672	584,576	653,386	722,099	790,715	859,230	927,644	995,953

b) Please see table below:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Participant Forecast	16,000	23,000	25,000	26,000	28,000	30,000	32,000	33,000	35,000	37,000
Program Costs	\$259,106	\$340,881	\$263,978	\$262,531	\$261,144	\$259,817	\$258,552	\$257,351	\$256,214	\$255,143
Incremental Monthly Charge Per Customer¹	\$16.19	\$14.82	\$10.56	\$10.10	\$9.33	\$8.66	\$8.08	\$7.80	\$7.32	\$6.90

c) Please see table below:

¹ This cost is in addition to the proposed \$2 per month per customer

<u>PROGRAM YEAR</u>	<u>NUMBER OF PARTICIPANTS</u>
Year 1	6,000
Year 2	8,000
Year 3	10,000
Year 4	11,500
Year 5	13,000
Year 6	15,000
Year 7	17,000
Year 8	18,500
Year 9	20,000
Year 10	22,000

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

Please describe what components required for delivery of the proposed RNG program are inside the regulated utility and what components are unregulated (whether it is Enbridge or another party such as an RNG provider).

Response

All components required for the delivery of the Program are inside the regulated utility, with the exception of RNG suppliers. In the event Enbridge Gas was providing Rate 400 RNG Upgrading Services to an RNG supplier whose RNG was procured under the Program those Upgrading Services would be provided on an unregulated basis.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

- a) If a consumer (e.g. City of Ottawa) wanted to use RNG locally without requiring it to be injected into the rate-regulated pipeline system, would that fall inside or outside the proposed program? Please explain.
- b) If RNG was developed and transported or used without the use of any regulated assets (i.e. a dedicated line instead of injecting into the gas distribution system), are OEB approvals required? If yes, please explain what approvals would be required.
- c) The proposed program relates to RNG that Enbridge purchases and transports. If a customer wanted Enbridge just to transport RNG that they purchase directly, please explain how that would work and what OEB approvals (if any) Enbridge would need for that purpose.

Response

- a) The Program contemplates Enbridge Gas procuring RNG for inclusion in system gas. Using RNG locally at the production site would fall outside of the Program.
- b) Enbridge Gas declines to answer this interrogatory, which is not relevant to the Board's review of the Program.
- c) As noted on page 5 of Exhibit B, Tab 2, Schedule 1 Enbridge Gas can facilitate such arrangements through existing direct purchase and transportation services. Please also see Exhibit I.Summitt.4.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

Please explain the difference in emissions and costs for a customer if they fund a unit (cubic meter or GJ) of RNG under the proposed program vs. purchasing a unit (cubic meter or GJ) of regular natural gas plus enough emission offset credits to make their emissions equal.

Response

There are currently no offset credit project GHG quantification protocols that have been approved for use by the Ontario or federal government that would allow for natural gas customers to avoid the Federal Carbon Charge incurred through their use of natural gas under the Greenhouse Gas Pollution Pricing Act. Since government regulated offset credits are not available in Ontario, a price cannot be provided.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

- a) Please explain the difference in lifetime emissions (i.e. CO₂e emissions to extract, clean and put into the transmission or distribution system) for a typical unit (cubic meter or GJ) of RNG compared to that of a unit (cubic meter or GJ) of natural gas.
- b) Please provide a table showing the % RNG in the Enbridge Ontario distribution system for program year 1 through 10 (based on Enbridge's current program forecast).

Response

- a) Lifecycle emissions can be calculated through the use of a lifecycle assessment ("LCA") model and are expressed in grams per megajoule (g/MJ) and referred to as a fuel's carbon intensity ("CI"). Various LCA models have been developed and adopted in different jurisdictions for use in renewable fuel regulations, and the value for natural gas and RNG vary from model to model.

Environment and Climate Change Canada ("ECCC") is in the process of developing an LCA model for use within the Clean Fuel Standard ("CFS"). Preliminary values for the CI of natural gas combusted for heating have been estimated as 62 g/MJ.¹

The carbon intensity of RNG is highly dependent on energy inputs, and feedstocks and processes used to produce the RNG, and as such it is not possible to provide a single average or typical carbon intensity.

Carbon intensity values have yet to be estimated for RNG using the CFS LCA model, however Enbridge Gas is aware that over 50 RNG producers are reporting

¹ This preliminary value was taken from the report submitted by the consultant Earthshift Global to ECCC in 2019, and it is intended to apply to natural gas across Canada.

into the California Low-Carbon Fuel Standard Program, with carbon intensities ranging from 80.27 to -257.78 g/MJ.

b) Please see Exhibit I.LPMA.15.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

Please describe (or provide) what documentation a customer will receive to document their emissions reduction by using RNG instead of natural gas.

Response

Enbridge Gas will report on overall Program results and associated GHG reductions and all participants will have access to this information. Enbridge will leverage existing communication channels to communicate with participants and provide them with updates, which may include bill messages, email notifications, website announcements, or social media posts, among others.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

- a) Please explain if Enbridge has coordinated with municipalities or other potential customers in Ontario to calculate the amount of interest in purchasing RNG.
- b) If analysis from part (a) was conducted, how does that compare to potential supply of RNG under the program?

Response

- a) Enbridge has not coordinated with a specific municipality or specific customers in Ontario to calculate the amount of interest in purchasing RNG. Please see Exhibit C, Tab 3, Schedule 2 for an overview of the market research conducted to inform interest in purchasing RNG and program design.
- b) Not applicable.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Reference:

Enbridge Guiding Principle 3 – "The Program will not require legislative changes or government funding;"

Question:

- a) Please confirm that Enbridge would apply government funding (from any level of government) if it was provided to accelerate RNG development and use.
- b) Please confirm that if government funding was provided for RNG it would be specifically used to reduce the costs to customers using RNG.

Response

- a) Confirmed.
- b) If government funding was provided in support of furthering the use of RNG Enbridge Gas would apply such funds as required by the statutory requirements, government program terms and conditions or other government requirements associated with such funding.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Reference:

Enbridge Gas's research shows that \$2 per month is a 'sweet spot' for customers who are willing to pay a premium to participate in a Voluntary RNG Program

Question:

Please provide a copy of the research report referenced.

Response

Please see Exhibit C, Tab 4, Schedule 1, which was erroneously filed with the header Exhibit C, Tab 2, Schedule 1.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

- a) Please confirm if the \$2 per month fixed charge is applicable to all customer classes.
- b) Companies often like to highlight their support for environmental and sustainable actions as part of their shareholder reporting and/or Sustainability Report. Would Enbridge be willing to assess an option to charge more (e.g. market-based value assessment) for those types of customers? If not, please explain.
- c) Given that there is only a monthly fixed charge to participate in the program, could a consumer (e.g. company) that is not an Enbridge customer participate in this program?
- d) Can another utility or company partner with Enbridge to offer this to its customers on a private label basis (e.g. Epcor, municipalities, etc.)?
- e) Given Enbridge's expertise and economies of scale for RNG programs, could Enbridge develop a larger scale program for large commercial and industrial customers or is this the only offering planned?

