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December 8, 2020

BY RESS, AND EMAIL

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

Dear Ms. Long:

**Re: Enbridge Gas Inc. ("Enbridge Gas")
Ontario Energy Board (the "Board") File No.: EB-2020-0212
2021 Federal Carbon Pricing Program Application
Interrogatory Responses (REDACTED)**

In accordance with the Board's Procedural Order No. 1 dated November 10, 2020, enclosed please find Interrogatory Responses from Enbridge Gas in the above noted proceeding.

Request for Confidential Treatment

Enbridge Gas is filing with the Board two versions (one unredacted and one redacting specific customer information) of the response to Energy Probe interrogatory 3, as Attachment 5 to the response contains a commercially sensitive forecast of customer-specific consumption volumes for customers who are exempted from the Federal Carbon Charge which, if disclosed, could be prejudicial to these customers as it would give competitors knowledge about their operations and operating costs in 2021. Enbridge Gas is providing only the redacted version of the interrogatory to all interested parties as part of this filing.

The above request for confidential treatment is made pursuant to section 10.01 of the Board's *Rules of Practice and Procedure* and the *Practice Direction on Confidential Filings*.

The above noted responses have been filed electronically through the OEB's RESS and will be made available on Enbridge Gas's website at:
<https://www.enbridgegas.com/Regulatory-Proceedings>.

If you have any questions, please contact the undersigned.

Sincerely,

(Original Signed)

Adam Stiers
Technical Manager, Regulatory Applications

c.c.: T. Persad (Enbridge Gas Counsel)
M. Parkes (OEB Staff)
L. Murray (OEB Counsel)
EB-2020-0212 Intervenors

ENBRIDGE GAS INC.

Answer to Interrogatory from
OEB Staff (STAFF)

Interrogatory

Topic:

Ontario Emission Performance Standards

Reference:

Exhibit A / pp. 6-7 of 16

Questions:

- a) Has Enbridge Gas estimated how its 2021 FCPP facility-related compliance costs would change, if the OBPS were to be transitioned to the EPS for 2021? If so, please provide details, and indicate any assumptions made by Enbridge Gas in its calculations.
- b) Does Enbridge Gas anticipate that there would be any Enbridge Gas customers who are currently ineligible for the OBPS (and thus pay the Federal Carbon Charge on the natural gas bills) who would become eligible for the EPS?

Response:

- a) Facility volumes are composed of: (i) Company Use volumes including distribution buildings, boilers/line heaters, and NGV fleet volumes (which are currently subject to the Federal Carbon Charge under Part 1 of the GGPPA); and, (ii) OBPS volumes which includes compressor fuel (which is subject to the OBPS as Enbridge Gas's storage and transmission system is a "covered facility" under Part 2 of the GGPPA). As such, if the OBPS were to be transitioned to EPS for 2021, only the OBPS volumes would be affected.

Based on preliminary estimates, Enbridge Gas has calculated that transitioning from OBPS to EPS for the 2021 compliance period could result in a reduction of the OBPS compliance costs of approximately \$1.9 million (\$0.2 million for the EGD rate

zone and \$1.7 million for the Union rate zones). This preliminary estimate is based on a facility Baseline Emissions Intensity (“BEI”) calculated by Enbridge Gas which utilized the emissions and production information provided by Enbridge Gas to the Ontario Ministry of Environment, Conservation and Parks (“MECP”) in April 2019 along with the 2021 stringency factor and the facility specific performance standard calculation methodology, as outlined in the MECP’s GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit, Formula 3.1.5-3.¹ See Attachment 1 for additional detail regarding Enbridge Gas’s calculation of this preliminary estimate. The actual BEI value determined by the MECP and provided to Enbridge Gas once Ontario is no longer subject to OBPS may differ from the one calculated by Enbridge Gas to develop the preliminary estimate provided above.

- b) Enbridge Gas anticipates that the list of customers covered under the Ontario Emission Performance Standard (“EPS”) would be the same as the list of customers covered under the federal Output-Based Pricing System (“OBPS”) due to similar eligibility criteria between the two programs. Should Ontario add additional sectors into the EPS that are not covered under the OBPS, there could be additional customers who become exempt from the Federal Carbon Charge.

¹ MECP’s GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit – July 2019, p. 17; [GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit \(prod-environmental-registry.s3.amazonaws.com\)](https://prod-environmental-registry.s3.amazonaws.com/GHG_Emissions_Performance_Standards_and_Methodology_for_the_Determination_of_the_Total_Annual_Emissions_Limit.pdf)

Table 1

2021 Forecast EPS Obligation									
	Col. 1 Forecast Compressor Emissions (1) (tCO ₂ e)	Col. 2 Average Emission Intensity (2) (tCO ₂ e/MWh)	Col. 3 Forecast Production (3) (MWh)	Col. 4 Facility Performance Standard (4) (tCO ₂ e/MWh)	Col. 5 Total Annual Emissions Limit (5) (tCO ₂ e)	Col. 6 EPS Compliance Obligation (6) (tCO ₂ e)	Col. 7 Federal Carbon Charge (7) (\$/m ³)	Col. 8 Compressor Fuel Use Costs (8) (\$)	Col. 9 Compressor Fuel Use Costs – Regulated (9) (\$)
Union Rate Zones	292,921	0.587	498,628	0.493	245,864	47,058	40	1,882,318	1,647,424
EGD Rate Zone	38,361	0.671	57,169	0.493	28,189	10,172	40	406,894	362,729

Notes:

- (1) EGD Rate Zone: Exhibit B, Tab 1, Schedule 4, Col. 1; Union Rate Zones: Exhibit B, Tab 2, Schedule 4, Col. 1
- (2) EGD Rate Zone: Exhibit B, Tab 1, Schedule 4, Col. 2; Union Rate Zones: Exhibit B, Tab 2, Schedule 4, Col. 2
- (3) EGD Rate Zone: Exhibit B, Tab 1, Schedule 4, Col. 3; Union Rate Zones: Exhibit B, Tab 2, Schedule 4, Col. 3
- (4) Estimated Baseline Emissions Intensity × Stringency Factor (2021). Stringency Factor (2021) is based on the value in the MECP's "GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit - July 2019", Table 4.2.
- (5) Col. 3 × Col. 4
- (6) Col. 1 - Col. 5
- (7) EB-2020-0212, Exhibit A, Table A-1
- (8) Col. 6 × Col. 7
- (9) EGD Rate Zone: Regulated OBPS costs are allocated based on pro-rata regulated/unregulated total compressor volumes per Exhibit B, Tab 1, Schedule 2; Union Rate Zones: Regulated OBPS costs are allocated based on pro-rata regulated/unregulated total compressor volumes per Exhibit B, Tab 1, Schedule 2.

