

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Enbridge Gas Inc., for an
order or orders for gas distribution rate changes and clearing certain
non-commodity deferral and variance accounts related to compliance
obligations under the *Greenhouse Gas Pollution Pricing Act*, S.C. 2018,
c. 12, s. 186.

Enbridge Gas

Federal Carbon Pricing Program Application

Energy Probe Interrogatories

June 1, 2020

Energy Probe Interrogatories

Federal Regulations

EP-1

Reference: EB-2018-0205, Exhibit I.EP.2

Preamble: Conversion factors for marketable natural gas. For purposes of the Act, the conversion rates for marketable natural gas when it is measured in gigajoules or litres instead of cubic meters are provided in the table below. The rates apply to a liquid (measured in litres) and a gas (measured in cubic metres) when taken at standard reference conditions, which are as follows:

- for a gas, a temperature of 15°C and an atmospheric pressure of 101.325 kilopascals (kPa), and
- for a liquid, a temperature of 15°C.

Conversion factors for marketable natural gas

Unit	Equivalent to
1.0 litre (L)	0.001 cubic metre (m ³)
1.0 gigajoule (GJ)	26.853 cubic metres (m ³)

- a) Please provide related updated *Extracts* of the Federal Greenhouse Gas Control Program Act and Regulations as pertaining to natural gas.
- b) Please confirm the conversion factors as noted above in the Preamble.
- c) Has EGI requested clarification of the Technical Parameters used by the Federal Department of Finance/CRA? If so, please provide the official definitions/units of “Volumes” for natural gas including:
 - Standard physical conditions (standard temperature and pressure, humidity etc.)
 - Heating value in GJ/10³m³
 - Any other relevant physical definitions/conversion factors used to measure/report the volumes.
- d) How do differences in heating value and humidity affect reported volumes? Please discuss.
In particular, clarify the range of heating values in EGI service franchises. Does Enbridge Gas average heating values when reporting volumes? Please clarify if this is done on a Rate Zone basis using the Rate Handbook assumed heating value, or given the differences between Rate zones, the specific average heating values over the reporting period?

Please clarify with illustrative examples.

[Conversion to GJs based on heating value adjustment of 38.53 GJ/10³m³ for the EGD rate zone]

[Conversion to GJs based on heating value adjustment of 38.98 GJ/10³m³ for the Union rate zones]

- e) Please list the 2019 average heating values at STP set out in the Rate Handbook for each rate zone, including all Union rate zones

EGI Customer Gas Consumption

Federal Carbon Charge- Customer Variance Account (“FCCCVA”) for EGD and Union Rate zones

EP-2

Reference: No Reference

- a) Please confirm the criteria/conversion factors used and corrections to calculate the actual and forecast EGI gas consumption volumes for each rate zone based on Customer Meter Readings, as applicable:
- Meter measurement for volumes - Pressure, Temperature and humidity.
 - Heat Content for unit volumes BTU/cu ft or GJ/m³;
 - Any other corrections to meter readings such as UFG.
- b) Please provide tables that show actual 2019 actual volumes delivered, by rate class and in total including lines for exemptions and Greenhouse Sector reductions.
- c) Please update the closing 2019 actual Exemption Certificate numbers and volumes. Reconcile to the variance accounts for each Rate Zone and the Totals.
- d) Please highlight and discuss any differences/corrections related to the amounts claimed in the EGI deferral accounts for 2019.

EP-3

Reference: EB-2018-0205, Exhibit I.EP.3; Exhibit B, Tab 1 Schedule 1.

- a) Please provide in tabular and Excel format, the customer volume forecasts by class and in total for 2020 F, including lines for Exemptions and the Greenhouse Sector.
- b) Please provide the forecast 2020 actual Exemption Certificate numbers and volumes. and reconcile to the 2020 Q1 variance accounts for each Rate Zone and the Totals.
- c) Please provide the 2020 rate class DSM reductions in a separate column and indicate the basis for the volumes.

- d) Show how the 2020 proposed rate rider is calculated for residential customers in each rate zone. Reconcile to Exhibit B Tab 1 Schedule 1.

Facility Gas Use and Emissions

Federal Carbon Charge – Facility Variance Account (“FCCFVA”) for the EGD and Union rate zones

EP-4

Reference: EB-2018-0205, Exhibit I.CME.1; Exhibit B, Tab 1, Schedule 4

Preamble:

$$\begin{aligned} \text{Emissions Intensity} &= \frac{\Sigma \text{ Compressor Station Emission}}{\Sigma (\text{Rated Brake Power}^n \times \text{Load}^n \times \text{Run time}^n)} \\ &= 306,679 \text{ tCO}_2\text{e} \div 495,534 \text{ MWh} = 0.620 \text{ tCO}_2\text{e/MWh} \end{aligned}$$

- a) Please provide a copy of the calculated 2019 Emissions Intensities for all of Union and EGD Compressor stations and provide explanatory notes.
- b) Please reconcile the compressor fuel volumes to that in approved transportation rates.
- c) Please provide reconciliations to the 2019 OBSP FCCFVA.

EP-5

Reference: EB-2018-0205, Exhibit I.CME.1

Preamble: In 2017, the Company established the Facility GHG Emission Reduction Program (“FGERP”). The purpose of the FGERP was to support the identification, assessment, and implementation of cost-effective emission reduction opportunities. Enbridge Gas continues to explore opportunities identified through this program, including a pilot project to implement online monitoring of Enbridge Gas’s transmission stations.

