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August 21, 2020

Sent by EMAIL, RESS e-filing

Ms. Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
27-2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Long:

Re: Review of Annual Update to Gas Supply Plans of EPCOR Natural Gas Limited Partnership (Aylmer and Southern Bruce franchise areas) OEB File Number: EB-2020-0106 - ENGLP Responses to Interrogatories

Pursuant to OEB letter received July 6, 2020 in the above noted proceeding, EPCOR Natural Gas Limited Partnership ("**ENGLP**") herby submits its responses to interrogatories received from OEB Staff, Anwaatin Inc. (Anwaatin), Federation of Rental-housing Providers of Ontario (FRPO), Pollution Probe and Vulnerable Energy Consumers Coalition (VECC).

Please do not hesitate to contact me if you have any questions.

Sincerely,

Tim Hesselink
Senior Manager, Regulatory Affairs
EPCOR Natural Gas Limited Partnership
(705) 445-1800 ext. 2247
THesselink@epcor.com

Staff.1 - Aylmer Area
Ref: EPCOR Natural Gas LP (ENGLP) Aylmer Gas Supply Plan (GSP), pp. 7-8 and ENGLP July 2020 QRAM Application (EB-2020-0149), Schedule 6

The GSP notes that there are two distinct agreements in place for procurement of local production. The first agreement pertains to the former Natural Resource Gas Limited (NRG) wells, located on-shore, in the ENGLP distribution system. These wells were sold by NRG's previous owner and through a series of transactions, are currently held by Lagasco Inc. (Lagasco). The second gas supply agreement is in response to the pressure problems in the south and southeast of the distribution system (Lagasco Contract).

a) In ENGLP's July 2020 QRAM application, there are two distinct local purchase options (Local Production B and C). Please explain how Local Production B and C are related to the two distinct agreements for local purchases identified in the GSP.

   Response: Local Production "B" pertains to the former NRG wells, located on-shore, in the ENGLP distribution system. Local Production "C" pertains to the second gas supply agreement (Lagasco contract) in response to the pressure problems in the south and southeast areas of the distribution system

b) Does ENGLP have two distinct agreements for gas purchases apart from the contract that expires in September 2020? If yes, please explain why ENGLP has two distinct agreement to purchase from the same company.

   Response: No, ENGLP does not have two distinct agreements apart from the contract that expires in September 2020.

c) Is there a difference in the pricing of natural gas related to the two agreements? If yes, please explain why.

   Response: Yes, the second agreement (Lagasco Contract) is contracted as Firm gas with a Contract Demand Deliver Obligation and has both Contract Demand and commodity pricing components. The first agreement (NRG) has no Firm Contract Demand obligation and pricing is based solely on commodity.

d) Does ENGLP intend to consolidate local purchases into a single gas supply agreement in the future? If yes, please provide estimated timeline.

   Response: No, ENGLP does not have any current plans to consolidate the agreements.

Staff.2 - Aylmer Area
Ref: Aylmer GSP p.9

ENGLP amended its capital plan and negotiated a gas supply agreement with Lagasco. Under the agreement, Lagasco provides 1,200 GJ per day of locally produced gas on a firm basis at its Lakeview Compressor Station. To connect to the new supply, a new regulating and metering station was required at the Lakeview site to regulate gas pressure. The current project cost estimate of $461,000 is $104,000 higher than the estimated cost included in the cost of service rate filing. ENGLP has indicated that the difference is primarily as a result of increasing the nominal pipeline size from 4 inches to 6 inches. As future demands increase and production from the connected wells continues to decline, ENGLP believes that it is important to ensure safe and reliable service to existing customers as well as to support ongoing development in the area. As a result, although a 4 inch pipeline is adequate to meet the firm contracted gas volume of 1,200 GJ per day, the 6 inch pipeline infrastructure was sized at the location to accommodate the availability of nearly twice the contracted firm volume during peak demand periods now and in the future.

a) Does Lagasco have the capability to deliver twice the contracted volumes?

   Response: The Lagasco Lakeview Compressor Station can provide additional volume beyond the firm contracted gas volume of 1,200 GJ per day, if required. Modelling of the ENGLP system suggested that nearly twice the contracted firm volume, or approximately 2300 GJ/d), could be taken at this point during peak demand periods. Hence, the required infrastructure was sized to accommodate the availability of this volume.

b) Is the firm contracted gas volume of 1,200 GJ per day being delivered every single day or is that volume available up to 1,200 GJ per day on any given day?

   Response: Lagasco is required to make 1,200 GJ per day available at EPCOR's request. EPCOR required the full volume on five occasions in the month of February and on one occasion in the month of April.

c) Is ENGLP currently using the excess capacity created by the 6 inch pipeline as opposed to the originally proposed 4 inch pipeline to serve customers? If not, when does ENGLP expect to use the excess capacity?

   Response: ENGLP is currently using capacity created by the originally proposed 4 inch pipeline which is adequate to meet the firm contracted gas volume of 1,200 GJ per day to serve customers. During the month of February 2020, there were five occasions when the supply exceeded the contract demand of 1,200 GJ/day with the max occurring on February 27th (1,388 GJ/day).

The 6 inch pipeline infrastructure was sized at the location to accommodate the availability of nearly twice the contracted firm volume during peak demand periods now and in the future. ENGLP expects the excess capacity will be required as early as winter 2021 due to increasing customer growth and the declining well supply in the South part of the system.

d) What is the total estimated cost difference between installation of a 4 inch pipeline and a 6 inch pipeline?

Response: The total estimated cost difference between installation of a 6 inch pipeline compared to a 4 inch is $74,000. This includes costs associated with materials, contractor installation and internal labor. Further, an odorant system (approximate cost $25,000) not included in the original cost of service filing and increased costs associated with the metering and regulating station contributed to a total increased cost estimate of $104,000 from the original estimate.

e) Did ENGLP conduct a discounted cash flow (DCF) analysis to determine if the capital investment in a 6 inch pipeline is prudent and will provide value to ratepayers over the long term? Please provide a detailed response including results of the DCF and the Profitability Index of the project.

Response: Response: ENGLP did not conduct a discounted cash flow (DCF) analysis. Although a 4 inch pipeline is adequate for the current firm gas requirements of 1200 GJ/d, the 6 inch pipeline infrastructure was sized at the location to accommodate the availability of nearly twice the contracted firm volume during peak demand periods now and in the future. ENGLP was informed by the Cornerstone Integrity study which indicated a further 963 GJ/day is required by 2024. The study goes on to say the ““Bayham Station, Eden Station, and North Walsingham are already on the verge of being taxed to their limit in terms of what they can supply during a peak demand period”. [1]

Given the need for incremental gas during the planning period, ENGLP management concluded that it was most prudent to expand the infrastructure at the time of construction.

f) ENGLP refers to decreasing production from connected wells. Is the proposed pipeline connecting to existing wells that are depleting or the new gas from Lake Erie?

Response: The proposed pipeline is connected to the new gas supply from Lake Erie.

[1] Filed: 2019-01-25, EB-2018-0336 ,Exhibit 2, Tab 3 Schedule 2

Staff.3 - Aylmer Area

Ref: Aylmer GSP pp. 9-13

In the GSP, ENGLP has indicated that it requires significant new gas supply in the southeast area of the distribution system. Tying incremental lake gas is the only local production capable of delivering gas in the south and southeast of the distribution system. ENGLP's chief operating risk associated with the Lake Erie gas supply is that of gas quality. In order to mitigate this risk, the Lagasco Contract provides for a gas quality clause.

a) Is the lake gas, wet or dry gas?

Response: The Lake gas is wet gas.

b) What is the estimated life of the gas wells in Lake Erie?

Response: The remaining life of the currently producing gas wells, to their economic limit, is 50 years based on the September 30, 2019 Deloitte Reserves Evaluation.

c) Does Lagasco need to drill the wells in Lake Erie or are they existing natural gas producing wells?

Response: Lagasco has existing producing natural gas wells, and does not need to drill ay wells to produce the volumes forecast in the Proved Developed Producing Reserves per the September 30 2019 Deloitte Reserves Evaluation

d) Does ENGLP know the estimated reserves of natural gas in Lake Erie and the volumes that can be extracted by Lagasco at a reasonable cost? If yes, please provide the data.

Response: Yes , on September 30, 2019 Lagasco Inc., provided a "Reserve estimation and economic valuation report" prepared by Deloitte. Per the Deloitte Reserves Evaluation, the Economic Remaining Reserves of the Central Lake Erie Wells is 17,095 MMcf, of West Central Lake Erie Wells is 4,835 MMcf, and of West Lake Erie Wells is 2,831.9, for a Total Economic Remaining Reserves volume of 24,762 (or 24.7 Bcf).

In addition, the Lagasco contract provides for an annual reserve estimate with remedies in the event of any production shortfall:

2.2 Reserves and Deliverability Assurances

*Annually, on the 30th of November, Lagasco shall provide a report (the "***Assessment***") from an independent industry-recognized third party reserves expert explicitly confirming that Lagasco has or does not have sufficient remaining reserves, and the capacity to deliver, necessary to meet the remaining requirements of this Contract and all other sales arrangements to third parties (collectively, the "Commitments"). If the Assessment indicates that the reserves and deliverability are not sufficient to meet the Commitments throughout the remaining term of this Contract, Lagasco shall provide a plan to ENGLP illustrating how Lagasco will remediate any shortfall. Failure to remediate any shortfall shall be considered a breach of this Contract and in addition to any other remedies available to ENGLP, ENGLP shall have the right to immediately reduce the Contract Demand to a level determined by ENGLP, in its sole and absolute discretion.*

Staff.4 - Aylmer Area
Ref: Aylmer GSP pp. 13-14 and 20

The Lagasco Contract is comprised of a monthly demand charge, a delivery commodity charge and a commodity charge. The GSP notes that in keeping with principles of transparency, all prices are at or below the current approved M9 rate, the rate under which Enbridge Gas provides system gas service to ENGLP. The commodity in the Lagasco Contract is priced at a 5% discount to Enbridge Gas's OEB QRAM M9 commodity rate. The M9 or Large Wholesale Service Rate service offers supply and transportation services including Commodity Supply, Seasonal Storage Services, Daily Balancing and a nomination service. ENGLP completed a two year analysis of the premium associated with the M9 service examining the M9 price versus buying gas directly at Dawn. ENGLP concluded that the utility incurs a 9% premium or approximately $375,000 annually for this service.