Table 2

Comparison of Forecasted OBPS and EPS Compliance Obligation			
	Col. 1 OBPS Compressor Fuel Use Costs – Regulated ⁽¹⁾ (\$)	Col. 2 EPS Compressor Fuel Use Costs – Regulated ⁽²⁾ (\$)	Col. 3 Difference ⁽³⁾ (\$)
Union Rate Zones	3,394,441	1,647,424	(1,747,017)
EGD Rate Zone	566,747	362,729	(204,018)

Notes:

(1) EGD Rate Zone: Exhibit B, Tab 1, Schedule 5, Line 11; Union Rate Zone:
Exhibit B, Tab 2, Schedule 5, Line 11.

(2) Table 1: 2021 Forecast EPS Obligation, Col. 9.

(3) Col. 2 - Col. 1

ENBRIDGE GAS INC.

Answer to Interrogatory from
OEB Staff (STAFF)

Interrogatory

Topic:

Management of Facility-Related Emissions and Costs

Reference:

Exhibit A / pp. 11-14 of 16

Preamble:

Enbridge Gas describes four opportunities that it has identified to reduce facility-related emissions, two of which are being implemented, and two of which are not currently cost effective and have not been implemented.

Questions:

- a) Please confirm that Enbridge Gas is not seeking cost recovery (through FCPP rates, FCPP deferral and variance accounts, or other avenues) for either of the two emissions reduction projects that are being implemented (online monitoring, air filters).
- b) In the future, should Enbridge Gas seek to implement projects for the purpose of reducing facility-related emissions, and to recover costs, would this be done through Enbridge Gas's FCPP application, or through other avenues? Please describe.
- c) Do the two larger emissions reduction projects that were identified as not being cost-effective (Plant J twinning and re-wheeling turbines) offer any potential to offset future capital costs (e.g., by extending the service life of the existing infrastructure)? If so, have these potential savings been accounted for in Enbridge Gas's discounted cash flow analysis?
- d) In its discounted cash flow analysis, has Enbridge Gas assumed an avoided carbon charge of \$50 per tonne of CO₂e reduction for years 2023 and beyond?

Response:

a) Confirmed.

Both of the Online Monitoring and Air Filter emission reduction opportunities are being driven by Enbridge Gas's standard operational maintenance program and, as such, all associated project costs are being recovered as part of Enbridge Gas's regular maintenance costs. Enbridge Gas is not seeking to recover any costs associated with either of these projects through this Application, its FCPP-related rate changes or FCPP-related deferral and variance accounts.

b) In the future, should Enbridge Gas implement projects for the sole purpose of reducing its facility-related emissions, it expects that it may seek to recover such costs as part of future FCPP applications.

c) No, the two larger emissions reduction projects that were identified as not being cost-effective (Plant J Twinning and Re-wheeling Turbines) do not offer any potential to offset future capital costs. Rather, the service life of Enbridge Gas's industrial compressor sets is determined primarily by: (i) the ability of original equipment manufacturers ("OEM") to supply parts and offer repair services for Enbridge Gas's compressors; and (ii) whether the design operational range of the compressors is able to meet Enbridge Gas's operational business requirements.

d) Yes.

ENBRIDGE GAS INC.

Answer to Interrogatory from
OEB Staff (STAFF)

Interrogatory

Topic:

Federal Carbon Charge Cost Reductions from Voluntary Renewable Natural Gas Program

Reference:

Exhibit B / pp. 2-3 of 4; EB-2020-0066 (Voluntary Renewable Natural Gas Program) Decision and Order, September 24, 2020, pp. 16-17 of 24

Preamble:

Enbridge Gas forecasts its 2021 customer-related Federal Carbon Charge costs that it seeks to recover from customers. The OEB's Decision and Order on Enbridge Gas's Voluntary Renewable Natural Gas Program Application (EB-2020-0066) indicated that Enbridge Gas should track Federal Carbon Charge savings arising from that program, and record those savings in the Federal Carbon Charge Customer Variance Accounts.

Questions:

- a) Please confirm that Enbridge Gas's forecast of 2021 customer-related Federal Carbon Charge costs does not include any reduction in forecast costs due to Enbridge Gas's Voluntary RNG program, and that Enbridge Gas intends to record any actual reduction in customer-related Federal Carbon Charge costs arising in 2021 from this program in the Federal Carbon Charge – Customer Variance Accounts.
- b) Please confirm that, if Enbridge Gas were instead to include its reduction in forecast costs due to Enbridge Gas's Voluntary RNG program within its forecast of 2021 customer-related Federal Carbon Charge costs, the impact on the requested Federal Carbon Charge rate for 2021 would be immaterial.

Response:

a) & b)

Confirmed.

ENBRIDGE GAS INC.

Answer to Interrogatory from
OEB Staff (STAFF)

Interrogatory

Topic:

Forecast 2021 Customer Volumes and COVID-19 Impacts

Reference:

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

Preamble:

Enbridge Gas provides a forecast of natural gas volumes by rate class for the EGD and Union rate zones. This information affects several aspects of Enbridge Gas's application, including Enbridge Gas's requested rate for the Facility Carbon Charge.

