

REF: Ex. B, Tab 1, Schedule 1, p. 5

Preamble: *“Enbridge Gas notes that there is a difference in approach between the EGD and Union rate zones with respect to updating the project’s PI and its impact on the duration of the SES. In this application, Enbridge Gas is proposing to adopt the SES on the same basis as it has for previously approved projects in the Union rate zones (e.g., EB-2015-0179). As such, the Company is not proposing to periodically update the project’s PI for the duration of the SES term.”*

- 1) What barriers, if any, would there be to adopt the approach approved by the Board for Enbridge Gas Distribution in the Union Gas rate zone. Please explain fully.

REF: Ex. B, Tab 1, Schedule 1, p. 6

Preamble: *“In the OEB’s recent EB-2019-0188 Decision concerning the extension of gas service to the Northshore and Peninsula Roads area in the City of North Bay the Board noted that under the same proposal as that outlined above the increased profitability of a project would be captured in the Company’s base rates resulting in reduced rates for all customers.”*

- 2) Is EGI presenting the above statement as a Board finding? Please explain fully.

REF: EB-2019-0188 Decision and Order, Issued May 7, p. 19

Preamble: The Decision reads: *“Enbridge Gas indicated that the different treatments would be maintained until rate harmonization occurs. The OEB typically prefers a common approach to the treatment of PI; however, it accepts that it is appropriate to wait for the next rebasing proceeding to determine which approach should be uniformly applied. A comprehensive examination of the alternatives and impact on customers can be undertaken at that time.”*

- 3) Please explain why EGI is proposing to harmonize the approach to SES duration prior to the rebasing proceeding?

REF: Ex. B, Tab 1, Schedule 1, p. 9

Preamble: *“The RSP is proposed to function as follows: If leave of the Board is granted to construct an Expansion Project, Enbridge Gas will include the forecasted capital costs of a project in rate base as of the in-service date.”*

- 4) Under this proposal, are the forecasted capital costs contributing to the utility revenue requirement for the purposes of ratemaking if a rebasing year occurs during the RSP?
 - a) If so, how is the utility at risk for its forecast?

REF: Ex. B, Tab 1, Schedule 1, p. 14

Preamble: *“The concept of the Hourly Allocation Factor is to fairly and equitably share and allocate the costs and benefits of a Development Project that benefits multiple customers commensurate with peak hour demand. When a Development Project is proposed, it can be modelled to determine an Area of Benefit. The Area of Benefit is the geographic area that will see a noticeable increase in firm natural gas capacity as a result of the Development Project.”*

We would like to understand better how EGI is proposing to allocate the costs of the incremental capacity provided by the project to the Area of Benefit.

- 5) Is the practical effect of this approach that incremental surplus capacity costs are borne by:
 - a) small volume customers in the Area of Benefit?
 - b) only incremental, unforecasted small volume customers during the RSP?
 - c) all small volume customers of EGI after the next rebasing year at the conclusion of the RSP?Please explain fully.

REF: Ex. B, Tab 1, Schedule 1, Appendix A

- 6) For the Sarnia Expansion Project, please provide the hourly capacity figures associated with project.
 - a) Please breakdown the large volume customers individually (& anonymously) providing their winter demand load and any other significant seasonal load considered.
 - b) To the extent that there were non-coincident peaking loads, please describe how EGI provided equity between and among customers.

REF: Ex. C, Tab 2, Schedule 1, p.9

Preamble: *“The HAF process is a method of allocating incremental firm capacity to multiple customers forecasted to require additional firm service within an identified Area of Benefit that are forecast to share capacity on a Development Project. The HAF is allocated and applied as a capital cost to the individual economic analysis of customers receiving incremental capacity as they commit or contract for gas service.”*

We would like to understand better how the HAF methodology would be applied to expansion scenarios where customers of non-coincident peaks are involved.

- 7) For other projects that include seasonal peaking loads such as grain dryers, asphalt plants, etc., please provide a description of the allocation process contemplated by EGI.
 - a) Please provide a sample calculation of a hypothetical case.
 - b) Is EGI seeking approval for the described allocation approach?

REF: Ex. C, Tab 2, Schedule 1, p.11

Preamble: *“Refunds of CIAC may be requested by customers when the actual customer count on the system expansion exceeds the original forecast. For Rate 1 and Rate 6 customers, these refunds are processed at the end of five years from the date of construction.”*

We would like to understand how these refund requests are triggered. A plain reading of the first sentence seems to place the onus on the customers to identify when they think a project refund may be warranted.

- 8) Please describe how EGI will track, report and communicate system expansion information.
 - a) Please describe who will receive the reporting.
 - b) Is the onus on the customer to initiate a request for a review for the purposes of seeking a refund.
 - c) How does EGI contemplate Board involvement in the process?