OEB staff also understands that ENGLP did not change the contract demand in the M9 contract for 2019-2020 despite contracting for incremental supplies under the Lagasco contract.

a) Is there a premium between buying gas directly at Dawn versus purchasing gas under the Lagasco contract? If so, please provide the estimated annual premium associated with the Lagasco Contract versus purchasing gas directly at Dawn.

Response: There is a price difference when purchasing gas under the Lagasco Contract versus directly at Dawn. However, purchasing gas at Dawn would not have alleviated certain reliability and gas supply concerns that the Lagasco Contract addressed by supplying gas to a targeted area of the distribution system.

The Lagasco Contract was entered into primarily to address reliability and security of supply concerns in the Southeast area of the Aylmer franchise. Addressing these issues in a timely and effective manner was a priority for ensuring the ongoing prudent operation of the utility. In that regard, the Lagasco contract was determined to be a viable, effective part of the solution because it results in the delivery of gas to the Southeast zone where it is needed. We note that gas purchased at Dawn cannot be physically delivered to the Southeast zone and as such, would not have addressed the noted concern.

The cost effectiveness of the Lagasco contract was considered as the utility recognized the need to select a transparent and OEB approved price point such as the Enbridge weighted average cost of gas (on which the Lagasco contract price is tied to via a discount).

Therefore, the requested price comparison ought to be considered in light of the above-noted context. As requested, the estimated annual price difference is 12 % or in per unit terms the differential is $0.117919 per m3 versus $0.103208 per m3 or $3.034 per GJ versus $2.655 per

GJ. In calculating this differential, ENGLP used 8 months of actuals and four months of estimates. [2]

b) Please provide the analysis supporting the reasonableness of the 5% discount on the commodity charge under the Lagasco contract. Please include all options assessed in determining the reasonableness of that discount.

Response: There are no transparent pricing mechanisms in the Southeast zone in order to perform a commodity analysis. The 5% discount was a negotiated rate. ENGLP's only other gas supply purchases are from Enbridge Gas and such purchases are priced at an OEB approved rate. As such, ENGLP determined that was the most appropriate and transparent comparative price point. ENGLP indicated this in rate filing EB-2018-0336 when it sought and was granted approval for ENGLPs capital plan to tie in the Lagasco production.

A discount was applied in order to incent ENGLP to purchase gas from Lagasco rather than Enbridge during times when there were no pressure constraints providing ENGLP the option between purchasing commodity from Enbridge or Lagasco. As gas commodity costs are flow through this benefit would result in lower overalls system gas costs.

ENGLP did engage in discussions with another third party producer and proposed the identical pricing structure as the Lagasco contract. The feedback received was that the pricing proposed (i.e. the 5% discount to the M9 rate) was insufficient to make it economically viable for the producer to invest in the required infrastructure to bring retired or new wells on stream.

Therefore, ENGLP concluded that the discount applied was reasonable.

c) Does the 9% premium of the M9 price versus buying gas at Dawn reflect that the M9 service also includes Seasonal Storage Services, Daily Balancing and a nomination service? If not, please provide an apple to apple comparison.

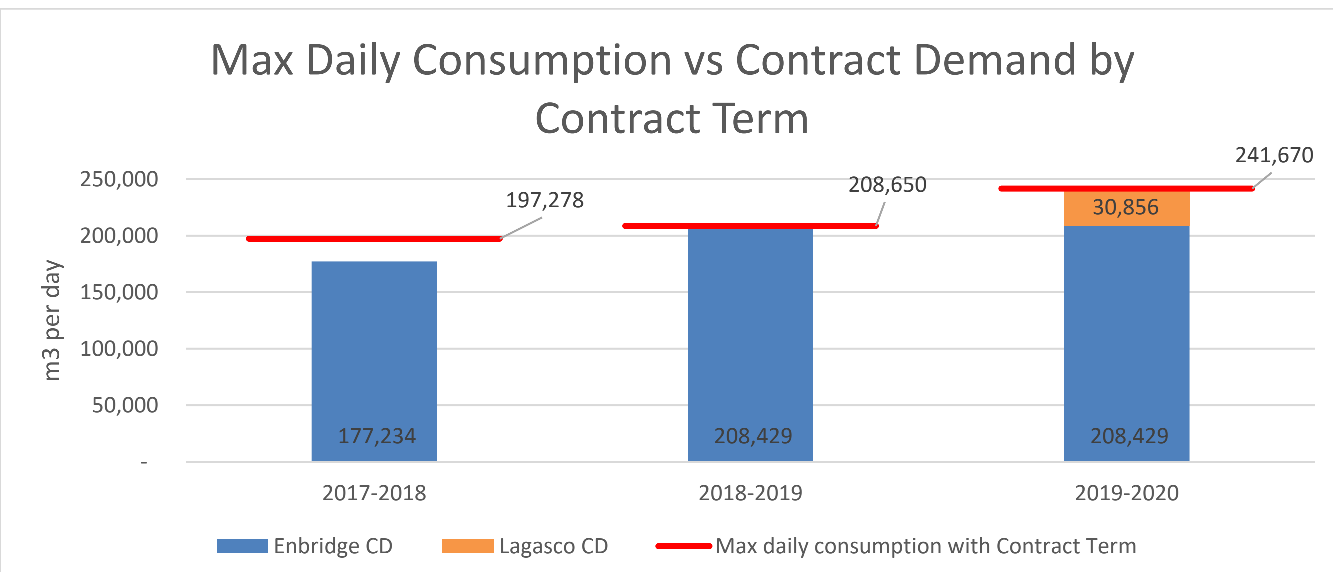
Response: The 9% premium was provided in the context of "Alternated Rate options offered by Enbridge Gas" such as the T3 rate. The analysis was performed in order to determine if ENGLP should invest in the necessary resources required to manage a T3 or alternative rate option offered by Enbridge. This comparison did not take into account commodity pricing. Therefore the calculation only reflects Season Storage Service, Daily Balancing and a nomination service.

[2] Historical dawn pricing were obtained for Dawn Day Ahead Index settles from NGX at CAD per GJ. Estimates for September to December were calculated as the average of 21 trading days (July 20th to August 14th) of settles for each delivery month, converted to CAD per GJ using the noon day exchange rate for each trading day.

d) Does ENGLP agree that implicit in the Lagasco contract is a “premium” from paying a monthly demand charge under both the M9 and the Lagasco contract as a result of not changing the contract demand in the M9 contract for 2019-2020 despite contracting for incremental supplies under the Lagasco contract? If so, how much will this “premium” be for the 2019-2020 period? When does ENGLP intend to adjust the contract demand under the M9 contract to reflect the incremental supplies under the Lagasco contract?

Response: No, ENGLP does not agree that it is paying a premium from paying a monthly demand charge under both the M9 rate and the Lagasco contract. There is no price differential between the demand charges paid to Enbridge under its regulated rate and the demand charges paid to Lagasco. With respect to the volume of Contract Demand, the chart below demonstrates that ENGLP is under-contracted by 2,385 m3 for the 2019-2020 contract year.

	2017-2018	2018-2019	2019-2020
Max daily consumption (m3)	197,278	208,650	241,670
Lagasco CD (m3)			30,856
Enbridge CD (m3)	177,234	208,429	208,429
Over/Undercontracted (m3)	(20,044)	(221)	(2,385)



ENGLP re-examines it’s CD requirement each spring to determine whether it will increase the Enbridge CD, the Lagasco CD or a combination of both. ENGLP will update its GSP plan accordingly.

Staff.5 - Aylmer Area
Ref: Aylmer GSP, section 5.6, p. 24
ENGLP states that it will continue to monitor performance of the incremental supply form the Lagasco contract.

a) How does ENGLP propose to monitor performance under the Lagasco contract and how often will the performance be monitored?

Response: ENGLP continues to review the risk of Lagasco's performance, from a financial, safety and regulatory standpoint, to ensure the reliable supply of natural gas from Lagasco's wells. . These include the following:

- ENGLP operational staff will monitor Lagasco's operational performance on a daily basis through ENGLP's recently installed SCADA system in order to ensure Lagasco meets its Firm Contract Delivery requirements. ENGLP management will review remedies provide for in the contract in the event of breach.

- ENGLP management will review performance on a monthly basis and such review forms part of ENGLP's GSP Scorecard.

- ENGLP management will review annually, on the 30th of November, the independent industry-recognized third party Reserve and Economic report Lagasco is contractually required to provide ENGLP.

Staff.6 - Aylmer Area
Ref: Aylmer GSP, section 6.2, p. 25

ENGLP states that it does not currently offer Demand Side Management (DSM) in its natural gas distribution system.

a) Does ENGLP plan to start offering DSM in the near future? If so, when and what type of programs is ENGLP contemplating? If not, why not?

   Response: ENGLP does not plan to start offering DSM in the near future. ENGLP has determined that the resources required to run such a program would outweigh the benefits given the small size of the utility and the relatively new age of residential properties in the franchise area.