Questions:

- a) Enbridge Gas notes that "the forecast employs the same methodologies which underpinned forecasts previously approved by the OEB." Does this forecast attempt to incorporate impacts to customer volumes arising from the COVID-19 emergency? If so, please describe and indicate any assumptions Enbridge Gas has made.

Response:

- a) Enbridge Gas's General Service Market volume forecast provided at Exhibit B, Tabs 1 and 2, including its underlying driver variables: (i) were generated using Board-approved methodologies; and (ii) reflects the most current year of actual economic information and the most current forecast of driver variables based on the Q2 2020 Economic Outlook. While Enbridge Gas did not make any specific or additional adjustment to its General Service Market volume forecast to incorporate impacts arising from the COVID-19 pandemic, the Q2 2020 Economic Outlook does include a forecast of driver variables that inherently includes certain COVID-19 pandemic impacts (such as GDP, unemployment and housing starts).

Enbridge Gas adjusted its Contract Market rate class volume forecasts to incorporate impacts to customer volumes arising from the COVID-19 pandemic. Specifically, Enbridge Gas relied upon analysis of historical consumption data from 2007 to 2013 for Contract Market rate classes and then adjusted consumption volumes to project the impact of the COVID-19 pandemic upon Contract Market customers based upon the impacts resulting from the 2008 economic recession.

Critically, Enbridge Gas has provided customer volume forecasts primarily for informational purposes as customers will be charged the Federal Carbon Charge monthly based on actual billed volumes. While Enbridge Gas relies upon forecasted customer consumption volumes to derive its Facility Carbon Charges, a certain degree of forecast variability is inherently unavoidable due to the nature of forecasting. Enbridge Gas expects that to the extent that its customer volume forecast differs from actual consumption volumes, variances may result in the accumulation of immaterial balances in its facility-related variance accounts which the Company would apply to the Board to clear through a future proceeding. Enbridge Gas does not expect such balances to be material relative to the total forecast cost of compliance with the GGPPA in 2021.

Please also see the responses at Exhibit I.EP.8 and at Exhibit I.EP.11 for further detail of these adjustments and their relative materiality.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. (Anwaatin)

INTERROGATORY

Reference:

Application, p.3, para 7

Preamble:

EGI states that persons affected by the Application are the customers resident or located in the municipalities, police villages, Indigenous communities and Métis organizations served by EGI, together with those to whom EGI sells gas, or on whose behalf EGI distributes, transmits, or stores gas. [emphasis added]

Questions:

- a) What, if any, duty to consult and potentially accommodate Indigenous communities does EGI have with respect to the Application?
- b) What proportion of EGI customers, that are subject to the proposed fees set out in the application, are “on-reserve”, as defined in the Indian Act?

Response:

- a) Consistent with its response to this same question posed by Anwaatin in Enbridge Gas’s 2020 Federal Carbon Pricing Program proceeding in June 2020,¹ Enbridge Gas’s 2021 Application does not contemplate any conduct that may adversely impact asserted or established Aboriginal or treaty rights. The rate impacts of this Application are generic across Enbridge Gas rate classes and are applied on that basis. The Greenhouse Gas Pollution Pricing Act, the legislation pursuant to which Enbridge Gas is incurring costs for which it is seeking recovery in the Application, does not mandate any specific or separate treatment for Indigenous communities and Métis organizations.

¹ EB-2019-0247, Exhibit I.Anwaatin.1, June 18, 2020.

- b) Enbridge Gas currently has approximately 3,600 customers in its billing system who are HST exempt because they reside on-reserve. This equates to less than 0.1% of customers.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. (Anwaatin)

INTERROGATORY

Reference:

Exhibit A, pp. 3-4, paras. 8-9

Preamble:

In EGI's 2020 Application (EB-2019-0247) the OEB ordered that for First Nations on-reserve customers the Federal Carbon Charge remain interim and that EGI track charges to on-reserve customers until such time that the OEB makes a determination regarding the constitutional applicability of FCPP-related charges to on-reserve First Nations customers.

Questions:

- a) Please provide the tracked charges to on-reserve First Nation customers in the EGD Rate Zone, and indicate what, if any, action is being taken to mitigate the charges for on-reserve First Nation customers.
- b) Please provide the tracked charges to on-reserve First Nation customers in the Union Rate Zone, and indicate what, if any, action is being taken to mitigate the charges for on-reserve First Nation customers.

Response:

- a) Enbridge Gas did not serve any First Nation customers residing on-reserve in the EGD rate zone in 2019 or 2020 to date.
- b) The total customer-related tracked charges for First Nation customers residing on-reserve in the Union rate zones is \$665,476.¹

The Greenhouse Gas Pollution Pricing Act, the legislation pursuant to which Enbridge Gas is incurring costs does not mandate any specific or separate treatment

¹ Based on tracked Federal Carbon Charges from April 1, 2019 to October 31, 2020.

for Indigenous communities and Métis organizations. However, Enbridge Gas does offer programs to customers to help manage their energy costs.² A range of energy-efficiency information and programs are available to help customers lower their natural gas use, and consequently, Federal Carbon Charges.

² www.enbridgesmartsavings.com

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. (Anwaatin)

INTERROGATORY

Reference:

Exhibit B, Tab 1, Schedule 5
Exhibit B, Tab 2, Schedule 5

Preamble:

EGI forecasts the Total Customer-Related Costs in the EGD rate zone at \$862,599,969.

EGI forecasts the Total Customer-Related Costs in the Union rate zone at \$551,506,350.

Questions:

- a) Please provide actual 2020 volumes delivered to Indigenous communities and the total customer-related costs of the Federal Carbon Charge for Indigenous communities in the EGD Rate Zone.
- b) Please provide actual 2020 volumes delivered to Indigenous communities and the total customer-related costs of the Federal Carbon Charge for Indigenous communities in the Union Rate Zone.