Response

- a) Confirmed, with respect to participating system gas customers in the rate classes listed as eligible for the program in Exhibit B, Tab 2, Schedule 1, page 4 (i.e. Rate 1, Rate 6, Rate 01, Rate 10, Rate M1 and Rate M2).
- b) The Program does not currently allow for such an option; as explained in evidence the Program is aimed at general service customers. However, as noted in Exhibit B, Tab 2, Schedule 1 on page 4 Enbridge Gas can facilitate the delivery of RNG to industrial and commercial customers through existing direct purchase and gas transportation options.

c) No.

d) No.

e) As Enbridge measures and tracks the Program's performance the Company will be able to assess the efficacy and appropriateness of additional offerings. These would likely require a further application and Board approval.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

- a) Has Enbridge run any cost effectiveness analysis for this program (e.g. Societal Cost Test)? If yes, please provide the results.
- b) Please explain the likely sources for RNG for this program and if there will be net benefits created.

Response

- a) No.
- b) Please see response to Exhibit I.Staff.4 part 1.

Benefits from RNG may include:

- Avoided lifecycle emissions from extracting and processing natural gas;
- Reduction in methane emissions at the project source, such as from landfill gas capture, manure management and wastewater treatment;
- Improved waste management such as improved collection of agricultural wastes and waste organics;
- Production of byproduct that may be used as an organic fertilizer; and
- Creation of jobs and economic activity.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

- a) If approved by the OEB, please confirm the frequency Enbridge will use to assess the program and make changes as part of the continuous improvement cycle.
- b) Please confirm that Enbridge will consult with relevant customers and stakeholders (e.g. municipalities with energy and emissions plans) as part of its process for program continuous improvement.
- c) Please indicate which stakeholder groups will be targeted during the marketing and promotion of this program.
- d) Please confirm which Ontario municipalities would be included in the target group for RNG supply RFP communications and RNG program updates.

Response

- a) If approved by the OEB, Enbridge Gas plans to conduct annual internal reviews of the Program to assess performance and identify potential improvements.
- b) Depending on the changes contemplated Enbridge Gas may leverage existing communication channels to consult with customers and stakeholders.
- c) As noted on page 1 of Exhibit B, Tab 2, Schedule 3, "the Program's marketing will be focused on target audiences that preliminary research suggests will be open to participating in voluntary RNG program."

Information regarding Enbridge Gas's RNG RFPs will be communicated to industry groups, interested parties and other parties relevant to RNG procurement, including municipalities where appropriate. The Company does not have a pre-determined list

of municipalities for this purpose, but would not exclude any interested municipality from participating in the RFP process.

- d) Program updates will be shared with eligible customers across municipalities within which Enbridge operates; these updates will be available through existing communication channels with stakeholders.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

- a) If the Company achieves its forecast of 22,711 GJ of RNG in the first 12 months of the Program, please show the calculation on how much savings will be achieved for customers related to the reduction in the Federal Carbon Charge.
- b) Please explain if RNG is applicable for Offset credit generation. If yes, please explain who owns the offsets if a credit is generated.

Response

- a) Please see Exhibit I.STAFF.10.
- b) There are currently no federal or Ontario government regulated offset programs. The federal government is in the process of developing an offset program, which will provide offset credits for use in the federal Output-Based Pricing System. The types of projects eligible for credit creation are currently unknown; it is not clear whether or not RNG will generate offset credits. Offset credits are typically generated by the project owner, although this may vary by jurisdiction. Enbridge Gas has no knowledge of how this will be handled under the federal offset program.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

- a) Has Enbridge done an assessment of RNG supply potential for this program? If yes, please provide a copy.
- b) Please describe what will happen if program demand exceeds RNG supply (i.e. contract) availability.
- c) Please provide details on the two RNG production facilities currently under construction in Ontario and several more in the planning stage of development.

Response

- a) Enbridge Gas has based its assessment of RNG supply potential on industry participation and publicly available information. Please also see Exhibit I.STAFF.4 1).
- b) Enbridge Gas does not anticipate program demand exceeding RNG supply availability due to the relatively low volume of RNG forecast for purchase relative to the RNG market. Further, Enbridge Gas maintains flexibility in the timing of procurement relative to delivery given that the Program makes no specific commitment with respect to when RNG will be provided; only that it will be provided using Program revenues. In the event Program demand exceeds the amount of RNG available on a short-term basis, Enbridge Gas will hold funds until such time that procurement can be increased to match accumulated revenue. Should program revenue exceed available supply on a long-term, ongoing basis Enbridge Gas will assess options to adjust the Program on a go-forward basis to balance revenue against supply.

- c) For details on the City of Toronto's Dufferin RNG facility please see the following link: <https://www.toronto.ca/services-payments/recycling-organics-garbage/solid-waste-facilities/renewable-natural-gas/>

The second RNG production facility under construction in Ontario is an expansion of an existing biogas facility near London, Ontario.

Beyond these two facilities, Enbridge Gas personnel have been involved in discussions concerning the development of thirty-five potential RNG production facilities that could be constructed in Ontario. The Company is of the view that seven to eight of these facilities will commence operations over the next five years. Enbridge Gas is also aware of one existing facility producing RNG in Ontario.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Pollution Probe ("PP")

Interrogatory

Question:

Please provide a copy of the proposed terms of program enrollment and cancellation.

Response

The proposed terms of enrollment and cancellation are outlined in the proposed changes to the Rate Handbook for the EGD rate zone and the Rate Schedules for the Union rate zones found at Exhibit C, Tab 5, Schedule 1 & Schedule 2.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. A/2/1, p. 2]

- a. Please confirm that the Voluntary RNG Program involves a payment from the customer to the Applicant, but no provision of goods or services from the Applicant to the customer, i.e.:
 - i. the customer will not actually receive RNG commensurate with their payment, and they will not benefit from any reductions in the Federal Carbon Charges, etc., as a result of their payment, and they will receive no other goods or services in return for making their payment, and
 - ii. any benefits a customer does receive will be the same as customers that do not participate in the Program.
- b. Please confirm that the Applicant has not established a registered charity to receive the payments from customers under the Program, and as a result customers (unless they are businesses) will not get tax deductions or credits for their contributions to the Program.
- c. Please explain why the Program is not being established as a charity, given that it involves voluntary donations by customers to the Applicant to benefit the community in a manner (environmental improvement) that has been held to be charitable in Canada.

Response

In terms of the Company's Voluntary RNG Proposal and the contractual relationship between the Company and customers that participate in this Program, in return for the \$2/month the participating customer will pay, the Company will purchase a quantity of RNG and deliver it as part of its gas supply portfolio as outlined in the evidence and provide any associated reporting of the Program's activities to the customer. The consideration received by the customer may or may not be equivalent to the amount

paid; the value of the consideration received is determined by each customer entering into the arrangement.