Staff.1 -Southern Bruce Area
Ref: Southern Bruce Gas Supply Plan (GSP), p. 5

The evidence states that the development of the GSP was a coordinated effort between ENGLP and ECNG Energy Group, a third party consultant (ECNG). EPCOR procured ECNG for a number of services including the development of a customer demand forecast.

a) Please indicate if the customer demand forecast developed by ECNG differs from the demand forecast prepared by ENGLP in the rates proceeding (EB-2018-0264). If yes, please explain the differences.

   Response: Yes, the customer demand forecast developed by ECNG differs from the forecast prepared in the rates proceeding. The forecast has been updated to reflect the number of customer connections and the expected start date of these connections based on the latest construction schedules.

Staff.2 - Southern Bruce Area
Ref: Southern Bruce Gas Supply Plan (GSP), pp. 5 and 10

ENGLP has contracted ECNG to execute gas supply procurement including nomination services for its system gas portfolio and for contract (Rate 16) customers.

a) Do Rate 16 customers pay an additional charge for nomination services and does the charge cover the total cost of providing such services?

Response: The current approved tariff has an estimated third party nomination fee of 2.5 cents/GJ. The actual nomination fee under the ECNG contract is 4.0 cents/GJ. ENGLP has a provision to capture the variance in a deferral account specific to Rate 16 customers and will clear the account in a subsequent proceeding.

b) Why has ENGLP contracted ECNG to provide nomination services for contract customers considering that such customers will contract for their own natural gas supplies and their own storage assets to manage fluctuations in demand?

Response: Rate 16 customers do contract for their own gas supply, however the M17 point to point transportation service and the load balancing agreements are umbrella agreements which provide services for both system gas and rate 16 customers. As such, nomination services to these agreements are provided for both rate 16 and system customers.

Staff.3 - Southern Bruce Area
Ref: Southern Bruce GSP, p. 11, Table 1

Table 1 shows the changes in customer connection forecast including a revised customer connection forecast which compressed the initial three year customer connection forecast into two years.

a) Please confirm if the connections to date are on track to meet the revised customer connection forecast for 2020 in accordance with the AECON construction schedule. If not, please provide an updated customer connection forecast.

Response: Yes customer connections are on track to meet the revised customer connection forecast.

Staff.4 -Southern Bruce Area
Ref: Southern Bruce GSP, pp. 12-29

The GSP considered three supply options for the supply plan to meet the guiding principles of cost-effectiveness, reliability and security of supply. These options include:

Option A: Month to month index purchases

Option B: A mix of month to month index purchases and annual baseload index purchases at AECO

Option C: A mix of month to month index purchases and seasonal baseload purchases (mixed of AECO index and Dawn fixed price)

Based on the risk mitigation analysis, ENGLP has selected Option C. Option C was selected for the planning horizon due to superior price risk management and flexibility to adjust supply to actual demand.

a) Did ENGLP and ECNG consider other supply options apart from those outlined above? If yes, please briefly explain the other options considered and reasons for their elimination.

Response: Yes. ENGLP considered obtaining transportation from Niagara to Kirkwall, pricing 100% of supply volumes tied to a Dawn index and terms baseload fixed price volumes. ENGLP eliminated obtaining transportation from Niagara to Kirkwall as potential lower commodity prices would not offset unabsorbed pipeline demand charges.

Secondly, ENGLP eliminated the option of pricing 100 % of volumes at Dawn as it did not provide for price diversity. ENGLP eliminated baseload fixed price volumes as ENGLP felt it increased undue risk given the nascent nature of the utility.

All these options will be considered again in future GSP updates.

b) The evidence discusses the procurement strategy under each of the options. For Option B, planned procured volume for each month is the same as Option A, with up to 50% of each planning year’s average consumption (April to March) contracted in March prior to the planning year. In the case of Option C, planned procured volume for each month is the same as Option A, with up to 65% of each season’s average consumption contracted prior to the start of the season at 5A Index plus a fixed basis to Dawn: 65% of average consumption between April and September contracted in March at 5A Index plus a fixed basis to Dawn. Please indicate if the average monthly consumption is higher under Option B or Option C assuming a normal winter weather.

Response: The average monthly consumption are the same in Option B and Option C assuming a normal winter weather.

c) Based on the risk mitigation analysis, ENGLP has selected Option C as the preferred procurement option. Did ENGLP consider committing to lower volumes in order to lower the risk of over-contracting for the planning period considering that ENGLP will be connecting a limited number of customers during the three-year planning horizon and can access supply from storage? ENGLP has indicated that it has significant transportation and storage capacity relative to current market size expectations during the time horizon of the current GSP. Would the projected average cost of gas be lower if ENGLP contracted for 40% (in place of 50% or 65%) of the season's average consumption prior to start of the season and met demand shortfalls through storage withdrawals and month-to-month purchases? Please provide a scenario analysis for this strategy similar to the one provided in Appendix A.

Response: ENGLP did consider committing to lower volumes in order to lower the risk of over-contracting for the planning period. The analysis found that reducing the seasonal baseload volume from 50% to 40% had little impact on procurement costs and WACOG in all scenarios except the High Price Scenario, where reducing the percentage baseload to 10% was less effectively at protecting the WACOG from high winter prices.

Supply Option C (40% seasonal baseload procurement) Scenario Analysis: May 2020 to Dec 2023

	Option C Base Scenario	Option C Warm, less connections	Option C Cold, more connections	Option C Low price at planned demand	Option C High price at planned demand
Commodity Cost (Baseload)	$1,515,576	$738,208	$2,766,826	$1,265,385	$2,555,031
Commodity Cost (Month to Month)	$4,047,349	$2,045,804	$6,647,261	$3,443,570	$5,945,735
Commodity Cost (Spot Gas)	$0	-$19,409	-$23,414	$0	$0
Transportation Fuel Cost	$19,284	$9,631	$31,924	$19,284	$19,284
Storage Costs	$308,490	$307,319	$308,577	$308,490	$308,490
M17 LBA Charges	$0	$0	$0	$0	$0
M17 Transportation Charges	$428,206	$552,279	$945,543	$789,312	$788,918
Management Cost	$271,773	$397,633	$468,550	$429,273	$429,273
Total Cost	**$6,598,764**	**$4,033,485**	**$11,147,288**	**$6,257,334**	**$10,048,751**
$ per GJ of Demand	$4.286991	$5.375644	$4.431105	$4.065176	$6.528330
¢ per m3 of Demand	16.672088	20.905951	17.232565	15.809449	25.388643
Unit Cost Different from Option C (%)	-0.13%	0.00%	0.00%	-3.21%	9.96%

Staff.5
Ref: Southern Bruce GSP, p. 20

ENGLP has indicated that the gas supply options were tested with weather variations of 30% less Hearing Degree Days (HDD) and 38% more HDDs driving heat sensitive forecasted demand estimates.

a) On what basis did ENGLP select 30% less HDD and 38% more HDD to test its supply options?

Response: The weather variation was based on the National Oceanic and Atmospheric Administration (NOAA)30-year Heating Degree Day analysis ICF International used in Enbridge's Gas Supply Plan *[5 Year Gas Supply Plan, EB-2019-0137, Appendix E, Page 11 of 47, figure 2].*

Staff.6
Ref: Southern Bruce GSP, p. 20

ENGLP and ECNG are in the process of finalizing a Natural Gas Procurement Guideline and Procedures document which has formed and will continue to form procurement decisions impacting the GSP.

a) Will ENGLP file a copy of the Natural Gas Procurement Guideline and Procedures document in the next annual update to the GSP?

   Response: ENGLP will file a copy of the Natural Gas Procurement Guideline and Procedures document in the next annual update to the GSP.

Staff.7
Ref: Southern Bruce GSP, Current and Future Market Trend Analysis, p. 33

According to U.S. Energy Information Administration (EIA), production in the Marcellus and Utica basins is expected to continue to grow in the three scenarios provided by the EIA keeping supply strong to fill Rover and Nexus pipelines feeding into Ohio, Michigan, Ontario and Tennessee, Empire and National Fuel Gas Pipelines at Niagara and Chippewa.

a) Please indicate if the expected growth in the Marcellus and Utica basins as indicated by EIA is prior to the onset of the COVID-19 pandemic. If yes, please explain if the COVID-19 pandemic is expected to have an impact on supplies to Ontario during the planning horizon of the current GSP.

   Response: Yes, these are pre-COVID-19 forecasts. In ECNG's view, the COVID-19 pandemic is not expected to have a material effect on supplies to Ontario. Ontario is integrated well into the North American grid of pipelines and will attract supplies from nearly all the supply basins including the nearby Chicago market hub. This allows Dawn to attract the necessary supplies needed to satisfy its market demand.

   The availability of a vaccine is expected to play a major role in determining the impact to LNG exports growth and whether or not supply can recover quickly enough to avoid short term price volatility on the NYMEX (which directly impacts the Dawn market). As we have clarity of demand from new connections, ENGLP will be consider the purchasing of fixed price quantities at Dawn for summer 2021 storage fill and for winter of 2022 to mitigate this risk.

VECC-1
Reference: Aylmer Plan, pages 6-

a) Is there any common ownership between ENGLP/EPCOR and Lagasco Inc.?

Response: No, there is no common ownership.

b) Is its ENGLP's intention to explore alternative distribution system reinforcements/builds to replace or augment the supply side solution to the Aylmer franchise pressure issues that are currently addressed by the Lagasco Lake Erie gas contract?

Response: Yes, ENGLP is currently exploring options to augment the supply side solution addressed the Lagasco Contract. ENGLP is in discussions with a potential RNG solution. ENGLP will explore all options available and will update the GSP as it updates it's Demand forecast and incremental volumes are required **.**

c) If not, please explain what due diligence ENGLP intends to undertake during the 5-year contract period to ensure it is able to access a supply-side solution to system pressure issues that provides security of supply at a reasonable cost over the long-term.