Response:

- a) Please see the response at Exhibit I.Anwaatin.2 a).
- b) The actual year-to-date (January-October) 2020 volumes delivered to Indigenous communities residing on-reserve within the Union rate zones and the corresponding customer-related costs of the Federal Carbon Charge are set out in Table 1 below.

Table 1

2020 YTD Customer Volumes (m³)		Federal Carbon Charge Rate (\$/m³)	Customer-Related Costs (\$)
Jan-Mar 2020	4,655,294	0.0391	182,022
Apr-Oct 2020	4,185,547	0.0587	245,692
Total	8,840,841	-	427,714

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. (Anwaatin)

INTERROGATORY

Reference:

Updated Exhibit C, pp. 3 and 4

Preamble:

EGI's forecasted 2020 administration costs are \$4.41 million: \$2.42 million for the EGD rate zone and \$1.99 million for the Union rate zones (IT billing system, staffing resources, consulting and external legal support, greenhouse gas (GHG) reporting and verification, bad debt, and other miscellaneous costs).

EGI plans to record actual 2021 costs in the Greenhouse Gas Emissions Administration Deferral Accounts (GGEADAs) until such time that these costs are incorporated into rates. EGI intends to seek recovery of its actual 2021 administration costs in a future proceeding.

EGI states that it anticipates that it will incur a total of \$0.30 million in consulting and external legal costs in 2021 for work supporting the development and sustainment of EGI's carbon strategy and related analyses, the review and interpretation of any new or updated regulations associated with the GGPPA or other GHG or carbon pricing programs and for work supporting the development of EGI's Application and associated OEB proceedings.

Questions:

- a) Please outline what additional consulting and external legal services EGI anticipates that it will require in relation to each of the following:
- (i) development and sustainment of EGI's carbon strategy and related analyses;
 - (ii) review and interpretation of any new or updated regulations associated with the GGPPA;
 - (iii) review and interpretation of any new offsets regulations associated with the GGPPA;
 - (iv) Indigenous engagement and consultation for the development and sustainment of EGI's carbon strategy and related analysis;

- (v) other GHG or carbon pricing programs; and
- (vi) EGI's recently announced carbon neutrality target.

Response:

- a) As described in Enbridge Gas's Application at Exhibit C, p. 3, Enbridge Gas is providing forecast 2021 administration costs (set out at Exhibit C, Table C-1) for informational purposes only and will seek recovery of its actual 2021 administration costs in a future proceeding.

These estimates are generally based on: (i) Enbridge Gas's 2019/2020 forecast and actual administration costs; and (ii) anticipated consulting and external legal services required to develop compliance strategies for and to maintain compliance with the Greenhouse Gas Pollution Pricing Act and the Federal Carbon Pricing Program (e.g. offset regulations), Ontario's Emissions Performance Standard ("EPS"), the federal Clean Fuel Standard ("CFS"),¹ and any other related GHG or carbon pricing programs in 2021.

Enbridge Gas has not specifically included any costs associated with consulting or legal services associated with Enbridge Inc.'s recently announced carbon neutrality target as part of this estimate.

Enbridge Gas has provided these estimated costs at the most specific level of detail currently available at the time of filing its Application and this submission. At such time that Enbridge Gas seeks, through a future application to the OEB, to recover its actual 2021 administration costs it will provide a specific breakdown of those costs.

¹ Enbridge Gas understands that a draft CFS regulation will be released for the liquid stream in late 2020, and the gaseous stream in late 2021.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Anwaatin Inc. (Anwaatin)

INTERROGATORY

Reference:

Exhibit A, p. 5, para 10(ii)
Enbridge Inc., “Net Zero by 2050: Pathways to reducing our emissions” (online and attached at Appendix A).

Preamble:

EGI notes that the Output-Based Pricing System (OBPS) under the Greenhouse Gas Pollution Pricing Act “creates a pricing incentive to reduce GHG emissions from Energy Intensive and Trade Exposed (“EITE”) industrial facilities while limiting the impacts of carbon pricing on their respective competitiveness” (p. 5, para 10(ii)).

On November 6, 2020 Enbridge announced its new Environmental, Social and Governance Goals which include reducing the intensity of greenhouse gas (GHG) emissions from their operations by 35% by 2030 and achieving net zero GHG emissions from their business by 2050. To meet these goals, Enbridge will take the following actions:

- **Modernization and Innovation** — Reduce emissions by modernizing equipment and applying innovation to existing energy transportation and distribution systems to increase efficiency and reduce the emissions intensity of existing infrastructure.
- **Decarbonizing Energy Use** – Reduce emissions intensity of electricity Enbridge buys, including building and operating solar power generation facilities to serve Enbridge's operations and utilizing lower intensity power sources from the grid.
- **Investment in Renewables and Lower Carbon Energy** – Disciplined investment in lower carbon infrastructure and business lines including wind and solar power generation, hydrogen, and renewable natural gas.
- **Offsets and Carbon Credits** – Balance residual emissions through procurement of carbon offset credits generated by nature-based solutions and Renewable Energy Certificates,

Questions:

- a) Please confirm whether or not the Federal Carbon Charge and EGI’s compliance with the Greenhouse Gas Pollution Pricing Act and other similar compliance-based regulatory schemes will be used toward Enbridge Inc.’s goal of reducing the intensity

of GHG emissions from its operations by 35% by 2030 and achieving net zero emissions by 2050 (the Commitments).

- b) Please provide a breakdown of the Federal Carbon Charge that identifies the portion(s) that will be affected and/or reduced as a result of the Commitments.
- c) Please indicate whether customer payments are to be used towards meeting the Commitments, and if so, please provide details of how such customer payments will be used and what communications/explanations have been provided to customers regarding such payments.
- d) Please comment and provide details on the relationship between the Federal Carbon Charge, the Commitments, and EGI's hydrogen strategy (which consists, in part, of EGI's Low Carbon Energy Project, a hydrogen blending pilot, approved by the Board in EB-2019-0294). In particular, please confirm whether or not EGI's hydrogen strategy is expected to mitigate or otherwise affect the Federal Carbon Charge.

