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November 22, 2020

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON
M4P 1E4

Dear Ms. Long,

RE: EB-2020-0212 EGI FCPP Application. Energy Probe Interrogatories to Applicant

In accordance with Procedural Order#1 Attached are Interrogatories from Energy Probe Research Foundation.

.
Yours truly,

Roger Higgin Ph.D. MBA, P. Eng, – Consultant
Sustainable Planning Associates (SPA) Inc,

cc. Tanya Persad EGI Counsel
Adam Stiers EGI
L Murray OEB
M. Parkes OEB

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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 related to compliance
obligations under the *Greenhouse Gas Pollution Pricing Act*, S.C. 2018,
c. 12, s. 186.

Enbridge Gas Inc. Application under the Federal Carbon Pricing Program (FCPP)

Energy Probe Research Foundation Interrogatories

November 22, 2020

**Enbridge Gas Inc. Application under the Federal Carbon Pricing Program (FCPP)
Energy Probe Research Foundation Interrogatories**

Energy Probe IR#1

Ref.: Exhibit A Page 3

Preamble: The Board also supported Enbridge Gas's proposal to delay seeking OEB approval to dispose of 2020 balances in FCPP-related deferral and variance accounts by one year (to be filed as part of Enbridge Gas's 2022 Federal Carbon Pricing Program application by September 2021) in order for Enbridge Gas to file final audited year-end 2020 balances in these accounts.¹

- a) Confirm EGI has disposed of 2019 FCPP-related DA Balances. Please provide a copy.
- b) Has EGI 2020 unaudited results? If so, please provide the estimated range of the balances for each FCPP-related DV account and Total.
- c) Will disposition in 2022 materially add to the bill impact of the expected increase in FCPP charges? Please answer for each Rate Zone.

Energy Probe IR#2

Ref.: Exhibit A Page 5 Table A-1

- a) Please provide a copy/extract of the GGPPA Schedule 2 and Schedule 4
- b) Explain/ show for each of Enbridge Gas' Rate zones the calculation of the conversion from \$/tonneCO₂e to cents/m³, taking into account the average heat content and gas composition in 2020

Energy Probe IR#3

Ref.: Exhibit A Page 5

- a) Please provide a list of OBPS entities with exemptions from CRA for 2020 and 2021.
- b) Please provide the related volumes exempted and reconcile to the Exhibits in the evidence

Energy Probe IR#4

Ref.: Exhibit A Pages 6/7

Preamble: On September 21, 2020, the Province of Ontario announced that the federal

¹ EB-2019-0247, OEB Decision and Order, August 13, 2020, p. 21.

Government has accepted the Ontario Emissions Performance Standards (“EPS”) program as an alternative to the OBPS. The timeline for transition from OBPS to EPS has not been clarified. Enbridge Gas is working to understand the transition plan from the OBPS to the EPS and reserves its right to amend this Application as appropriate once additional details are announced. For the purposes of this Application, Enbridge Gas has assumed it will be subject to the OBPS in 2021.

- a) Please provide a status Report on EPS.
- b) If legislation on the EPS is enacted, please indicate which parts of the Application will be amended (references)

Energy Probe IR#5

Ref.: Exhibit A Pages 7/8

Preamble: Enbridge Gas has estimated its 2021 cost of compliance with the GGPPA to be approximately \$1.42 billion: \$863.66 million for the EGD rate zone (see Exhibit B, Tab 1 for additional detail) and \$556.37 million for the Union rate zones (see Exhibit B, Tab 2 for additional detail).

- a) Please confirm EGD has estimated the OBPS facility-related GHG emission reduction volumes (Exhibit A, page 12), but has not done so for customer GHG emissions.
- b) Are Customers informed about the amount of GHG reductions as a result of paying the FCPP charge? Please provide copies of relevant materials/information

Energy Probe IR#6

Ref.: Exhibit A Page 9; OEB Web Site “Typical Gas Bill”

Preamble: As outlined at Exhibit D and consistent with Enbridge Gas’s treatment of 2019 and 2020 FCPP-related charges, Enbridge Gas will present these charges as a separate line item on customers’ bills,

- a) Confirm when EGI first put the FCPP Charge on the customer bill.
- b) Confirm whether EGI is following the Board’s Direction and OEB Web Site regarding the format(s) for disclosure of the FCPP Charge. Alternatively, provide the basis used for the bill.
- c) Please provide a copy of a typical Q1 2021 EGI Residential Bill for each of the EGD and Union Rate Zones that includes the description of the FCPP charge.

- d) Is the customer receiving the bill directed to a source with complete information on the FCPP and the charge? If so, provide the specific direction(s) and references.

Energy Probe IR#7

Ref.: Exhibit A Page 12 Table A-2

Preamble: Under the Carbon and Energy Efficiency Plan (“CEE Plan”) based on work to date, four opportunities have been identified that may reduce OBPS-volumes, as shown in Table A-2. Only two of the opportunities are cost-effective and are currently being implemented.