Response: ENGLP has put legacy Union Gas (now Enbridge Gas) on notice that the utility will require additional natural gas based on the growth in the Tillsonburg area. Furthermore, ENGLP has asked Enbridge to include the utility in their reinforcement program and process, to ensure ENGLP is able to provide regular updates on its gas supply needs.

VECC-2
Reference: Aylmer Plan, page 9

ENGLP provided the following cost estimate for the Lakeview Reinforcement Project:

Table 3.4.2-1
Lakeview Reinforcement Project Breakdown ($ dollars)

	Description	A **USoA Account**	B **2019**
1	Measuring and Regulating Equipment	477	$138,000
2	Mains - Plastic (Distribution Plant)	475	$168,000
3	Land	480	$51,000
4	**Total**		**$357,000**

Source: EB-2019-0336, Exhibit 2, Tab 3, Schedule 1, page 16

The project was projected to be in-service by December 31, 2019.

a) Please update the table and provide the actual or expected in-service date.

Response:

	Description	A **USoA Account**	B **2019**
1	Measuring and Regulating Equipment	477	$169,000
2	Mains - Plastic (Distribution Plant)	475	$242,000
3	Land	480	$50,000
4	**Total (Actual)**		$461,000

The project in-service date was December 23, 2019.

b) Are there any infrastructure projects that were not identified in EB-2018-0336 that will be required to take delivery of gas from Lagasco Inc.? If yes please describe these and their estimated cost(s).

Response: There are no additional infrastructure projects..

VECC-3
Reference: Aylmer Plan, page 12

a) Please explain in more detail why Enbridge Gas did not increase ENGLP's Contract Demand in 2020 to reflect the 2019 peak consumption of 241,680 m3. Specifically explain what "*system implementation*" issue prevented this update.

Response: As part of the annual renewal process for the ENGLP M9 contracts, the historical consumption for both the peak day and the peak hour is reviewed. Enbridge's Network Analysis team identified that there is a need to review not only the peaks for the EPCOR meters, but to confirm the effect of the expected increases will have on the overall system that serves not only ENGLP, but the other customers in the area.

ENGLP was advised by Enbridge that the review was not completed for November 1, 2019 renewal as the modellers needed about 3 months to rebuild and review the model for this area. As a result, ENGLP's Contract Demand in 2020 to reflect the 2019 peak consumption of 241,680 m3 could not be changed during the current contract year.

b) What impact would an increase in the contract demand available to ENGLP have on the current gas plan?

Response: Increase in the contract demand available to ENGLP would increase costs.

VECC-4
Reference: Aylmer Plan, page 16, Tables 3-1 and 3-2

a) Please provide a table which shows the annual average demand by customer class.

Response: The annual average demand by customer class (m3) is determined by dividing the forecasted annual customer service demand by the forecasted customer connections.

Annual Average Demand

	2019 Actual	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
R1 Residential	2,079	1,962	1,968	1,974	1,980	1,986
R1 Industrial	33,565	28,968	29,128	29,732	30,406	30,821
R1 Commercial	10,966	10,398	10,479	10,568	10,666	10,753
R2 Seasonal	26,068	24,818	24,450	24,646	24,896	24,590
R3	251,694	263,239	251,282	240,736	231,346	222,914
R4	53,274	43,363	47,473	52,002	56,997	61,116
R5	231,801	189,274	189,274	189,274	189,274	189,274
R6	62,525,354	62,525,354	62,525,354	62,525,354	62,525,354	62,525,354

b) Please clarify the units of measurement in Table 3-2.

Response: The units of measurement in Table 3-2 is cubic meters m^3.

VECC-5
Reference: Aylmer Plan, page 19,

The following statement is found at page 19:

"*Currently, approximately 1% of ENGLP customers are on direct purchase compared to system sales and represent approximately 62% of ENGLP's demand profile by volume*.

a) Does the above statement include IGPC volumes? If yes please provide the system sales to direct purchase ratios net of IGPC volumes.

Response: Yes, the above statement includes IGPC volumes. The Aylmer Plan has provided all relevant aggregate customer data with respect to system sales to direct purchase ratios.

b) Please provide the portion of direct purchase and system sales customers by rate class.

Response:

	Total #	DPs	% DP
General Rate 1	9349	89	1%
Seasonal Rate 2	47	10	21%
Industrial Rate 3	6	2	33%
Industrial Rate 4	38	5	13%
Industrial Rate 5	4	1	25%
Industrial Rate 6	1	1	100%

VECC-6
Reference: Aylmer Plan, page 25,

a) What is the estimated time frame for ENGLP to develop its RNG plan?

Response: ENGLP does not currently have an estimated time frame to develop its RNG plan, however ENGLP has been approached by an agricultural customer and has been working with them to facilitate RNG.

b) For the Aylmer franchise what are the high and low scenarios for the amount of gas that might be RNG sourced (by volume and percentage of overall annual system gas purchases).

Response: ENGLP does not have this scenario analysis.

VECC-7
Reference: SB Plan page 9 & 13-14

a) With respect to storage options, over the term of the plan (i.e. to 2023) what is estimated annual premium for the chosen LBA and LST Service as compared to use of T3/M9 options now unavailable to the South Bruce franchise?

   Response: ENGLP did not complete this analysis, as the use of T3/M9 is not an option available in the South Bruce Franchise

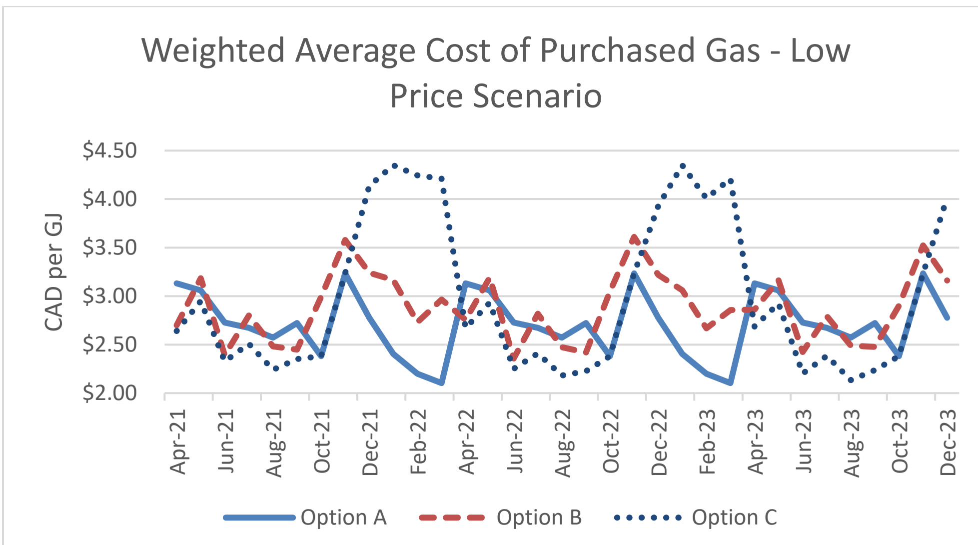
b) What is the estimated premium or discount for the South Bruce franchise as compared to similar storage needs in the Aylmer franchise?

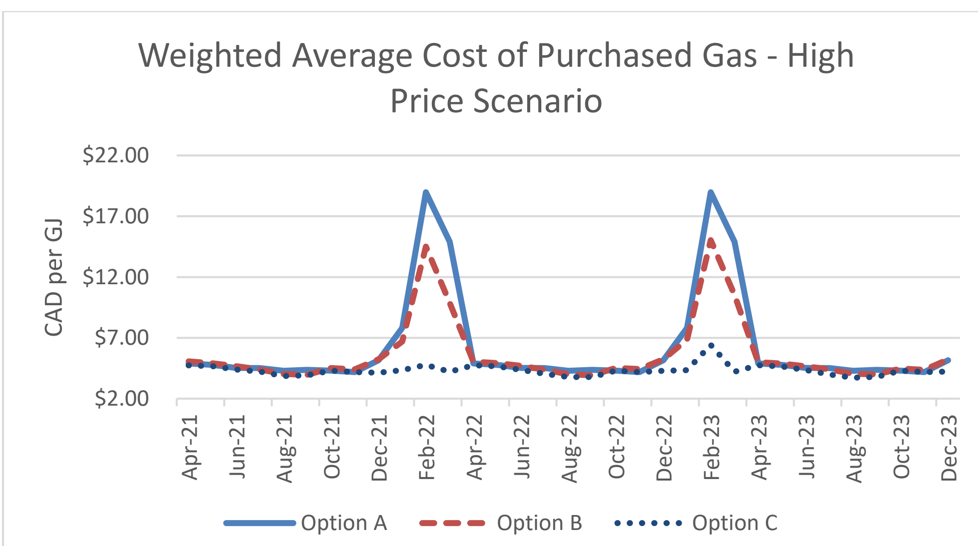
   Response: Since Aylmer has contracted for the M9 service with Enbridge, which bundles the cost-based storage cost into the delivery rate, ENGLP cannot identify the premium or discount the South Bruce franchise to the Aylmer franchise. ENGLP understands that the market based storage is a premium to costs based storage

VECC-8
Reference: SB Plan pages 22-23

a) The SB plan compares price variation among the three studied options. Are any of the supply plan options preferable from the perspective of price stability (i.e. minimization of PGVA variances)? If so, please explain.

Response: Option C is preferable from the perspective of price stability. Please see below for the Weighted Average Cost of Purchased Gas of the three Option under the scenarios. Particularly, in the case of a high price scenario, Option C significantly reduces the risk of ENGLP high weighted average cost of procurement, while remaining relatively similar to the other options in regular market conditions and low price scenarios.