Response:

- a) Enbridge Inc.'s ("Enbridge") GHG reduction targets (the "Commitments") pertain only to scope 1 (direct emissions from operations) and scope 2 (indirect emissions from purchased electricity) emissions, and do not include scope 3 (emissions from sold products) emissions from customers' consumption of natural gas. Since payment of the Federal Carbon Charge under the Greenhouse Gas Pollution Pricing Act ("GGPPA") does not directly reduce GHG emissions, it cannot be used towards achieving Enbridge's Commitments.

However, reduction of facility-related emissions and any future procurement of offset credits under the Output-Based Pricing System ("OBPS"), which are discussed at Exhibit A, Section 2.3, may be used towards achieving Enbridge's Commitments.

- b) The portion of the Federal Carbon Pricing Program ("FCPP") eligible to be reduced as a result of Enbridge's Commitments is the Facility Carbon Charge cost, which as shown at Exhibit B of Enbridge Gas's Application, is estimated to be \$5.93 million in 2021.¹ Enbridge's Commitments, including the Online Monitoring and Air Filters projects detailed at Exhibit A, Section 2.3 of Enbridge Gas's Application, are estimated to reduce facility-related emissions by approximately 742 tCO_{2e} in 2021. Enbridge Gas expects that actual GHG emissions reductions relative to forecast will be reflected in 2021 balances recorded in Enbridge Gas's facility-related variance accounts which will be the subject of a future FCPP application.

¹ Exhibit B, p. 4; Exhibit B, Tabs 1 and 2, Schedule 5.

- c) Customer payments may be used towards meeting Enbridge's Commitments.

GHG emissions reductions may be achieved through asset maintenance or replacement programs, which are funded through Enbridge Gas's existing rates. As the projects set out in Enbridge Gas's Application at Exhibit A, Section 2.3 are part of its standard operational maintenance program, no specific customer communications have been issued tying these projects to Enbridge's Commitments.

As discussed in part a), Enbridge Gas may seek opportunities to reduce the costs of facility-related emissions through: (i) distinct projects designed to reduce GHG emissions costs (please also see the response at Exhibit I.STAFF.2 b)); or (ii) the procurement of offset credits in a manner that is cost effective on a \$/tonne of carbon dioxide equivalent ("\$/tCO₂e") basis as compared to the excess emissions charge.² Where any such opportunity is deemed cost effective, the Company may seek to recover associated costs through future FCPP applications.

- d) Please see the responses at parts a) – c) above, for discussion of the interrelation between the FCPP and Enbridge Gas's Commitments. As stated in response to interrogatories in Enbridge Gas's Low Carbon Energy Project proceeding (EB-2019-0294) at Exhibit I.H2GO.3 e):

Enbridge Gas has reviewed the Greenhouse Gas Pollution Pricing Act and has spoken with the federal government on the imposition of the Federal Carbon Charge on the hydrogen portion of blended gas. Currently, the Company is unaware of any mechanism for hydrogen blended into the natural gas distribution system to be exempted from the Federal Carbon Charge. Enbridge Gas has continued to pursue conversations with the federal government on a mechanism to exempt hydrogen blended into natural gas. The Company is hopeful this exemption can be put in place, given that hydrogen injection into the natural gas distribution system is accepted as a GHG reduction in the federal Clean Fuel Standard ("CFS"), which is currently under development.

² The excess emissions charge is outlined at Exhibit A, Table A-1.

ENBRIDGE GAS INC.

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

Interrogatory

Reference:

Exhibit C, Page 7 of 7

Preamble:

Absent any COVID-19 impacts, Enbridge Gas estimates that it will incur approximately \$2.58 million in incremental bad debt expenses in 2021 based on forecasted costs recoverable from customers as a result of the GGPPA, as set out in Exhibit B. While Enbridge Gas has included total 2021 forecast bad debt costs in Table C-1, only actual bad debt related to the GGPPA will be recorded in the GGEADAs for each rate zone.

Question:

- a) Please provide the calculation used to arrive at the approximate value of \$2.58 million in incremental bad debt expenses.

Response

- a) The bad debt amount of \$2.58 million was forecasted using the following calculations:

2021 FCPP Charges Billed =

2021 Customer Volumes x Federal Carbon Charge Rate

2021 % Revenue Increase =

2021 FCPP Charges Billed ÷ 2021 Forecasted Company Revenue

2021 Federal Carbon Bad Debt =

2021 % Revenue Increase x 2021 Forecasted Company Bad Debt

The respective calculations are applied for the EGD rate zone and Union rate zones as follows:

EGD Rate Zone Bad Debt Calculation¹**2021 FCPP Charges Billed =**

	Customer-Related (10³m³)	Facility-Related – Own Use (10³m³)	Facility-related – OBPS (tCO₂e)	Federal Carbon Charge Rate	2021 FCPP Charge Billed (\$ millions)
Jan – Mar 2021	5,008,172	2,707		\$0.0587/m ³	294.14
Apr – Dec 2021	5,829,748	3,749		\$0.0783/m ³	456.76
Jan – Dec 2021			14,169	\$40/tCO ₂ e	0.57
Total					751.47

2021 % Revenue Increase

$\$751.47\text{million} \div \$2,594.83\text{million} = 28.96\%$

2021 Federal Carbon Bad Debt

$28.96\% \times \$4.57\text{million} = \1.32million

Union Rate Zones Bad Debt Calculation¹**2021 FCPP Charges Billed =**

	Customer-Related (10³m³)	Facility-Related – Own Use (10³m³)	Facility-related – OBPS (tCO₂e)	Federal Carbon Charge Rate	2021 FCPP Charge Billed (\$ millions)
Jan – Mar 2021	2,955,943	5,542		\$0.0587/m ³	173.84
Apr – Dec 2021	3,995,083	8,954		\$0.0783/m ³	313.52
Jan – Dec 2021			84,861	\$40/tCO ₂ e	3.39
Total					490.75

2021 % Revenue Increase

$\$490.75\text{million} \div \$1,559.05\text{million} = 31.48\%$

2021 Federal Carbon Bad Debt

$31.48\% \times \$4.00\text{million} = \1.26million

Total 2021 Forecasted Bad Debt for EGI = \$2.58 million

¹ Numbers may vary due to rounding. Bad debt amounts are forecast on a calendar year basis, consistent with other FCPP-related administration costs.