This question suggests that there is no provision of goods or services to the participating customer. This is not accurate as these customers are receiving the service of the Company purchasing the RNG and providing reporting, etc. as part of the Program, as the participant has agreed to purchase. This is the benefit they are receiving. It is true that other customers will benefit from the Program, however, that is the nature of the service the participating customer is buying.

- a) Not confirmed. Participants will contribute towards RNG purchases for the Company's overall gas supply requirements, and will reduce the carbon footprint from the Company's overall gas supply. The interrogatory is not correct in suggesting that participants will receive no good or service for their consideration (i.e. \$2/month). Customers will receive the service of Enbridge Gas purchasing RNG for inclusion within system gas supply, facilitating reduced greenhouse gas emissions (and providing reporting of benefits to participating customers) and the advancement of the RNG market. Such services are the benefit that participants are receiving for their consideration, regardless of whether other non-participating customers will also receive a benefit in the form of reduced carbon costs.
- b) Confirmed. Enbridge Gas has not established its Voluntary RNG Program as a charity.

Assuming that the Program could be constituted as a registered charity (which is not admitted), the Company is of the view that there would be a large administrative burden in setting up the Program as a charity and effectively being required to run it as a separate business.

- c) Please see b) above.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. A/2/1, p. 5] Please provide a detailed list of all indirect costs associated with the Program for each year of its intended operation, including without limitation all costs associated with management oversight, intercompany charges from parent companies, legal, accounting and regulatory costs, overheads associated with personnel involved in the Program, etc.

Response

Please see Exhibit I.CCC.1 and Exhibit I.LPMA.10 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/1/1] Please provide details of all affiliates of the Applicant that are in the business of producing RNG, or supplying services of any kind to producers of RNG, including the name of the affiliate, the nature of the business relating to RNG, and most recent financial statements of the affiliate.

Response

Enbridge has two affiliates investing in RNG facilities: Union Energy Service Inc. and 2099634 Ontario Inc. These affiliates build, own and operate RNG facilities. Enbridge Gas has not provided financial statements for these affiliates because such statements are not relevant to this proceeding and are commercially sensitive.

This Application seeks approval of a Voluntary RNG Program and not approval of any activities related to the development, construction or ownership of RNG facilities. As noted on page 1 of Exhibit B, Tab 2, Schedule 2, all RNG procurement will be carried out in accordance with Enbridge Gas's Gas Supply Procurement Policies and Practices.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/1/1] Please provide further details of the production of biogas, and describe in detail the other uses that the feedstock and other materials used in its production can be put. Please demonstrate, if true, that production of biogas is the highest and best use for that feedstock and other materials. If not demonstrated, please explain why it is in the public interest to promote greater production of biogas if there is a higher or better use for its constituent parts.

Response

According to the Canadian Biogas Association "Biogas is a renewable source of methane gas, created when organic matter breaks down in an oxygen-free environment. This biological process is referred to as Anaerobic Digestion. The main component of biogas is methane, also the key component of natural gas."¹ Biogas can be upgraded to RNG, which is carbon neutral and interchangeable with conventional natural gas supplies.

If biogas is not upgraded to RNG, in the case of larger landfill sites, it is flared to the atmosphere, used to create process heat in waste-water treatment facilities or in some cases combusted to power electricity generators. In Ontario the Independent Electricity System Operator purchases some supplies of electricity produced using biogas under the Feed In Tariff ("FIT") at prices in the range of \$0.165 to \$0.258 per kWh.² When compared on an equivalent basis, the cost of RNG compares favourably with electricity produced through the combustion of biogas (See Exhibit C, Tab 1, Schedule 1). Beyond these activities, biogas could be used as feedstock in industrial processes. The Company is not aware of where this might be taking place or what value would be ascribed to biogas used in this manner as compared to other feedstock alternatives.

¹ https://biogasassociation.ca/about_biogas

² 2017 FIT Price Review, IESO, August 31, 2016).

Enbridge Gas believes that it is in the public interest to reduce GHG emissions and sees the introduction of RNG into its gas supply portfolio as an effective means of doing so. This view is also held by the government of the Province of Ontario as noted on page 33 of the Made in Ontario Environment Plan, filed at Exhibit C, Tab 4, Schedule 2.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/1/1, p.2] Please provide the legal document or other instrument that requires the Applicant to implement the Program. Please provide evidence that the Program proposed in this Application would, if approved, comply with that requirement.

Response

The Made in Ontario Environment Plan ("MOEP") included as Exhibit C, Tab 4, Schedule 2 notes on page 33 of 54 that it will "Require natural gas utilities to implement a voluntary renewable natural gas option for customers." The Program is responsive to and aligned with this public policy document, as it would allow customers the option to voluntarily contribute towards the purchase of RNG.

Pages 7 and 8 of the Board's Framework for the Assessment of Distributor Gas Supply Plans (EB-2017-0129) list three guiding principles for gas supply planning, including that "[a distributor's] gas supply plan will be developed to ensure that it supports and is aligned with public policy where appropriate." In its 5 Year Gas Supply Plan Enbridge Gas laid out three areas in which it demonstrated appropriate support for public policy, including efforts to "increase the presence of RNG in Ontario".¹ On page 31 of the Final OEB Staff Report to the Ontario Energy Board in EB-2019-0137 OEB Staff submitted that "the [5 Year Gas Supply Plan] is responsive to public policy as per the Gas Supply Framework."

¹ EB-2019-0137, 5 Year Gas Supply Plan: Enbridge Gas Inc., page 106

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/1/1, p. 4; C/4/2, p. 23] Please provide a copy of the most current draft of the Clean Fuel Standard referred to. Please provide details of the Applicant's involvement in the development of that standard.

Response

The most recent draft of the Clean Fuel Standard ("CFS") was issued in June 2019 and can be found at the following link:

<https://www.canada.ca/en/environment-climate-change/services/managing-pollution/energy-production/fuel-regulations/clean-fuel-standard/regulatory-approach.html>

Enbridge Gas has been a participant in Environment and Climate Change Canada's ("ECCC") Technical Working Group ("TWG") since 2018. The purpose of the TWG is to allow ECCC a forum to provide design considerations to industry experts to identify any issues with ECCC's proposed approach, to provide exchange of supporting information and data, and to develop recommended solutions.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/2/1, p. 1; B/2/4] Please provide details of all direct and indirect government funding (federal, provincial, municipal, or otherwise) the Applicant expects to receive as a result of the Program, including tax deductions or credits, grants, loans (forgivable or not), or any other financial benefits, whether initially or at any time during the planned ten year life of the Program. Please confirm that no financial assistance or support for the Program from The Ontario Carbon Trust has been proposed.