FPRO-1 - Questions on Aylmer Gas Supply Evidence
REF: GSP Aylmer, page 8

Preamble: ENGLP evidence provides: "*In January 2019, during a period of near record low temperatures and resulting record high natural gas demands, pressures well below the 30 psig minimum design pressure were observed in the south. Pressures in Port Burwell, a small community on the lakeshore, were below 5 psig and the utility was at risk of unplanned customer outages. These concerns will be amplified as demand increases and production from the connected wells continues to decline.*"

We would like to understand better the parameters of the distribution system and risk mitigation for low pressures.

1) What component of the system restricts the minimum pressure to 30 psig?

Response:

a) The regulator stations in Port Burwell and Port Bruce are regulated from 80 psig to 30 psig in the village.
b) All supply stations are all to the North of the ENGLP system in Aylmer, by the time the gas gets to the southern part of the system, the gas supply volumes and pressures are low during the winter seasons (December, January, and February).
c) Since ENGLP started to flow gas into its system from Lagasco wells in the South, the system has balanced out within the overall system.

i. Has ENGLP added telemetry to act as a sentry at a minimum pressure threshold to allow early warning of potential outages? If yes, please describe. If not, why not?

Response: ENGLP has added a modern and secure SCADA system to adequately monitor the gas pressures within our overall system, from key suppliers. The new system has the capabilities to alarm during low pressure, within the gas system.

FPRO-2 - Questions on Aylmer Gas Supply Evidence
REF: GSP Aylmer, page 9

Preamble: ENGLP evidence provides: "*As a result, although a 4 inch pipeline would be adequate for the firm contracted gas volume of 1200 GJ/d, the 6 inch pipeline infrastructure was sized at the location to accommodate the availability of nearly twice the contracted firm volume during peak demand periods now and in the future.*"

We would like to understand better ENGLP's sizing relative to growth.

2) At the stated 3% growth rate, how many years of growth does the NPS 6 sizing provide over the NPS 4?

   Response: Based on assumptions captured in a system integration study by Cornerstone Energy Services, the 6 inch will provide approximately 2 years of growth over the 4 inch to meet the 2024 peak demand.

FPRO-3 - Questions on Aylmer Gas Supply Evidence
REF: GSP Aylmer, page 13

Preamble: ENGLP evidence provides: *"As the Lake Erie tie-in is incremental new supply, ENGLP has no historical operating data to rely upon."*

We would like to understand better ENGLP's understanding of the reliability of this local supply of natural gas.

3) Does ENGLP have any engineering or geotechnical study data on the quantity of recoverable reserves from the Lake Gas supplies now feeding the system?

    Response: ENGLP is currently working with Lagasco to obtain any engineering or geotechnical study data on the quantity of recoverable reserves from the Lake Gas that they have in place.

FPRO-4 - Questions on Aylmer Gas Supply Evidence
REF: GSP Aylmer, page 13

Preamble: ENGLP evidence provides: *"As the Lake Erie tie-in is incremental new supply, ENGLP has no historical operating data to rely upon."*

4) Does the supply contract have financial assurances from the supplier to support firm deliveries relied upon by ENGLP? Please explain.

Response: The supply contract does not have financial assurances from the supplier to support firm deliveries relied upon by ENGLP. ENGLP is the payment party in the agreement.

FPRO-5 - Questions on the Aylmer Forecast Analysis Evidence
REF: GSP Aylmer, Appendix D, pages 3-4

Preamble: ENGLP evidence describes the consumption analysis methodology.

5) How did ENGLP/Elenchus adjust for the lag between actual timing of consumption and billing for the respective rate classes given meter-reading cycles and posting of consumption? Please describe fully.

Response: ENGLP provided Elenchus with charge register data that indicated the period start date, period end date, billing date, and metered consumption during the period for each bill issued since the acquisition of NRG. As the exact time period covered by each bill was available, Elenchus did not need to adjust for a lag. The billing date was not used in this process. Monthly NRG data prior to the acquisition was also provided.
Elenchus, in collaboration with EPCOR, assigned the consumption data to calendar months by spreading consumption for each bill evenly among the days covered within each period. Total consumption was first divided by the number of days in a billing period. Average daily consumption was then multiplied by the number of days in each calendar month within the billing period. This method assigns consumption according to the proportion of the billing period within each calendar month. For example, if a bill period extended from the 21st to the 30th of one month and the 1st to the 20th of the following month, 1/3 of the metered consumption would be included with the first month and 2/3 of metered consumption would be included with the second month. Daily and monthly total system consumption data was unavailable to provide a more precise attribution of consumption across time periods.

FPRO-6 - Questions on the Aylmer Forecast Analysis Evidence
REF: GSP Aylmer, Appendix D, pages 5-14

Preamble: The methodology describes class-specific consumption regressions for the various rate classes. Included in each is a "*baseload trend"* being used to remove load in different years. We would like to understand this step in the analysis.

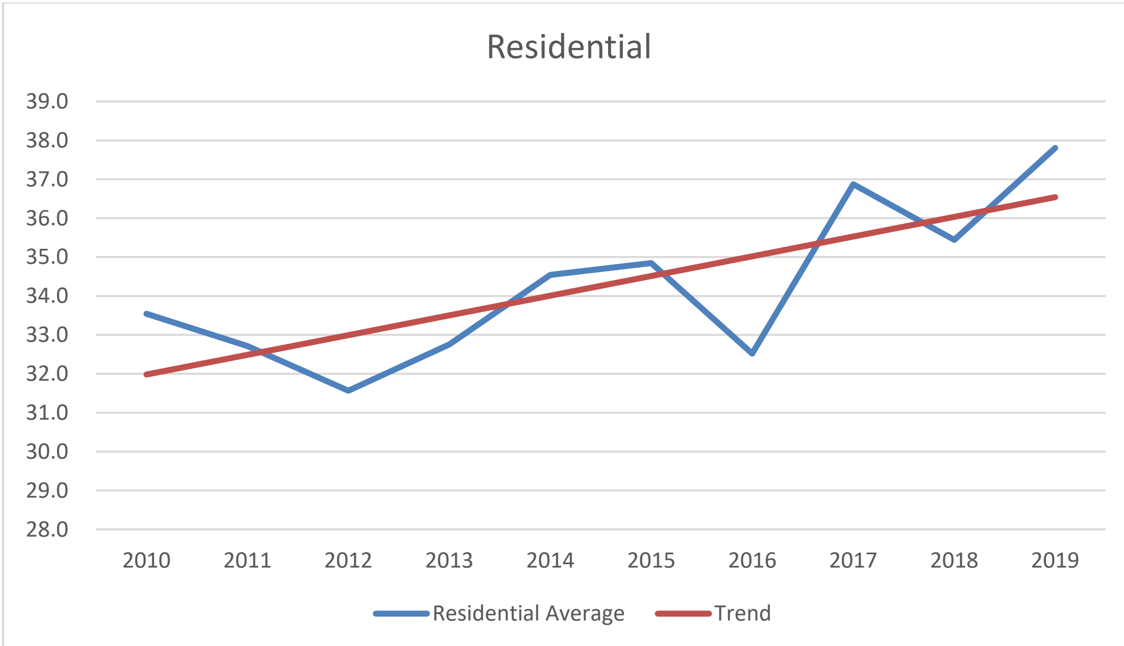
6) Please describe this step of the process.

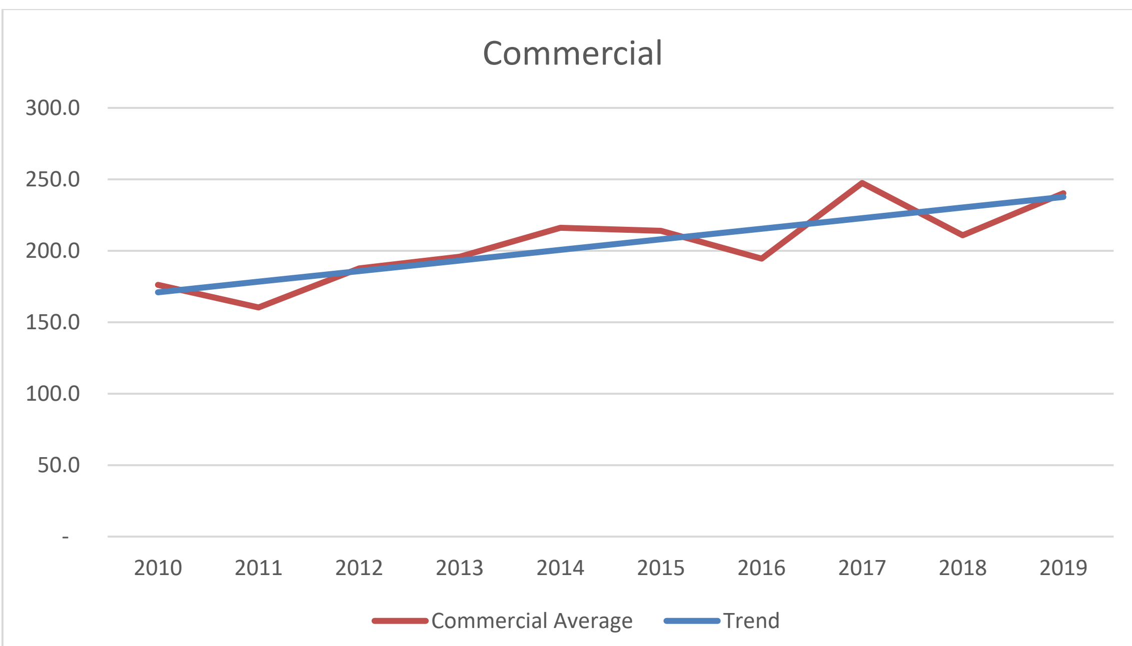
a) What is the practical explanation/system reason that necessitates this step to improve the determinations drawn from the analysis?