- a) Please provide the calculations for 2019 average compressor intensity.
- b) Please provide the calculations for forecast 2020 average compressor intensity.
- c) Please discuss/explain the differences and relate these to the FGERP.
- d) How much does the FGERP cost. Where are the costs recorded?

EP-6

Reference: No Reference

Preamble: Storage is an integral part of Enbridge's Gas Supply

- a) Does the GGPPA require Enbridge to report volumes into/out of storage?
- b) Indicate in detail how storage is dealt with in reporting GHG volumes.
- c) Are storage losses included in facilities use and emissions? Please clarify in context of injection and withdrawal.
- d) Please indicate how is direct purchase load balancing addressed under the GGPPA reporting?

EP-7

Reference: Exhibit B, Tab 1, Schedule 3

- a) Please provide a table that reconciles the compressor fuel volume of 16,244 10³ m³ in Schedule 3 to the compressor fuel charged in rates for the EGD Rate zone.
- b) Please include data for Rate M12/C1. List all necessary assumptions

2019 Variance Account Balances

EP-8

Reference: Exhibit C, Tables C-1

Please update Table C-1 to include the total actual 2019 costs for each rate Zone:

- Actual O&M costs to year end
- Revenue Requirement
- Interest

EP-9

Reference: Exhibit C, Table C-1, Page 6 2019 CUSTOMER-RELATED COSTS RECORDED IN THE FCCCVA and Footnote 17

Preamble: "Enbridge Gas has recorded customer-related costs incurred under the FCPP between April 1, 2019 and July 31, 2019 of \$145.70 million in the FCCCVA, including \$90.08 million for the EGD rate zone, and \$55.62 million for the Union rate zones."

Please provide the working papers for the forecast and actual volumes related to the FCCCVA.

EP-10

Reference: Exhibit C, Table C2, 2019, Facility-Related Costs Recorded in The FCCFVA and footnote 18

Preamble: Enbridge Gas has recorded a 2019 facility-related variance incurred under the FCPP of \$1.22 million in the FCCFVA, including \$0.47 million for the EGD rate zone and \$0.75 million for the Union rate zones.

Please provide the working papers supporting the facility-related volume forecast and actual, and reconcile to the volumes used for calculating rates for the 2020 Federal Carbon Charge, EGD Rate Zone Account No. 179-502 and Union Rate Zones Account No. 179-421.

EP-11

Reference: Exhibit D, Page 3

- a) Please provide the working papers supporting the 2020-21 volume forecasts. Include adjustments for DSM, Exempt OBPS and Greenhouses as separate lines.
- b) Please compare to the 2019 Volume Forecasts.
- c) Has the Board approved the 2020 volume forecast?

EP-12

Reference: No Reference

Preamble: The press has reported that the implementation of the increase in the 2020 Federal Carbon Charge may be delayed or postponed due to the COV-19 related economic situation.

- a) Please update ratepayers on this potential situation.
- b) Please indicate if Enbridge Gas has received information on deferral of the 2020 Federal Carbon Charge.
- c) If the 2020 Federal Carbon Charge is delayed or postponed, please confirm if the 2019 Federal Carbon Charge will continue to apply to 2020 GHG volumes forecast for each Rate Zone.
- d) Please provide, as necessary, updated/revised 2020 schedules for each rate zone.

EP-13

Reference: Exhibit D, Pages 13-14

Preamble: “Enbridge Gas proposes to dispose of the 2019 FCPP-related deferral and variance account balances prospectively over six-months, consistent with the standard practice of disposition for this set of customers. Enbridge Gas proposes to record any recovery variance associated with the prospective recovery of final 2019 FCPP-Related Deferral and Variance Accounts in the Deferral Clearing Variance Account (179-132), which is consistent with the recovery variance of non-commodity deferral account variances for the Union rate zones.

For all remaining customers in the EGD rate zone and Union rate zones, Enbridge Gas proposes to dispose of the 2019 FCPP-related deferral and variance account balances as a one-time adjustment disposed of in three equal instalments over a three-month period. The one-time billing adjustment will be derived for each customer individually by applying the disposition unit rates to each customer’s actual consumption volume within the April 1 to July 31, 2019 period.”

- a) Please clarify why the proposed DVA disposition methodology is not the same for general service customers in each rate zone?
- b) Please confirm the monthly bill impact for a typical residential customer in each of the Union and EGD rate zones

EP-14

Reference: Exhibit C, Page 17, *BAD DEBT*

Preamble: “Absent COVID-19 impacts, Enbridge Gas estimates that it would incur approximately \$1.84 million in incremental bad debt expenses in 2020 based on forecasted costs recoverable from customers as a result of the GGPPA, as set out in Exhibit B. While Enbridge Gas has included forecast bad debt costs in Table C-3, the actual bad debt related to the GGPPA will be recorded in the GGEADAs for each rate zone.”

- a) Please clarify if EGI can request relief from CRA, if it experiences a material increase in bad debt in 2020 due to COVID-19.
- b) Has Enbridge taken steps in this regard? Please clarify/discuss.

Respectfully submitted on behalf of Energy Probe by its consultants,

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