ENBRIDGE GAS INC.

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

Interrogatory

Reference:

Exhibit C, Page 7 of 7

Preamble:

Enbridge Gas expects to incur approximately \$0.16 million in other miscellaneous costs for customer outreach and communications, training, conferences, travel expenses, memberships and subscriptions associated with the GGPPA or other GHG or carbon pricing programs in 2021.

Question:

a) Please confirm the account that these miscellaneous costs will be recorded in.

Response

a) Miscellaneous costs will be recorded as administration costs in the Greenhouse Gas Emissions Administration Deferral Account – EGD Rate Zone¹ and Greenhouse Gas Emissions Administration Deferral Account – Union Rate Zones² ("GGEADAs").

¹ EGD Rate Zone Account No. 179-501, to record the administration costs associated with the impacts of federal regulations related to greenhouse gas emission requirements for Enbridge Gas within the EGD rate zone effective January 1, 2019.

² Union Rate Zones Account No. 179-422, to record the administration costs associated with the impacts of federal regulations related to greenhouse gas emission requirements for Enbridge Gas within the Union rate zones effective January 1, 2019.

ENBRIDGE GAS INC.

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

Interrogatory

Reference:

Exhibit A, page 6 of 16

Questions:

At page 6 of 16 of the application, EGI stated that "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."

- (a) What is the current status of the transition from the OBPS to EPS?
- (b) To the extent that EGI is aware, are there any current OBPS customers that are not eligible for the EPS?

Response:

a) & b)

Please see the responses at Exhibit I.EP.4 and at Exhibit I.STAFF.1.

ENBRIDGE GAS INC.

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

Interrogatory

Reference:

Exhibit A, page 12 of 16, Table A-2

Questions:

At page 12 of 16, EGI stated that the online monitoring system has an associated capital cost.

- a) Is this capital cost being recovered from ratepayers as part of this application, or is it being covered as part of EGI's standard operational maintenance program?
- b) With respect to the compressor units, please confirm if the six compressor units (existing two and four prospectively to implement) are the total number of compressors that would benefit from this adjustment. If not, please explain if EGI intends to implement this adjustment on any other compressor units.
- c) Please confirm if the cost and emissions reductions are estimated with all six compressors being adjusted, or only the two existing compressor units that have already been changed.

Response:

- a) The Online Monitoring emission reduction opportunity is being driven by Enbridge Gas's standard operational maintenance program and as such project costs are part of regular maintenance costs. Enbridge Gas is not seeking to recover the costs of the project through this Application.

Please also see the response at Exhibit I.STAFF.2 a).

- b) Confirmed.

- c) The estimated capital cost and Estimated Emissions Reductions – 10-yr Cumulative set out at Exhibit A, Table A-2, include the estimated total cost and emissions related to this initiative being implemented on all six compressor units.

ENBRIDGE GAS INC.

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

Interrogatory

Reference:

Exhibit A, page 14 of 16

Question:

At page 14 of 16, EGI stated "To date, no Credits have been issued, and the federal offset program has not yet been established. Once these compliance options become effective, Enbridge Gas will review their respective availability and market attributes to determine if they present a viable means of reducing OBPS compliance costs."

a) Does EGI have an update on the status of the federal offset program?

Response:

a) No.

As of the time of this submission, Enbridge Gas is not aware of any updates to the status of the federal offset program since it filed its Application with the OEB.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

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

Questions:

- 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.

Response:

Neither Enbridge Gas's 2019/2020 balances in FCPP-related deferral and variance accounts, nor the allocation and disposition methodologies previously approved by the Board are at issue in this proceeding. Accordingly, EP's questions exceed the scope of this proceeding as defined by the Board in its Decision on Scope of Proceeding dated November 20, 2020, where the Board stated:

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

In addition, in the 2021 FCPP proceeding, the quantum of administration costs or the disposition of other deferral and variance accounts (DVAs) is also out of scope as Enbridge Gas is not seeking recovery in this application for amounts related to administration costs or the disposition of related DVAs. The OEB confirms that the review of the application filed by Enbridge Gas will be limited to considering the recovery of its costs related to the FCPP. This comprises (i) updating the Federal Carbon Charge and Facility Carbon Charge on customer bills, to match the costs incurred by Enbridge Gas under the GGPPA; and (ii) considering Enbridge Gas's activities with respect to understanding, controlling and mitigating its facility-related FCPP costs (for example, evaluating Offset Credits as an option to reduce facility related costs).

In an effort to be as responsive as reasonably possible, Enbridge Gas has provided limited responses to EP's questions.