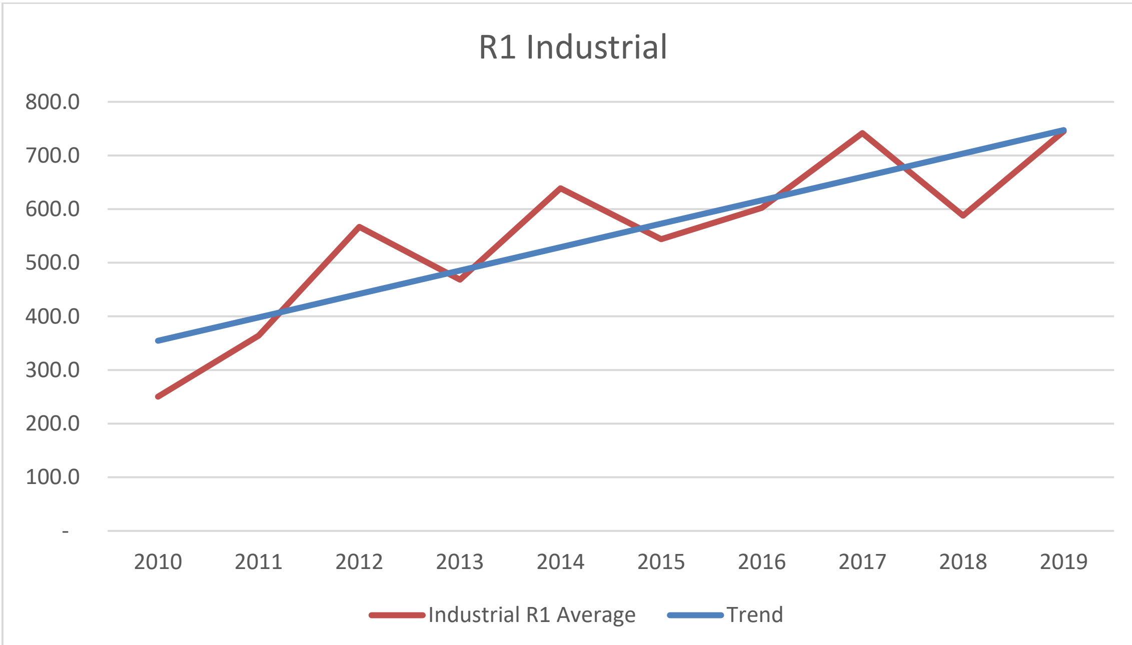
Response: For clarity, the baseline volumes are removed before the PW regressions and then added back. The baseline volumes are based on consumption in July and August and reflect consumption that is independent of weather. The PW regression uses to the remaining "excess" consumption data and weather data to estimate the influence of weather on consumption. The baseline-excess methodology has been used by EPCOR in its Aylmer rate application and previously by NRG in a number of cost of service proceedings.

The baseline trend was implemented in response to the observation that there has been an upward trend in average consumption per customer within the R1 rate classes (Residential, Commercial, and Industrial) in the summer months. Increases in consumption per customer in these months cannot be explained by weather variables. The increase in consumption in those months may be caused by higher cooking and water heater-related natural gas consumption, however, EPCOR does not have sufficient appliance data in the service territory to include the associated variables.

The following charts display the average monthly consumption per customer in July and August since 2010 for the Residential, Commercial, and Industrial classes along with trend line for each class. The continuation of the trend line into 2020-2024 forms the basis for the forecast baseline in those years.


Residential
39.0
38.0
37.0
36.0
35.0
34.0
33.0
32.0
31.0
30.0
29.0
28.0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Residential Average
Trend


Commercial
300.0
250.0
200.0
150.0
100.0
50.0
-
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Commercial Average
Trend



The previous methodology derived a single "baseline consumption" figure that was applied to each month of data for a given class, with the remainder considered "excess". With a baseline figure that does not increase over time, there is a risk that the model inappropriately accounts for the increasing consumption as being weather-related "excess" consumption. There has been a declining trend in heating degree days over time, particularly in the summer months, and an increasing trend in consumption per customer. Without this modification to a baseline trend, the "excess" weather-related consumption appears to increase at the same time weather variables decrease. This can bias the coefficients that are part of the PW regressions, ultimately skewing the results of the forecast. The model statistics of the baseline trend regressions, such as the R-squared and variable t-statistics, are stronger than the corresponding statistics from the previous, single baseline methodology.

FPRO-7 - Questions on the Aylmer Forecast Analysis Evidence
REF: GSP Aylmer, Appendix D, pages 1-3 and 31-33

Preamble: The above references provide some data and summaries of the results of the analysis outlined in Appendix D. We would like to understand better how the resulting information was used by ENGLP in its gas supply planning.

7) Please describe how ENGLP used the information contained in Appendix D in the development of the Aylmer Gas Supply plan.

Response: ENGLP used the information contained in Appendix D to construct it's demand forecast. The report used regression analysis to provide ENGLP with "weather normalized" data for heat sensitive loads and a customer connection forecast by applying the geometric mean annual growth rate from 2009 to 2019. This formed the basis for the demand component of the GSP.

FPRO-8 - Questions on the Southern Bruce Gas Supply Evidence
REF: GSP Southern Bruce, page 8

Preamble: ENGLP evidence provides: "*Upstream transportation to Dornoch has been secured in the EB-2019-0183 proceeding under the M17 rate for 10 years… Either service was paired with a ten year term 100,000 GJ of seasonal storage service space at market price…. To acquire storage service in Michigan (the closest market for similar storage services) requires dealing with foreign exchange, import-export rules and additional transportation contracts on at least another pipeline to/from Dawn.*

We would like to understand better the transport and storage options available to ENGLP.

8) Can any party other than EGI provide deliveries at Dornoch?

   Response: No.

   a) Does the M17 contract provide a mechanism for the increase in contract demand over time to meet the needs of the new franchise?

   Response: EPCOR has contracted for the capacity that it had forecast the utility would require for the initial 10 years. There is no mechanism within the M17 contract for increasing the contract demand above the amount that EPCOR committed to.

   b) If not, what options does ENGLP have to increase required deliveries to support franchise growth?

   Response: EPCOR will revisit capacity requirements on a regular basis. As Enbridge is the monopoly provider of transportation services to the utility, EPCOR will work with them to increase contracted transportation services as required.

FPRO-9 - Questions on the Southern Bruce Gas Supply Evidence
REF: GSP Southern Bruce, page 8

Preamble: ENGLP evidence provides: "*Upstream transportation to Dornoch has been secured in the EB-2019-0183 proceeding under the M17 rate for 10 years… Either service was paired with a ten year term 100,000 GJ of seasonal storage service space at market price…. To acquire storage service in Michigan (the closest market for similar storage services) requires dealing with foreign exchange, import-export rules and additional transportation contracts on at least another pipeline to/from Dawn.*

We would like to understand better the transport and storage options available to ENGLP.

9) Absent the option for Michigan storage for the reasons outlined, how can ENGLP assess the market price of storage services?

Response: Assessing the market price of storage services is challenging as Enbridge appears to be the exclusive operator in the area. Other providers are purchasing Enbridge storage services and reselling them in the market which ENGLP can obtain quotes for shorter term storage terms. ENGLP can also estimate the market price of storage using the forward NYMEX, Dawn basis to NYMEX and foreign exchange to calculate the difference between cost of gas for summer months fill and winter months withdrawal

FPRO-10 - Questions on the Southern Bruce Gas Supply Evidence
REF: GSP Southern Bruce, page 8-9

Preamble: ENGLP evidence provides: *"A popular example is a winter peaking service, which allows EPCOR to secure additional availability of gas from a supplier for a reservation fee during the winter, which allows EPCOR to nominate additional gas (at a discount up to the daily reserved volume) to meet winter demand when needed – for example, if demand on any given day is above the sum of the purchased volume plus gas available through storage withdrawal."*

We would like to understand the concept of peaking service as it pertains to South Bruce.

10) Please confirm that this peaking service would not be available at Dornoch.

a) Absent a transportation component to Dornoch as part of the peaking service, would there be any practical difference between a peaking service at Dawn and a call option for a certain number of days at Dawn?

Response: Yes, the peaking service is not intended to be at Dornoch since the supplier would not have an M17 rate. Therefore, the service is at Dawn.

ENGLP governance does not allow for a call option to be utilized. A call option is typically a purely financial service. The peaking service described is intended to be physical in nature such that when triggered by the customer the result would be a physical flow of gas at Dawn which would avoid ENGLP buying gas in an expected volatile market on that day.

FPRO-11 - Questions on the Southern Bruce Gas Supply Evidence
REF: GSP Southern Bruce, page 10

Preamble: ENGLP evidence provides: "*Direct Purchase, for other rate classes, is not taken into consideration in this Supply Plan."*

While we acknowledge that Direct Purchase (DP) customers will purchase their own commodity, we would like to understand how the M17 contract will provide for the Direct Purchase customers.

11) Please confirm that ENGLP will need to include DP customers in their nominations to the M17 contract.

Response: ENGLP will need to include DP customers in their nominations to the M17 contract.

a) Please confirm that variances between nomination and consumption for DP customers will affect the ENGLP daily and cumulative LBA balances.

Response: Confirmed.

b) Please describe how ENGLP will insulate system gas customers from the effects of substantial variances in DP nominations and consumptions.