Response

Apart from the Capital Cost Allowance associated with the capital cost to be incurred for enhancements to the Company's Customer Systems to facilitate the Program, as indicated on page 1 of Exhibit B, Tab 2, Schedule 4 and in Exhibit C, Tab 2, Schedule 2, Enbridge Gas does not anticipate the receipt of any direct or indirect government funding (federal, provincial, municipal, or otherwise), including any support from The Ontario Carbon Trust in support of the Program.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/2/1, p. 1] Please provide details of any intellectual property the Applicant hopes or expects to develop during the course of running the Program. Please confirm that all such intellectual property will be the property of the Applicant, but will be regulated assets held for the benefit of the customers. If not confirmed, please provide details.

Response

Enbridge Gas does not expect to develop an appreciable amount of intellectual property during the course of running the Program.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/2/1, p. 5] Please confirm that the Applicant expects to get uptake of about 0.4% of customers in the first year of the Program, rising to about 0.85% by year ten. Please explain why the planned uptake of the Program is so low, given the market research that shows broad support for this type of Program.

Response

Please see Exhibit I.EP.4 b).

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/2/1, p. 8; B/2/2] Please provide copies of all reports, analyses, memos, studies, presentations and other such documents dealing with the price of RNG in Ontario, including without limitation any such documents dealing with the impact of the Applicant's purchases of RNG on market prices. If no such documents exist, please explain why the Applicant is proposing to enter a market without having done any price analysis.

Response

Please see Exhibit I.STAFF.4 1).

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/2/1, p. 9] Please provide copies of all reports, analyses, memos, studies, presentations and other such documents dealing with competition within the RNG market in Ontario or elsewhere. If no such documents exist, please explain why the Applicant is proposing to enter a market without having done any competitive analysis.

Response

Enbridge Gas is not aware of any reports, analyses, memos, studies, presentations and other such documents dealing with competition within the RNG market in Ontario. The Company is aware of some literature focusing on the use of RNG as a transportation fuel in the United States, however, this information was not relied upon in the formulation of the Company's Voluntary RNG Program. To Enbridge Gas's knowledge a material market for RNG to be consumed by small consumers in Ontario current does not exist.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

Ex. B/2/1, p. 9] Please confirm that the Applicant is not able to carry out the Program through a competitive affiliate, because it is prohibited from doing so. If that is not the case, please explain why this is not being offered through a competitive affiliate. If that is the case, on the other hand, please advise whether, if the Board were to remove the prohibition against carrying out this Program, the Applicant would be willing to pursue it in a competitive affiliate.

Response

While it is not clear that there is a prohibition against a gas distributor's affiliate carrying on the Voluntary RNG Program, this would be administratively difficult. Given the OEB's requirements under the Affiliate Relationships Code (and specifically rules related to an affiliate that is an "energy service provider"), Gas Distribution Access Rule and Code of Conduct for Gas Marketers, there would be a large amount of administration to create a separate, licensed affiliate to offer such a modest program. Moreover, as noted in Exhibit I.STAFF.3 1 a), where a customer receives its gas supply from a gas marketer, it must receive the full gas supply from the marketer. This requirement is at odds with the Program, which contemplates that a customer continues to receive Enbridge Gas system supply while contributing \$2 each month toward overall RNG purchases.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. B/2/3, p. 2] Please provide the most current marketing plan or draft plan for the Program, and the most current marketing budget for the first 18 months of the Program.

Response

Please see Exhibit I.Anwaatin.1.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. C/2/2] Please provide details of the \$600,000 of capital expenditures. Please confirm that the Applicant is proposing that the "Total Cost of Service" in the year of rebasing, and thereafter, should be borne by customers as part of normal rates.

Response

Please see Exhibit I.EP.12 a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. C/2/3] Please add four lines to this forecast showing:

- a. The expected delivered cost per cubic meter of RNG each year;
- b. The excess of the cost per cubic meter of RNG over the expected delivered cost (including Federal Carbon Charge) of conventional system gas each year;
- c. The forecast tonnes of carbon avoided each year, and
- d. The effective cost per tonne of avoided carbon each year incurred by procuring RNG.

Response

a-b)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
a) RNG Delivered Cost (\$/m³)	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78
b) Excess cost RNG (\$/m³)	\$ 0.60	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58

c. Please see Exhibit I.STAFF.10 1).

d. The effective cost per tonne of avoided carbon is \$338/tCO_{2e} for each year.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. C/3/2, p. 3] Please confirm that the Program does not ask customers to "pay a premium for environmentally friendly products", because Enbridge is not providing any such products to customers in the Program in return for their contributions.

Response

The Program is providing an opportunity for those of its customers that wish to support the introduction of renewable content into the Company's gas supply mix to do so. Please also see Exhibit I.SEC.1.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. C/2/1] Please explain why:

- a. p. 4, 12 Enbridge is proposing a fixed charge when customers said they preferred a variable charge;
- b. p. 6 Enbridge asked about support for the Program without telling customers the high incremental cost of RNG;
- c. p. 8 Enbridge is proposing a voluntary program when customers said they preferred a mandatory program.

Response

- a. Enbridge is proposing a fixed charge to ensure a simple and efficient program design, and to avoid significant billing system changes.
- b. Enbridge informed customers of the incremental cost of RNG in other questions throughout the survey; please see Exhibit C, Tab 4, Schedule 1, pages 8-13 (erroneously filed with the header Exhibit C, Tab 2, Schedule 1).
- c. Enbridge is proposing a voluntary program because as indicated in Exhibit B, Tab 1, Schedule 1, page 3, the Made-in-Ontario Environment Plan states that the government will "require natural gas utilities to implement a voluntary renewable natural gas option for customers."

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. C/2/1, p. 10] Please confirm that the proposed \$2 per month charge in the Program will result in at least 2% of the gas used in Ontario being RNG. If not confirmed, please provide the % of gas forecast to be used in Ontario in each year from 2021-2030 that would be RNG under the current plan for the Program.

Response

Not confirmed. Please see Exhibit I.LPMA.15.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. C/4/2, p. 27] Please provide the text of all "disclosure about financial risks associated with climate change" that is currently used by the Applicant or its parent companies in financial disclosure documents.

Response

Please see below 2 excerpts disclosing financial risks associated with climate change, as found in Enbridge Inc's Form 10-K filing.

On page 11, Adapt to Energy Transition Over Time:

"As the global population grows and standards of living continue to improve around the world, more energy will be needed. At the same time, our society increasingly recognizes the impacts of energy consumption on the world's climate. Accordingly, energy systems are being reshaped as industry participants, regulators and consumers seek to balance competing objectives. As a diversified energy infrastructure company, we are well positioned to play a key role in the transition to a lower-carbon economy while working to reduce our own emissions intensity at the same time."

We believe that diversification and innovation will play a significant role in the transition to a lower carbon future. To date, we have made large investments in natural gas infrastructure and continue to see significant opportunity in renewable energy, particularly offshore wind. Furthermore, we have tested our existing assets for various energy transition scenarios and concluded that they are highly resilient and can be relied upon for stable cash flow generation well into the future."