- a) Enbridge Gas confirms that, in accordance with the Board's August 13, 2020, Decision and Order and its September 3, 2020 Decision and Rate Order dealing with Enbridge Gas's 2020 Federal Carbon Pricing Program application, and in accordance with the Board's September 24, 2020 Decision and Rate Order for Enbridge Gas's October 1, 2020 QRAM application, it has commenced disposition of 2019 balances in FCPP-related deferral and variance accounts effective October 1, 2020, over a three-month period to December 31, 2020.
- b) & c)

Enbridge Gas does not have final balances or resulting bill impacts for the 2020 FCPP-related deferral and variance accounts at this time. As discussed in Exhibit A, paragraph 7 of the pre-filed evidence, Enbridge Gas will seek disposition of final audited year-end 2020 balances in the FCPP-related deferral and variance accounts for each of the EGD rate zone and Union rate zones as part of its 2022 FCPP Application, to be filed by the end of September, 2021.²

² EB-2020-0212, Exhibit A, Paragraph 7.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit A Page 5 Table A-1

Questions:

- 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

Response:

- a) The requested documents are available at the following links:
 - Schedule 2 - <https://laws-lois.justice.gc.ca/eng/acts/G-11.55/page-41.html#h-247111>
 - Schedule 4 - <https://laws-lois.justice.gc.ca/eng/acts/G-11.55/page-43.html#h-247156>
- b) Enbridge Gas does not convert the \$/tonne CO₂e rate to cents/m³. The Company uses the charge rates as shown in Schedule 2 of the Greenhouse Gas Pollution Pricing Act ("GGPPA"). As stated in response to interrogatories in Enbridge Gas's 2020 FCPP Application (EB-2019-0247) at Exhibit I.EP.1:

Enbridge Gas requested clarification of the conversion factors used in converting the annual carbon price in \$/tCO₂e to the charge rates set out in Schedule 2 of the GGPPA in 2019 and was not provided any such explanation by government. However, the government has confirmed that the conversion factors quoted by EP and posted on the CRA's website represent national average gas analysis values.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit A Page 5

Question:

- 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

Response:

While working to complete EP's interrogatory responses, a discrepancy within the customer-related volume forecasts set out in Enbridge Gas's Application at Exhibit B was identified. Due to an internal oversight, an outdated version of the exempt participants list was used in the forecasting process, resulting in less exempt volumes being included within the forecasts. Accordingly, Enbridge Gas has corrected this issue and updated the 2021 customer-related volume forecast to include volumes from all exempt participants under the GGPPA that have registered with Enbridge Gas to date. This update has reduced Enbridge Gas's forecast customer-related costs by \$54.75 million from what was filed in its Application. The correct total 2021 customer-related cost is \$1,359.35 million (formerly \$1,414.11 million); approximately \$841.99 million for the EGD rate zone and \$517.36 million for the Union rate zones. There are no changes to the unit rates or bill impacts as a result of this update. The schedules impacted by this discrepancy (Exhibit B, Tabs 1 and 2, Schedules 1 and 5, and Exhibit D, Tabs 1 and 2, Schedule 1, p. 1) have been updated and are presented at Attachments 1 to 4 to reflect the updated 2021 forecast customer-related volumes and associated costs. Total forecast customer-related volumes (Exhibit B, Tabs 1 and 2, Schedule 1, Col. 1, and Exhibit D, Tabs 1 and 2, Schedule 1, p. 1, Col. 1) remain unchanged as a result of this update. Therefore, all references to those volumes/totals either within Enbridge Gas's Application or within its responses to interrogatories in this proceeding remain accurate.

Neither Enbridge Gas's 2020 actual or forecast volumes nor 2020 balances in FCPP-related deferral and variance accounts are at issue in this proceeding. Accordingly, EP's questions exceed the scope of this proceeding as defined by the Board in its Decision on Scope of Proceeding dated November 20, 2020, where the board stated:

In addition, in the 2021 FCPP proceeding, the quantum of administration costs or the disposition of other deferral and variance accounts (DVAs) is also out of scope as Enbridge Gas is not seeking recovery in this application for amounts related to administration costs or the disposition of related DVAs. The OEB confirms that the review of the application filed by Enbridge Gas will be limited to considering the recovery of its costs related to the FCPP. This comprises (i) updating the Federal Carbon Charge and Facility Carbon Charge on customer bills, to match the costs incurred by Enbridge Gas under the GGPPA; and (ii) considering Enbridge Gas's activities with respect to understanding, controlling and mitigating its facility-related FCPP costs (for example, evaluating Offset Credits as an option to reduce facility related costs).

In an effort to be as responsive as reasonably possible, Enbridge Gas has provided limited responses to EP's questions below.

a) & b)

As requested, please refer to Attachment 5 for a list of OBPS entities registered with Enbridge Gas, their associated forecast volumes for April 2021 to March 2022, and the year that they registered their exemption with Enbridge Gas. As set out in the covering letter to these interrogatory responses, as Attachment 5 contains the names and commercially sensitive forecast consumption volumes of certain commercial customers Enbridge Gas is filing with the Board two versions of this response, one unredacted confidential version and one redacted version.

A comparison of the total exempt volumes in the updated versions of Exhibit B, Tabs 1 and 2, Schedule 1 (shown in Attachment 1 and 2), and the OBPS exempt volumes shown in Attachment 5 is provided in Table 1 below.

Table 1

	EGD Rate Zone	Union Rate Zones
Total Exempt Volume (10^3m^3) ¹	1,824,661	7,160,404
OBPS Exempt Volume (10^3m^3) ²	1,574,386	6,381,901
Difference (10^3m^3)	250,275	778,503

As shown in Table 1, the OBPS exempt volumes provided in Attachment 5 do not reconcile with the total exempt volumes. The difference is attributed to other exempt volumes, including volumes used by customers in non-covered activities and partial relief (80%) for greenhouse operators.