Response: Currently, the only DP customers are two Rate 16 customers, who are responsible for procuring their own supply to minimize daily and cumulative imbalances between consumption and supply. Rate 16 customers are allocated a portion of EPCOR's LBA imbalance tiers under the M17, based on their Contract Demand with EPCOR as a percentage of EPCOR's overall M17 contract demand. All terms applicable to ENGLP under the M17 are passed onto the Rate 16 customers. If daily or cumulative imbalance fees are triggered, they will be allocated to the Rate 16 customers based on their respective imbalances. EPCOR provides hourly and daily consumption data to Rate 16 customers to enable them to manage their LBA imbalances. ENGLP will also ask Rate 16 customers to reduce their imbalance when they feel it is appropriate to do so (i.e. to reduce or avoid M17 LBA imbalance fees).

FPRO-12 - Questions on the Southern Bruce Gas Supply Evidence
REF: GSP Southern Bruce, page 14

Preamble: ENGLP evidence provides: "*EPCOR has contracted for 10 years of seasonal storage service (LST) with a maximum storage balance (MSB) of 100,000 GJ (100 TJ), a standard offering to its unregulated terms and conditions which includes no firm injections in September and October and no firm withdrawals in April and May… The impact of these firm deliverability rights on the Supply Plan is noted below in the Description of the Supply Options section.*"

We would like to understand this contract in context of the rate classes available to LDC's in EGI's Union rate zone.

12) To ENGLP's knowledge, does a T3 contract have firm deliverability rights in the shoulder seasons of September/October and April/May?

Response: T3 option is not available to ENGLP and was not part of the utility's detailed analysis.

a) What impact does the lack of firm rights have on ENGLP's gas supply plan?

Response: The lack of firm deliverability rights during this time requires ENGLP to purchase gas during October and November conservatively and daily attempting to match demand without needing to sell excess gas to avoid incurring escalating LBA costs as gas is parked there temporarily. At the end of winter April and May, when firm withdrawals from storage are not available gas purchases need to be made to match demand so to reduce borrowing excessively from the LBA to avoid incurring escalating LBA costs.

b) Please explain the risks and associated mitigation.

Response: In the event that the LBA pack or borrow amounts are exceeding Enbridge's capability during those times, ENGLP would be forced to sell in the late fall or buy in the late winter when pricing can be extremely unfavorable especially if Enbridge is demanding this action most likely due to Ontario (i.e. Enbridge) overall inventories being extremely high (in the fall) or extremely low (in the late winter).

FPRO-13 - Questions on the Southern Bruce Gas Supply Evidence
REF: GSP Southern Bruce, page 14

Preamble: ENGLP evidence provides: "*Recently, EPCOR elected to procure its supply from Dawn instead of Kirkwall or Parkway in its M17 supply contract with Enbridge as this is the most liquid of the supply points to choose from.*"

We would like to understand ENGLP views on Parkway or Kirkwall alternatives

13) If ENGLP contracted at Parkway, would it receive the Parkway Delivery Commitment Incentive (PDCI)?

Response: The Parkway Delivery Commitment Incentive (PDCI) is only available for those customers that Enbridge Gas obligates to deliver at Parkway. In EPCOR's case, even if we had elected to deliver at Parkway, because Enbridge Gas wasn't obligating you to deliver there, the PDCI would not apply.

a) If the PDCI were available at Parkway, would ENGLP see that point as a viable, economic delivery location given market conditions? Please explain fully.

Response: The PDCI is not available to ENGLP at Parkway.

b) If a comparable incentive were available at Kirkwall, would ENGLP see that point as a viable, economic delivery location given market conditions? Please explain fully.

Response: Incentives are not available to ENGLP at Kirkwall.

Pollution Probe-1 Questions related to the EGNLP Aylmer Gas Supply Plan 2020-2025

REF: The ENGLP Aylmer Gas Supply Plan identifies three elements that align with the Public Policy requirement, specifically the Federal Carbon Pricing Program, Renewable Natural Gas (RNG), and Community Expansion.

a) Please provide a comprehensive list of public policy objectives that were reviewed as the Gas Supply Plan updates were developed

Response: ENGLP reviewed the Federal Carbon Pricing Program and Community Expansion Program

b) Please explain what ENGLP specifically plans to do to support the RNG policy objective over the life of this 5 year plan

Response: ENGLP is actively working with an agricultural customer within its franchise to facilitate RNG production and accommodate RNG into its operations. ENGLP will continue to work to finalize this project and then determine if there are additional customers which may benefit from a similar program

c) Does EGNLP propose to offer any DSM programs by 2025? If yes, please describe. If not, why not.

Response: No ENGLP does not propose to offer any DSM programs by 2025. ENGLP has determined that the resources required to run such a program would outweigh the benefits given the small size of the utility and the relatively new age of residential properties in the franchise area.

d) Please explain if any of the following policy considerations were considered and if so, please explain how they impacted the plan update.

- Government of Ontario's Made-in-Ontario Environment Plan (MOEP)
- Municipal Energy and Emissions Plans (supported by Provincial policy and program funding)
- Municipal Climate Emergency declarations and complimentary policy at all levels of government.
- The Ministry Directive to the OEB to pursue all cost-effective DSM.

Response: None of the above policies were considered.

Pollution Probe - 2 - Questions related to the EGNLP Aylmer Gas Supply Plan 2020-2025

REF: The ENGLP Aylmer Gas Supply Plan identifies three elements that align with the Public Policy requirement, specifically the Federal Carbon Pricing Program, Renewable Natural Gas (RNG), and Community Expansion.

a) Please provide an estimate of the total annual costs to EGNLP and Ratepayers if the M9 Rate was no longer available from Enbridge and the OEB required EGNLP to move to the new M17 rate.

   Response: ENGLP did not complete this analysis, as the use of T3/M9 is not an option available in the South Bruce Franchise

b) Please explain the benefits and costs saving if the OEB allowed EGNLP to move back and forth between an M17 and M9 rate as required.

   Response: In EB-2019-0183, the OEB ordered that existing customers who switch to the new rate M17 will lose their eligibility to retake service under rate M9 or T3. As this matter has been settled by the regulator, ENGLP has not completed a cost-benefit analysis of moving backing and forth between an M17 and M9 rate.

Pollution Probe - 3 - Questions related to the EGNLP Aylmer Gas Supply Plan 2020-2025

REF: The ENGLP Aylmer Gas Supply Plan identifies three elements that align with the Public Policy requirement, specifically the Federal Carbon Pricing Program, Renewable Natural Gas (RNG), and Community Expansion.

a) Enbridge requested an adjournment to its Dawn-Parkway Expansion Project (EB-2019-0159), in part due to supply and demand uncertainty related to COVID. Has EGNLP experienced or expects to experience supply/demand impacts over the life of this 5-year plan?

Response: ENGLP have not experienced or expect to experience supply/demand impacts over the life of this 3-year Gas Supply Plan due to COVID. As part of Gas Supply Planning, ENGLP conducted a survey with potential residential and commercial customers in the Southern Bruce area on COVID's impact on their decision to convert to natural gas and found no evidence that COVID impacted conversion decision. The COVID-19 pandemic is also not expected to have a material effect on supplies to Ontario. Ontario is integrated well into the North American grid of pipelines and will attract supplies from nearly all the supply basins including the nearby Chicago market hub and this allows Dawn to attract the necessary supplies it needs to satisfy its market demand.

Pollution Probe - 4 - Questions related to the EGNLP Aylmer Gas Supply Plan 2020-2025

REF: The ENGLP Aylmer Gas Supply Plan identifies three elements that align with the Public Policy requirement, specifically the Federal Carbon Pricing Program, Renewable Natural Gas (RNG), and Community Expansion.

a) Does EGNLP have targets for metrics under its proposed Performance Metrics Scorecard? If yes, please provide a populated scorecard with targets. If no, please explain how the blank scorecard will be used to assess performance.

Response: Since this is the initial year of filing such detail, there is no history to form a basis to discuss actual metric results. The metric results will be recorded and filed each as part of the Annual Update.

b) Please explain how EGNLP will determine if it is compliant with the Public Policy scorecard metric related to Community expansion, FCC and RNG.

Response: ENGLP intends to comply with all required guidelines and seek all necessary board approvals.

Pollution Probe - 5 - Questions related to the EGNLP Aylmer Gas Supply Plan 2020-2025

REF: APPENDIX A: CURRENT AND FUTURE MARKET TRENDS ANALYSIS, Page 38 of 47. - "The significant aspect of this graph shows that there is excess capacity available to serve the Eastern Canadian markets."

a) Please explain this statement and its impact on natural gas supply and demand for Ontario consumers.

Response: With the increase in transportation capability into Dawn over the last 10 years that resulted from new Nexus & Rover pipelines feeding gas from Marcellus (into Michigan and Dawn), the reversal of Niagara exports by TCPL to imports (also feeding gas from Marcellus) resulted in TCPL bringing less gas from WCSB. The new LTFP service flowing from WCSB to Dawn since 2018 only resumed a portion of the capacity that is available and not renewed over the last 10 years or so. This reality is seen in the Dawn basis to NYMEX several years forward pricing which is showing flat to negative (a discount to NYMEX), an indication that excess capacity exists to serve the Dawn market.

Pollution Probe - 6 - Questions related to the EGNLP Southern Bruce Gas Supply Plan 2020-2023

a) Please provide a comprehensive list of public policy objectives that were reviewed as the Southern Bruce Gas Supply Plan was developed and explain how they were incorporated.

Response: At this time, ENGLP understands that there are no explicit public policy mandates in place at the provincial level regarding Cap and Trade or Renewable Natural Gas. EPCOR is closely monitoring the development of the Federal Clean Fuel Standard regulatory framework.

EPCOR does participate in both the Federal Carbon program and Community expansion.