On page 40, Item 1A. Risk Factors:

“Pipeline operations involve numerous risks that may adversely affect our business and financial results. Operation of complex pipeline systems, gathering, treating, storing and processing operations involves many risks, hazards and uncertainties. These events include adverse weather conditions, accidents, the breakdown or failure of equipment or processes, the performance of the facilities below expected levels of capacity and efficiency and catastrophic events, including those related to climate change, such as explosions, fires, earthquakes, hurricanes, floods, landslides or other similar events beyond our control. These types of catastrophic events could result in loss of human life, significant damage to property, environmental pollution and impairment of our operations, any of which could also result in substantial losses for which insurance may not be sufficient or available and for which we may bear a part or all of the cost.”

ENBRIDGE GAS INC.

Answer to Interrogatory from
The School Energy Coalition ("SEC")

Interrogatory

Question:

[Ex. C/4/2, p. 57] Please identify any officer or director of the Applicant or any affiliate that has been asked by the Ontario government to be part of the advisory panel on climate change.

Response

There are no officers or directors of the Applicant or any affiliate of the Applicant that are members of the Ontario government's advisory panel on climate change.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 2 of 9 (7)

The Program will have no minimum term for participation, allowing customers to cancel their enrollment on 30 days' notice. While the Company expects a certain percentage of participants will leave the Program each month, it is anticipated that this amount will at least be offset by new enrollments given marketing efforts and the relatively small financial commitment required for customers to join the program as new participants.

Question:

- I. Please advise how Enbridge will enter into a contract for RNG and provide full disclosure of contract terms to a customer.
- II. Please advise whether Enbridge will be providing a customer with a cooling off period after acceptance of such contract.

Response

- I. As indicated in the Company's evidence at Exhibit B, Tab 2, Schedule 1, page 6 enrollment in Enbridge Gas's Voluntary RNG Program will be available by either visiting the Company's website and enrolling online or by calling the Company's customer service call centres. During enrollment, customers will be informed of the predefined terms and conditions of the Program such as the amount of the fixed charge and the terms of cancellation. These terms and conditions are set out in the proposed changes to the Rate Handbook for the EGD rate zone and Rate Schedules for the Union rate zones found at Exhibit C, Tab 5.
- II. Given that the Enbridge Gas Voluntary RNG Program will be regulated by the Ontario Energy Board and that the Company proposes to allow customers to terminate their participation in this program at any time upon 30 days prior notice the Company is not proposing a 10-day cooling off period. As noted in Exhibit

I.Summitt.4(III), the requirements of the *Consumer Protection Act, 2009* (including a cooling off period for certain consumer contracts) do not apply to the Company's regulated offerings.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 3 of 9 (10)

Consistent with the bill presentation of the Federal Carbon Charge, Enbridge Gas intends to display customer contributions towards the Voluntary RNG Program (i.e. the \$2 charge) as a separate line item of the bill.

Question:

Please provide a sample bill displaying the proposed location of the \$2 RNG charge on a customer's bill.

Response

Please see Attachment 1 to this interrogatory response.



SMELL GAS? 1-866-763-5427

For Inquiries: 1-877-362-7434

enbridgegas.com

Make Payments to: PO Box 644 Scarborough, ON M1K 5H1
[----- LEGAL NAME HERE-----]



WHAT AM I PAYING FOR?

Billing Period Oct 20, 2017—Nov 16, 2017

Balance from Previous Bill	\$136.28
Payment Received [June 5, 2017]	\$136.28 ^{CR}
Balance Forward & Past Due	\$0.00
Charges for Natural Gas	\$71.17
Other Enbridge Charges	\$5.92
Charges from Other Companies	\$32.87
Total Amount Due	\$109.96

CHARGES FOR NATURAL GAS

Customer Charge	\$20.00
Delivery to You	\$18.60
Transportation to Enbridge	\$6.42
Gas Supply Charge	\$12.75
Cost Adjustment	\$0.11 ^{CR}
Federal Carbon Charge	\$5.32
Charges for Natural Gas	\$62.98
HST	\$8.18
Total Charges for Natural Gas	\$71.17

OTHER ENBRIDGE CHARGES

Rate Adjustment	\$3.24
Voluntary RNG Program	\$2.00
HST	\$0.68
Total Other Enbridge Charges	\$5.92



MY PAYMENT ARRANGEMENT

Nov 24, 2017	\$50.00
Dec 01, 2017	\$50.00
Dec 08, 2017	\$21.41
Total	\$121.41



WHAT DO I NEED TO KNOW?

• IMPORTANT NOTICE

GAS RATES HAVE CHANGED

Please see the enclosed notice for further details.

DRAFT

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 4 of 9 (12)

As detailed in Exhibit B, Tab 2, Schedule 2, Enbridge Gas proposes to begin RNG procurement using short-term contracts (e.g. seasonal or annual delivery contracts). RNG suppliers would prefer Enbridge Gas to enter into long-term (i.e. multi-year) RNG supply commitments which support investment in RNG production facilities. However, Enbridge Gas is not prepared to do so at this time without having a mechanism in place that would ensure the recovery of the associated RNG costs in rates years into the future.

Question:

To the extent that Enbridge has conducted a cost analysis of short term contracts for RNG procurement, please provide the average cost per m3 for Enbridge to procure RNG. The average cost should be reflective of current market prices for RNG as of the date of Enbridge's application.

Response

Enbridge Gas expects that the cost of RNG procured for the Voluntary RNG Program will be in the range of \$20 to \$30 per GJ, which the Company believes is reflective of current market prices for RNG.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 5 of 9 (17)

Should Enbridge Gas services be required to facilitate an arrangement between a customer and a third-party marketing RNG, existing business processes and systems will be relied upon. For example, a customer may purchase a portion of their gas supply as RNG from a gas marketer or RNG producer, who would in turn work within Enbridge Gas's established direct purchase framework to see that RNG is used to meet a customer's delivery obligations and consumption.

Question:

- I. Please advise whether Enbridge has conducted a detailed analysis of this alternative option. To the extent that Enbridge has conducted an analysis of this alternative option please provide those details.
- II. If Enbridge has not conducted a detailed analysis of this alternative option, please explain why such analysis has not been conducted, including but not limited to why this is not a favorable alternative to Enbridge.
- III. Please advise whether Enbridge conducted a detailed examination of the *Energy Consumer Protection Act, 2009, SO 2010, c 8* and the *Consumer Protection Act, 2002, SO 2002, c 30, Sch A*, in considering its proposal for entering into contracts with customers for voluntary RNG.

Response

- I. Enbridge Gas has undertaken process mapping and preparation to ensure this approach is feasible using existing business processes and systems. The Company is not of the view that Direct Purchase RNG arrangements are unfavorable. As noted in Exhibit B, Tab 2, Schedule 1, Page 5, "working with a gas marketer, RNG producer, or other third party, commercial and industrial customers

can arrange for the purchase of RNG commodity or RNG-based offsets under a variety of commercial arrangements. Enbridge Gas can facilitate the delivery of all or a portion of such customer's RNG gas supply through currently available direct purchase and gas transportation options". Enbridge Gas views this approach to be a viable option for customers with an interest in incorporating RNG into their supply portfolio.