- a) What is the Cost of the CEEP to date and projected costs in 2021? Please provide OM&A and Capital?
- b) What lifetime was assumed for options 3&4? Why is 10 years a suitable time horizon.
- c) Please provide the DCF analyses for all options,
- d) Assume a longer life cycle is appropriate and please provide the DCF analysis with a longer life cycle.
- e) Are *Opportunities 3&4* cost effective at higher Costs/of tCO_{2e}? Please indicate the cost/tCO_{2e} when each would be cost effective

Energy Probe IR#8

Ref.: Exhibit B Tab 1 Schedule 1; Exhibit D Tab1 Schedule 1

- a) Please provide the 2021 Rate Year EGD Volume Forecast from EB-2020-0181 in the same format as Ex BT1S1.
- b) Please provide a Table that compares the two forecasts for each EGD Rate Class.
- c) Provide detailed notes/explanations on material differences.
- d) If there is a material difference, discuss why EGD should not use the same forecast for Rate-Setting and FCPP purposes

Energy Probe IR#9

Ref.: Exhibit B Tab 1 Schedule 2 and Schedule 3 Table 1; Exhibit D Tab1 Schedule 1

- a) Why is there no Non-utility Forecast Amount for Company Use facilities? Which facilities do Unregulated Volumes use?
- b) For compressor fuel, how are the non-utility fuel volumes reported? Are they separated from utility compressor fuel? Please discuss/clarify.
- c) Please show for 2021, how forecast utility compressor fuel volumes and the Facilities Carbon Charge are recovered in rates, including separation of the Non-utility volumes.
- d) Confirm Ex D T1 S1 has non-utility Volumes excluded to calculate the unit rates.

Energy Probe IR#10

Ref.: Exhibit B Tab 1 Schedule 4

Please provide a version of Schedule 4 that provides the calculations for the Compressor Fuel Volume emissions for each of regulated and non-utility operations for emissions

- a) Please monetize the Schedule 4 compliance obligations for 2021.
- b) Reconcile to Ex B T1 Schedule 5

Energy Probe IR#11

Ref.: Exhibit B Tab 2 Schedule 1

- a) Please provide the 2021 Rate Year Union Volume Forecast from EB-2020-0181 in the same format as Ex BT1S1
- b) Please provide a Table that compares the two forecasts for each Union Rate Class.
- c) Provide detailed notes/explanations on material differences.
- d) If there is a material difference, discuss why Union should not use the same forecast for Rate-Setting and FCPP purposes

Energy Probe IR#12

Ref.: Exhibit B Tab 2 Schedule 2 and Schedule 3 Table 1

- a) Why is there no Non-utility Forecast Amount for Boilers/Line heaters and NGV Fleet? Which facilities other than Buildings do Unregulated Volumes use?

- b) For compressor fuel, how are the non-utility fuel volumes reported? Are they separated from utility compressor fuel?
- c) Please show for 2021 how forecast utility compressor fuel volumes and the Facilities Carbon Charge are recovered in rates, including separation of the Non-utility volumes.

Energy Probe IR#13

Ref.: Exhibit B Tab 1 Schedule 5; Exhibit B Tab 2 Schedule 5

- a) Please provide the equivalent schedules for 2019/20 from EB-2019-0247
- b) Please provide columns for the actual volumes and charges and differences

Energy Probe IR#14

Ref.: Exhibit C Page 3 Table C-1

Preamble: As set out in Table C-1, Enbridge Gas's forecast 2021 administration costs are \$4.41 million: \$2.42 million for the EGD rate zone; and \$1.99 million for the Union rate zones. Enbridge Gas will record actual 2021 costs in the GGEADAs until such time that these costs are incorporated into rates.

- a) Please provide a version of Table C-1 with columns showing 2019 actual and 2020 estimated costs (Q3 YTD).
- b) Please discuss the basis for all material differences, including the additional FTE in 2020

Energy Probe IR#15

Ref.: Exhibit D Tab1 Schedule 2; Exhibit D Tab2 Schedule 3

- a) Please provide the 2020 vs 2021 EGD rate Zone Bill impacts per Ex D Tab1 Schedule 2 with the Facilities and OBS charges shown as a separate lines.
- b) Confirm which items are currently specifically identified on the EGD RZ Rate 1 Customer Bill e.g. FCPP Charge, Facilities Charge, OBS amount. If there are differences for Commercial and Industrial customers identify these and provide examples of typical bills.
- c) Please provide the 2020 vs 2021 Union Rate Zone bill impacts Ex D Tab2 Schedule 3 with the Facilities and OBS charges shown as a separate lines.
- d) Confirm which items are currently specifically identified on the Union RZ M1 and R1 Customer Bill e.g. FCPP charge Facilities charge, OBS amount. If there are differences

for Commercial and Industrial customers identify these and provide examples of typical bills.

Energy Probe IR#16

Ref.: EGI Website

Preamble: EDG's website states that the FCC "will add about \$141 to an average households annual natural gas bill" ... and that "Ontario residents are eligible to receive tax-free climate action incentive payments of up to \$448 for an average Ontario family of four".

- a) Confirm if the rebate amount cited is not for natural gas use but all fossil fuels.
- b) Is the statement accurate in context of a gas customer's bill?
- c) Has EI undertaken customer surveys about the impact of the FCCP charge on customer bills? If so please file a copy.

Respectfully Submitted On behalf of Energy Probe Research Foundation by its consultant

Roger Higgin SPA Inc.