EPCOR expressly notes that if public policy objectives are introduced in the future, it would include an approach to achieving those objectives in the annual plan updates.

b) Please explain if any of the following policy considerations were considered and if so, please explain how did they impacted the plan update.

- Government of Ontario's Made-in-Ontario Environment Plan (MOEP)
- Municipal Energy and Emissions Plans (supported by Provincial policy and program funding)
- Municipal Climate Emergency declarations and complimentary policy at all levels of government.
- The Ministry Directive to the OEB to pursue all cost-effective DSM.

Response: None of these policies were considered.

Pollution Probe - 7 - Questions related to the EGNLP Southern Bruce Gas Supply Plan 2020-2023

Please provide an estimate of the total annual savings to EGNLP and Ratepayers if the M9 Rate was available from Enbridge and the OEB allowed EGNLP to move back and forth between an M17 and M9 rate as required.

Response: ENGLP did not complete this analysis, as the use of T3/M9 is not an option available in the South Bruce Franchise

Pollution Probe - 8 - Questions related to the EGNLP Southern Bruce Gas Supply Plan 2020-2023

Enbridge requested an adjournment to its Dawn-Parkway Expansion Project (EB-2019-0159), in part due to supply and demand uncertainty related to COVID. Has EGNLP experienced or expects to experience similar impacts over the life of this gas supply plan?

Response: ENGLP has not experienced nor expects to experience any reduction in demand as a result of COVID. ENGLP conducted a survey of its residential customers which specifically asked if the customer was reconsidering switching to natural gas due to health or financial concerns associated with COVID. EPCOR determined that 96% of residential respondents do not expect COVID to impact conversion decision or timeline of conversion. ENGLP has had no indications from its contract customers that they intend to adjust their contract demand as a result of COVID

Pollution Probe - 9 - Questions related to the EGNLP Southern Bruce Gas Supply Plan 2020-2023

a) Does EGNLP have targets for metrics under its proposed Performance Metrics Scorecard? If yes, please provide a populated scorecard with targets. If no, please explain how the blank scorecard will be used to assess performance.

Response: Since this is the initial year of filing such detail, there is no history to form a basis to discuss actual metric results. The metric results will be recorded and filed each as part of the Annual Update.

b) Please explain how EGNLP will determine if it is compliant with the Public Policy scorecard metric related to Community expansion and FCC.

Response: See response above. In addition, ENGLP Southern Bruce will report in its scorecard the number of customers converted in its expansion program as compared with the OEB approved expansion project

c) Please explain why EGNLP did not include an RNG policy objective in its scorecard.

Response: ENGLP is aware that on November 29, 2018, the Ontario government released its Made-in-Ontario Environment Plan. Specifically to:

“ Require natural gas utilities to implement a voluntary renewable natural gas option for customers. We will also consult on the appropriateness of clean content requirements in this space.”

ENGLP recognizes the importance of greenhouse gas reduction and the role ENGPL plays in supporting this goal. ENGLP is committed to working with the government to offer services which assist in reaching this clean content requirement (once determined).

Question: **Anwaatin.1**

Reference:
- Aylmer Gas Supply Plan 2020-2025 (**Aylmer Plan**), p. 25
- Southern Bruce Gas Supply Plan 2020-2023 (**Bruce Plan**), p. 25

Preamble: The majority of First Nations in Ontario do not have access to natural gas, and many First Nations are interested in accessing natural gas for energy cost savings and low-emission heating. The *Access to Natural Gas Act, 2018*, SO 2018, c 15 (**ACGA**) provides a framework for regulations to deliver rate protection for consumers or prescribed classes of consumers with respect to costs incurred by natural gas distributors in making a qualifying investment for the purpose of providing access to a natural gas distribution system to those consumers by reducing the rates that would otherwise apply in accordance with the prescribed rules.

a) For both the Aylmer Plan and the Bruce Plan, please describe in greater detail the impacts ENGLP expects the ACGA will have and its adherence to the principles of cost effectiveness, reliability, and achieving public policy objectives.

Response: As per the Framework for the Assessment of Distributor Natural Gas Plans (the "Framework"), the goal of a distributor's gas supply plan is to develop a portfolio of gas supply, transportation and storage assets that provides customers with service that meets demand and is consistent with the province's public policy objectives, where applicable.

EPCOR does not believe that a gas supply plan or this review process are the appropriate venues to address rate protection for consumers or prescribed classes of consumers with respect to making a qualifying investment under the *Access to Natural Gas Act, 2018*.

Issues regarding rate design, rate assistance and natural gas access to unserved communities are not matters within the scope of the Framework or Gas Supply Plan. EPCOR anticipates that the issue of natural gas access to unserved communities would be considered by the Board in a leave to construct application relating to system expansion opportunities reaching unserved communities.

b) For both the Aylmer Plan and the Bruce Plan, indicate how the respective plan will ensure that it supports and is aligned with the public policy objectives of the ACGA and, in particular, the expansion of natural gas access to First Nation reserve communities and off-reserve First Nation members?

Response: Please see response to Anwaatin.1(a).

c) For both the Aylmer Plan and the Bruce Plan, please indicate what impacts, if any, the respective plans will have on the cost of natural gas to First Nation reserve communities and off-reserve First Nation members?

Response: Please see response to Anwaatin.1(a).

d) For both the Aylmer Plan and the Bruce Plan, what impacts, if any, will the respective plans have on the expansion of natural gas distribution services to First Nation reserve communities and off-reserve First Nation members? Please provide specific expansion strategy and geographic plans.

Response: Please see response to Anwaatin.1(a).

e) Does ENGLP have plans to introduce low-income rate assistance for First Nation reserve communities and off-reserve First Nation members into either the Aylmer Plan or Bruce Plan and business activities broadly? If so, please provide details. If not, please explain why not.

Response: Please see response to Anwaatin.1(a).

Question: **Anwaatin.2**

Reference:
- Aylmer Plan, pp. 24-25

Preamble: "ENGLP understands and supports the development of an RNG market and facilitates inclusion of RNG in its gas supply portfolio. ENGLP recognizes the importance of Greenhouse Gas (GHG) abatement across the province, as well as the role that ENGLP plays in supporting the achievement of GHG emission reduction targets.

At this time, ENGLP does not hold any RNG supply in its Supply Plan. However, ENGLP has had initial discussions with customers capable of providing RNG into the natural gas distribution system. ENGLP will update the Supply Plan as strategies of a RNG solution are developed and finalized."

a) What are ENGLP's plans for introducing RNG supply into its gas supply plans? Please address the anticipated timelines, quantities, suppliers, locations, and impacts of RNG supply in relation to gas supply planning.

Response: ENGLP does not currently have an estimated timeline to develop its RNG plan.

b) Does ENGLP have any plans to introduce hydrogen supply into its Aylmer or Bruce Plans? Please address the anticipated timelines, quantities, suppliers, locations, and impacts of hydrogen blending and/or injection.

Response: There are no plans for ENGLP to introduce hydrogen supply into its Aylmer or South Bruce franchises.

Question: **Anwaatin.3**

Reference:
- Aylmer Plan, p. 5
- Bruce Plan, p. 5

Preamble: The Plans may inform or underpin strategic, higher level decisions in relation to natural gas supply, storage, and transportation.

In its Decision and Order on Enbridge Gas Distribution Inc.'s application for the RNG Enabling Program in EB-2017-0319 dated October 18, 2018, the Ontario Energy Board confirmed that "strategic, higher level decisions can trigger the duty to consult" First Nation and Métis communities (p. 25)

a) Please identify any and all outstanding or continuing Aboriginal or Treaty rights and/or traditional territories that apply to each and all of ENGLP's pipeline infrastructure and natural gas supply and storage areas.

Response: ENGLP is of the view that these issues go beyond the scope of the gas supply plan review. ENGLP anticipates that these issues would be considered by the Board in a leave to construct application.

b) For both the Aylmer Plan and the Bruce Plan, please describe and provide evidence for whether — and, if so, how — ENGLP determined, interpreted, and applied:

(i) its procedural requirements;

(ii) the Crown's procedural requirements; and

(iii) the Ontario Energy Board's procedural requirements;

in assisting the Crown in fulfilling its duty to consult and accommodate the First Nation and Métis communities in relation to both the Aylmer Plan and Bruce Plan.

Response: Please see response to Anwaatin.3(a).

Question: **Anwaatin.4**

Reference
- Aylmer Plan, pp. 30-32
- Southern Bruce Plan, pp. 33-34

Preamble: Liquefied natural gas (**LNG**) services and distribution facilities are beginning to play a role in natural gas distribution in Ontario.

a) What are ENGLP's plans for introducing LNG supply into both the Aylmer Plan and the Bruce Plan?

Response: ENGLP does not have plans to introduce LNG supply into either the Aylmer or Bruce Plan.

b) What role does LNG play in natural gas expansion programs related to the ACGA, or otherwise?

Response: Please see response to Anwaatin.1(a). EPCOR is of the view that this issue goes beyond the scope of the gas supply plan review.

Question: **Anwaatin.5**

Preamble: Across Southern Ontario, ENGLP natural gas infrastructure traverses First Nation treaty lands, as well as reserve lands. Municipal Franchise Agreements may serve as a mechanism for easement agreements between municipal governments and uutilities.

a) For both the Aylmer Plan and the Bruce Plan, what agreements, if any, does ENGLP envision between First Nation governments and the company to support the respective plans, while ensuring that First Nation easement and rights-of-way petitions do not delay service expansions, or cause increased costs to ratepayers?

Response: EPCOR is of the view that these issues go beyond the scope of the gas supply plan review. EPCOR anticipates that these issues would be considered by the Board in a leave to construct application.