II. See response to I.Summitt.4. I.

III. Neither the *Consumer Protection Act, 2009* (CPA), nor the *Energy Consumer Protection Act, 2010* (ECPA) are applicable.

Section 2(3) of the CPA states that "[t]his Act does not apply to the supply of a public utility or to any charge for the transmission, distribution or storage of gas as defined in the *Ontario Energy Board Act, 1998* if such charge has been approved by the Ontario Energy Board."

Section 27(1)(2) of O. Reg. 389/10 under the ECPA states that a gas distributor who is not required to hold a gas marketer's licence under subsection 48 (1) of the *Ontario Energy Board Act, 1998* is exempt from Part II of the ECPA (the gas marketing provisions of the ECPA).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 5 of 9 (18)

Enbridge Gas's Voluntary RNG Program will initially target a modest number of customers of approximately 16,000 in the first year, growing to 23,000 and 25,000 in the next two years (see Exhibit C, Tab 2, Schedule 1). This measured start will give the Company the opportunity to validate market demand with minimal system and process changes and will allow Enbridge Gas to refrain from initiating significant system changes until growing demand for RNG is evident and the Company is better positioned to consider long-term, fixed-price RNG supply contracts.

Question:

Please provide details as to how Enbridge will target such customers. More specifically, how does Enbridge propose to avoid potential anti-competitive behavior by using its existing customer data base to target customers that may already be served by a Gas Marketer or Open Bill Biller on a Carbon Offset Program as defined in Exhibit C Tab 3 Schedule 1 Page 2 of 4 (2(ii)).

Response

Enbridge Gas will use a variety of communication channels to inform customers of the Program and how to register for it. The Program is not a carbon offset program and as such will not compete with such programs. Please see Exhibit I.STAFF.3.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 6 of 9 (20)

Enrollment in Enbridge Gas's Voluntary RNG Program will be available by either visiting the Company's website and enrolling online or by calling the Company's customer service call centres. During enrollment, customers will agree to the predefined terms and conditions of the Program such as the amount of the fixed charge and the terms of cancellation.

Question:

- I. Please provide a detailed outline as to how Enbridge will train customer service call center staff to enter into contracts with customers.
- II. Please confirm whether the designated customer service call center staff are employees or contractors of Enbridge.
- III. Please provide a detailed outline as to how Enbridge will conduct quality assurance and audit reviews of customer service call center staff to ensure full disclosure and transparency of contract terms is being provided to customers.
- IV. Please advise how The Company will execute the contract with the customer for customers that call the Company's customer service call centres.

Response

- I. Given that the Company's Voluntary RNG Program is not scheduled to be implemented until sometime in the first half of 2021, the related customer service training materials have not yet been produced and are not currently available. Customer service personnel will be trained to explain the details of the Program and this training will be delivered to customer service representatives in the same manner as any other training delivered to these individuals by the Company.

- II. The designated customer service representatives administering the Voluntary RNG Program will be employees of Enbridge Gas and employees of contractors of Enbridge Gas.
- III. The work of all Enbridge Gas customer service representatives is monitored and evaluated on a monthly basis which includes direct coaching with supervisory personnel to ensure that correct information is being provided to the Company's customers and these customer interactions are conducted in a professional manner.
- IV. Please see Exhibit I.Summitt.1.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 8 of 9 (27)

With regards to other similar programs, Enbridge Gas has included reference to several other voluntary RNG programs offered in North America in Exhibit C, Tab 3, Schedule 1. The program offered by DTE Energy in Michigan is the most similar to Enbridge Gas's proposed Program. Enbridge Gas's Voluntary RNG Program differs somewhat from others in that it has been designed to avoid rate increases for non-participating customers. As a result, Enbridge Gas will not be in a position to enter into long-term fixed price RNG procurement agreements and will not be able to commit to a set RNG volume for specific customers or the Program as a whole. However, the Program will present an RNG option for customers that is scalable and avoids rate increases for non-participants.

Question:

Please advise whether Enbridge took into consideration both Ontario's and Michigan's retail natural gas market structure as part of its assessment in determining that the program offered by DTE Energy is most similar to Enbridge's proposal.

Response

Enbridge Gas did not undertake an investigation of the State of Michigan's retail natural gas market structure as part of this assessment. The comment made in the reference above relates to the similarities between DTE Energy's RNG program and the Program.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 8 of 9 (28)

Concerning gas marketers, at present the Company is aware of only one gas marketer offering a voluntary RNG program in Ontario. This provider's offer is different from Enbridge Gas's proposed Program in that participating customers pay for the cost of offsetting their specific traditional natural gas usage with an equivalent amount of RNG. Enbridge Gas's Program is primarily targeted at cost sensitive customers looking to support low-carbon initiatives by offering a fixed monthly charge added to their existing natural gas bill.

Question:

Please advise what detailed analysis was undertaken to determine that there was only one gas marketer offering a voluntary RNG program or equivalent in Ontario.

Response

Enbridge Gas conducted internet searches and consulted with Company personnel that administer its natural gas direct purchase arrangements regarding RNG offerings that may be available in the Ontario market. The Company also consulted with industry professionals that have knowledge of Voluntary RNG programs that are offered by other natural gas distribution utilities.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 1, Page 9 of 9 (29)

Enbridge Gas is of the view that the Program does not compete with energy marketers that may attempt to offer an RNG supply option. Rather, it is a complementary offering that would provide Ontario consumers with more choices. Gas marketers that seek to make RNG offers available in Ontario will be free to do so. Much like in the marketing of traditional natural gas, gas marketers will also have the freedom to design unique and innovative RNG products for customers that go beyond the scale, scope and format of Enbridge Gas's Program (e.g. RNG contracts providing 100% of a customer's consumption as RNG, contracts with fixed commodity prices over set terms, etc.).

Question:

- I. What factors did Enbridge consider in its determination that the proposed Program does not compete with energy marketers or suppliers using Enbridge's Open Bill service, who currently offer similar RNG products to customers.
- II. Has Enbridge considered the factors and potential conflicts that may arise with customers that Enbridge solicits who are currently receiving RNG or similar product from an energy marketer or supplier using Enbridge's Open Bill service.

Response

- I. The proposed Voluntary RNG Program does not compete with services offered through the Open Bill Program, or with potential RNG offerings from marketers, as seen from the following:
 - a. The Enbridge Gas Open Bill program does not provide billing services for gas commodity charges, RNG or otherwise.
 - b. Enbridge Gas's proposed contribution program is modest in scale, both in the number of forecast participants and the size of the contribution per customer. As noted in Exhibit B, Tab 2, Schedule 1, Page 5, "Enbridge Gas's Voluntary

RNG Program will initially target a modest number of customers of approximately 16,000 in the first year, growing to 23,000 and 25,000 in the next two years”.

- c. The Program is rigid in its design. Participants are offered a fixed contribution of \$2 a month which will be allocated to the purchase of RNG, with no predetermined commitment regarding the amount of RNG that will be purchased using their contribution. In contrast, marketers and other third-parties have the ability to design innovative solutions to meet RNG demand for customers that can go beyond the scale, scope and format of the Program.

- II. Enbridge Gas does not believe that customers are receiving RNG from marketers through the Open Bill service.

As noted in Exhibit I.LPMA.11, customers currently purchasing commodity from a gas marketer will not be eligible for the Program, as they do not contribute to or receive gas from the Company's system supply portfolio.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 2 Page 1 of 2 (3)

Enbridge Gas will procure RNG in accordance with its "Gas Supply Procurement Policies and Practices." The Company intends to procure RNG on short-term contracts from existing RNG producers or marketers in the secondary market. For example, Enbridge gas may purchase RNG for a seasonal or year-long contract, subject to the availability of RNG in the market on shorter terms. Enbridge Gas is aware of a number of RNG producers in Ontario expected to be in-service in 2020 and 2021 respectively and expects there will be volumes of RNG available in the market.

Question:

Please advise how Enbridge will address any lack of availability of RNG in order to service its customers in any given month.

Response

Please see Exhibit I.PP.13 b).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.B Tab 2 Schedule 3 Page 2 of 3 (6)

Enbridge Gas will provide participant recognition, subject to customers' consent, in order to acknowledge those who have voluntarily participated in this Program that benefits the environment. Some initiatives may include:

- i. Promotion/Incentive (e.g. gift or reward for early adopters if required, such as points for rewards cards);

Question:

Please advise how Enbridge will ensure that the offering of a gift or reward will not be construed as an inducement when soliciting customers for voluntary RNG.

Response

The Company acknowledges that offering a gift or reward could be interpreted as an inducement to have customers enroll in the Voluntary RNG Program. Enbridge Gas is not aware of any prohibition against such an inducement.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.C Tab 1 Schedule 1 Page 1 of 1

COST COMPARISON: RNG VS. OTHER RENEWABLES TABLE

Question:

Please provide sources and references used to determine cost of RNG in a per kWh rate, including average RNG prices for producers based on short term contracts.

Response

The table referenced uses a low case RNG price of \$15/GJ and a high case RNG price of \$30/GJ. These values are converted to kWh using a 0.0036 factor. Please also see Exhibit I.STAFF.4 1).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.C Tab 2 Schedule 3 Page 1 of 1

TEN YEAR PROGRAM FORECAST

Question:

Please provide the total cost per m³ per customer per year for years 1 through ten.
Please also indicate the average m³ provided to each customer annually.

Response

Please Exhibit I.SEC.15 with respect to total cost per m³ per year for years 1 through 10.

Enbridge Gas forecasts approximately 38 m³ of RNG provided to a participating customer annually.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Summitt Energy Management, Inc. ("Summitt")

Interrogatory

Reference:

EGI Ex.C Tab 3 Schedule 1 Page 3 of 4 (3)

The table below sets out details of some of the RNG programs across these three main program types that Enbridge Gas has investigated.

Question:

- I. Please confirm whether SoCalGas and SDG&E had received approval for their energy based program as at the date of Enbridge's application to the Ontario energy Board.
- II. Please advise whether the table includes all investigated RNG programs that Enbridge identified when conducting its research. If not please provide details of all investigated RNG programs.
- III. Please confirm whether Enbridge investigated every province and state in North America for similar RNG programs.
- IV. In regards to the only identified carbon offset program. In preparing its application, please advise whether Enbridge had investigated all offerings of licensed Gas Marketers in Ontario to determine whether they offer a similar carbon offset program.
- V. In regards to the only identified carbon offset program. In preparing its application, please advise whether Enbridge had investigated all offerings of suppliers using Enbridge Open Bill service in Ontario to determine whether they offer a similar carbon offset program.

Response

- I. Not confirmed, SoCalGas and SDG&E had not received approval for their energy based program as at the date of Enbridge's application to the Ontario Energy Board. However, on April 13, 2020, SoCalGas and SDG&E reached a settlement agreement with stakeholders and filed a request with the California Public Utilities Commission seeking approval for the settlement agreement.¹
- II. Confirmed. The table includes all investigated RNG programs that Enbridge identified when conducting its research.
- III. Please see Exhibit I.Summitt.9.
- IV. Please see Exhibit I.Summitt.8.
- V. Please see Exhibit I.Summitt.9.

¹ https://www.socalgas.com/sites/default/files/Joint_Motion_for_Approval_of_Settlement_4-16-20.pdf

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit A, Tab 2, Schedule 1/Exhibit B, Tab 2, Schedule 1, pg. 3

Question:

- a) Will all participants in the RNG program receive an annual report of the program?
- b) Please clarify (provide examples) of what is meant by "owned" recognition initiatives (B/T2/S3/pg2).
- c) What specifically is meant by "social recognition" of program participants?

Response

- a) All participants will have access to Enbridge Gas' reporting of program results. Enbridge will leverage existing communication channels to provide participants with program updates.
- b) Enbridge Gas would use assets owned and operated by Enbridge Gas to recognize Program participants. Owned asset examples include Enbridge Gas websites, social media accounts owned and operated by Enbridge Gas such as Twitter, LinkedIn and Facebook, and print marketing materials as required.
- c) Enbridge Gas would provide customers with tools to gain social recognition for their participation in this program. Social recognition examples include lawn signs and window decals demonstrating their commitment to the environment.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Reference: Exhibit A, Tab 2, Schedule 1, page 2

Question:

EGI defines renewable natural gas (RNG) as: *"a gaseous mixture comprised primarily of methane that is derived from processing biogas or other recovered gases that are not directly produced from fossil fuel extraction, which has been conditioned or upgraded to meet pipeline quality natural gas."* Biogas is defined as *"gaseous mixture comprised primarily of methane and carbon dioxide recovered from decomposition of biomass and that contains other constituents that restrict it from meeting pipeline quality natural gas standards"*.

- a) Is EGI aware of any other alternative definitions of RNG that might impact the available gas resources for this program?
- b) Is this definition consistent with provincial or federal laws or regulations regarding volatile gas?
- c) Please provide the source of the definitions used by EGI.

Response

- a) While Enbridge Gas is aware of alternative definitions of RNG, these alternative definitions do not differ substantively and are not likely to impact the expected availability of RNG for this program.
- b) Enbridge Gas is not aware of regulations regarding volatile gas. The distribution of natural gas in Ontario is subject to Ontario Regulation 210/01 (O.Reg. 210/01): Oil and Gas Pipeline Systems. O.Reg. 210/01 provides the following interpretation of "gas" as "means any gas or mixture of gases suitable for domestic or industrial fuel

that is conveyed to the user through a pipeline". Enbridge Gas considers the above definition of RNG as meeting the interpretation of gas under O.Reg. 210/01.

- c) The definitions of RNG and biogas noted in the question have been prepared by Enbridge Gas for consideration by Environment and Climate Change Canada for use within the development of the Clean Fuel Standard.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit

Question:

- a) What, if any gas processing investments must EGI make to accommodate RNG sourced gas?
- b) Does EGI intent to offer an RNG Upgrading Services on an unregulated basis (re: EB-2017-0319) in order to implement the proposed voluntary RNG program?

Response

- a) As noted on page 1 of Exhibit B, Tab 2, Schedule 2, "[t]he Company intends to procure RNG on short-term contracts from existing RNG producers or marketers in the secondary market." It is not expected that this approach will require any "gas processing investments".
- b) Enbridge Gas offers RNG Upgrading Services, on an unregulated basis, and RNG Injection Services, on a regulated basis, as per the Board's Decision in EB-2017-0319. These services are available to RNG producers, and are not directly linked to the Program, which is a consumer program focused on the procurement, not production, of RNG.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 1, page 4

Question:

EGL states: *"Looking forward, the federal government is developing a Clean Fuel Standard ("CFS"), which will require fossil fuel producers, importers and distributors to reduce the carbon intensity of the fuels used in Canada. The CFS is proposed to impose a compliance obligation on the natural gas sector starting January 1, 2023. One of the proposed compliance pathways available to natural gas distributors to satisfy their CFS obligation is the blending of low carbon intensity fuels with natural gas. As a result, Enbridge Gas would be required to procure RNG as part of the Company's supply portfolio."*

- a) When (or if) the above scenario occurs would it be EGL's intention to end the voluntary program and allocate any incremental cost of "blended" natural gas to all ratepayers?

Response

- a) The Company's approach to the implementation of the Clean Fuel Standard ("CFS") when (or if) it is implemented will be dependent on the final requirements of the CFS. The Company's Voluntary RNG Program may be extended, modified or terminated based on the requirements of the CFS.

Please also see Exhibit I.STAFF.9.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 2

Question:

- a) Enrollment in the RNG program is in perpetuity. Please explain why EGI did not design the program enrollment on the basis of a fixed period (e.g. 12 months) with renewal notifications.

Response

- a) Enbridge Gas has not proposed that enrollment in its Voluntary RNG Program is in perpetuity. Under the Company's proposal, customers may choose to exit the Program at any time on 30 days prior notice, providing participants more flexibility relative to a fixed period. The Company believes that adding a renewal requirement each year will impose additional administrative costs and burdens that are not required.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1

Question:

- a) Please provide a mock-up bill showing an example of the RNG charge and Federal Carbon Charge on a typical residential bill (for both Union and Enbridge rate zones).

Response

- a) Please see Exhibit I. Summitt.2 Attachment 1. The Company has taken recent steps to align the format of its bills across rate zones such that there will be no material difference in presentation.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, pages 3-4

Question:

EGI explains: *"To the extent that the RNG obtained by Enbridge Gas using Program funds reduces the Company's Federal Carbon Charge obligations, and subsequent remittance to the CRA, any variance between the Federal Carbon Charges remitted to the CRA and the amount charged to customers will be tracked in existing OEB-approved Federal Carbon Pricing Program customer-related variance accounts, and will flow to all customers subject to the Federal Carbon Charge."*

- a) Why did Enbridge not design the RNG program to provide a financial benefit to participants for any reduction in the Federal Carbon Charge arising out of the program?
- b) What impediments are there to devising such a mechanism?

Response

- a) Please see Exhibit I.STAFF.14.
- b) Please see Exhibit I.STAFF.14.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, pages 4&8

Question:

- a) Please describe the "*mechanism*" that Enbridge would need to have in place in order to procure RNG supply on a long-term basis. In this context please explain what period of time is meant for "long" and "short" term.

Response

- a) Enbridge Gas requires assurance of cost-recovery in order to enter into long-term RNG purchase arrangements. To meet the needs of the Voluntary RNG Program, Enbridge intends to enter into short-term contracts (i.e. delivery terms of one year or less).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 5

Question:

- a) Why is the RNG program not being made available to large volume industrial, large commercial and contract class customers?
- b) If a customer acquires RNG supplied gas via a marketer does Enbridge provide a credit for any Federal Carbon Charge offset credit received?

Response

- a) Please see Exhibit I.CBA.3 and Exhibit I.FRPO.5.
- b) If a customer acquires RNG supplied via a marketer, Enbridge will make the required billing adjustment necessary to reduce the Federal Carbon Charge attributable to that customer's Enbridge Gas bill provided the customer procures all of their gas supply as RNG. Direct purchase customers would be required to complete a declaration form and provide evidence that the RNG meets the definition of "biomethane" in the Greenhouse Gas Pollution Pricing Act.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 1, page 5 / Schedule 2

Question:

- a) It is unclear to us what is meant by the "*RNG Program will initially target a modest number of customers of approximately 16,000 in the first year...*" Does Enbridge intend to market the program to all or only a subset of customers? If the latter what precludes Enbridge from marketing the program to all customers?

Response

- a) Enbridge Gas will make the Program available to all system gas customers in general service rate classes. Like any new offering, the Company will seek to maximize the effectiveness of marketing expenditures by targeting audiences that preliminary research indicates would be most receptive to participation, as further described in Exhibit B, Tab 2, Schedule 3.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 2

Question:

- a) Is the intent to match the procured RNG supply to the amount of revenue generated by EGI and Union zone?

Response

- a) Enbridge Gas will procure a combined portfolio of RNG for all rate zones. Please see Exhibit I.STAFF.7.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit B, Tab 2, Schedule 4

Question:

a) Please explain how the approximate \$200,000 tax credit is calculated.

Response

a) Please see below.

Utility timing differences:	Yr 1
CCA	(600,000)
Depreciation Expense	60,000
Net Utility Timing Difference	(540,000)
 Tax Gross Up Factor [Tax Rate / (1 - Tax Rate)]	 36.05%
Income Tax Expense (Credit) on Timing Differences	(194,694)

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 2

Question:

- a) Please explain what billing system changes are necessary for this program and the estimated cost of those changes.
- b) Do both Union and Enbridge rate zones require separate billing system changes?
- c) Please explain what changes will be required to customer support.

Response

- a) Please see Exhibit I.EP.12(a).
- b) No.
- c) There will be changes to customer support processes and activities in order to assist customers in enrolling in the Program, answering inquiries relating to the Program, cancelling participation in the Program, or other similar matters.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition ("VECC")

Interrogatory

Reference:

Exhibit C

Question:

- a) If costs exceed the amount of revenues generated are the program participants or any EGI ratepayers at risk of needing to contribute monies?

Response

Please see Exhibit I.STAFF.12 2.