¹ Attachment 1, Page 1, Line 13, Col. 2 and Attachment 2, Page 1, Line 16, Col. 2

² As shown in Attachment 5

Enbridge Gas Inc.
EGD Rate Zone
Updated Exhibit B, Tab 1, Schedule 1
2021 Customer-Related Volumes by Rate Class (April 2021 to March 2022)
(10³m³)

Line No.	Rate Class	Col. 1	Col. 2	Col. 3 (Col. 1 - Col. 2)
		Forecast Volumes ¹	OBPS Participant & Other Exempt Volumes ²	Net Volumes
1	1	5,116,256	455	5,115,801
2	6	4,903,468	179,538	4,723,930
3	9	-	-	-
4	100	33,431	13,660	19,771
5	110	957,019	247,083	709,936
6	115	469,919	425,602	44,317
7	125 ³	560,000	560,000	-
8	135	61,643	-	61,643
9	145	27,157	6,780	20,377
10	170	267,329	209,692	57,638
11	200 ⁴	181,853	181,853	-
12	300	-	-	-
Total				
13	Customer-Related	12,578,074	1,824,661	10,753,413

Notes:

- (1) Forecast Volumes after DSM from April 1, 2021 to March 31, 2022.
- (2) Estimated forecast volumes for mandatory and voluntary participants in the Output Based Pricing System (OBPS), volumes qualifying for exemption for non-covered activities and partial relief (80%) for greenhouse operators.
- (3) Dedicated unbundled customers.
- (4) Includes volumes delivered to downstream distributors and landfill gas.

Enbridge Gas Inc.
EGD Rate Zone
Updated Exhibit B, Tab 1, Schedule 5
2021 Summary of Customer-Related and Facility-Related Costs

Line No.	Particulars	2021 Forecast
	<u>Customer-Related Cost Forecast</u>	
1	Customer-related Forecast Volume (10^3m^3) ⁽¹⁾	10,753,413
2	Federal Carbon Charge (\$/ m^3) ⁽²⁾	0.0783
3	Total Customer-Related Costs (\$)	841,992,254
	<u>Facility-Related Cost Forecast</u>	
4	Company-Use Forecast Volume (10^3m^3) ⁽³⁾	6,354
5	Federal Carbon Charge (\$/ m^3) ⁽²⁾	0.0783
6	Company Use Costs (\$)	497,512
7	OBPS Obligation (tCO_2e) ⁽⁴⁾	15,894
8	Federal Excess Emissions Charge (\$/ tCO_2e) ⁽²⁾	40.00
9	Compressor Fuel Use Costs (\$)	635,753
10	Compressor Fuel Use Costs - Unregulated (\$) ⁽⁵⁾	(69,006)
11	Compressor Fuel Use Costs - Regulated (\$)	566,747
12	Total Facility Related Costs (\$)	1,064,260
13	Total Cost Forecast (\$)	843,056,514

Notes:

- (1) Exhibit I.EP.3, Attachment 1, pg, 1, Col. 3, Line 13. Forecast volumes from April 1, 2021 to March 31, 2022.
- (2) EB-2020-0212, Exhibit A, Table A-1.
- (3) EB-2020-0212, Exhibit B, Tab 1, Schedule 2, Column 1, Line 4. Forecast volumes from April 1, 2021 to March 31, 2022.
- (4) EB-2020-0212, Exhibit B, Tab 1, Schedule 4. Forecast from January 1 to December 31, 2021.
- (5) Unregulated OBPS costs are allocated based on pro-rata regulated/unregulated total compressor volumes per Exhibit B, Tab 1, Schedule 2.

Enbridge Gas Inc.
Union Rate Zone
Updated Exhibit B, Tab 2, Schedule 1
2021 Customer-Related Volumes by Rate Class (April 2021 to March 2022)
(10³m³)

Line No.	Rate Class	Col. 1	Col. 2	Col. 3 (Col. 1 - Col. 2)
		Forecast Volumes ¹	OBPS Participant & Other Exempt Volumes ²	Net Volumes
1	1	1,023,567	270	1,023,297
2	10	358,449	7,173	351,276
3	M1	3,141,401	1,566	3,139,836
4	M2	1,334,183	90,944	1,243,239
5	20	668,106	536,195	131,911
6	25	79,886	68,897	10,989
7	100	1,018,057	1,018,057	-
8	M4	679,456	259,001	420,455
9	M5	69,356	18,601	50,755
10	M7	560,929	420,055	140,873
11	M9 ³	101,338	101,338	-
12	M10 ³	379	54	325
13	T1	320,854	226,391	94,463
14	T2	4,128,487	4,128,487	-
15	T3 ³	283,374	283,374	-
Total				
16	Customer-Related	13,767,822	7,160,404	6,607,418

Notes:

- (1) Forecast Volumes after DSM from April 1, 2021 to March 31, 2022.
- (2) Estimated forecast volumes for mandatory and voluntary participants in the Output Based Pricing System (OBPS), volumes qualifying for exemption for non-covered activities and partial relief (80%) for greenhouse operators.
- (3) Includes volumes delivered to downstream distributors and landfill gas.

Enbridge Gas Inc.
Union Rate Zone
Updated Exhibit B, Tab 2, Schedule 5
2021 Summary of Customer-Related and Facility-Related Costs

Line No.	Particulars	2021 Forecast
	<u>Customer-Related Cost Forecast</u>	
1	Customer-related Forecast Volume (10^3m^3) ⁽¹⁾	6,607,418
2	Federal Carbon Charge (\$/m ³) ⁽²⁾	0.0783
3	Total Customer-Related Costs (\$)	517,360,827
	<u>Facility-Related Cost Forecast</u>	
4	Company-Use Forecast Volume (10^3m^3) ⁽³⁾	18,763
5	Federal Carbon Charge (\$/m ³) ⁽²⁾	0.0783
6	Company Use Costs (\$)	1,469,109
7	OBPS Obligation (tCO ₂ e) ⁽⁴⁾	96,961
8	Federal Excess Emissions Charge (\$/tCO ₂ e) ⁽²⁾	40.00
9	Compressor Fuel Use Costs (\$)	3,878,429
10	Compressor Fuel Use Costs - Unregulated (\$) ⁽⁵⁾	(483,988)
11	Compressor Fuel Use Costs - Regulated (\$)	3,394,441
12	Total Facility Related Costs (\$)	4,863,550
13	Total Cost Forecast (\$)	522,224,377

Notes:

- (1) Exhibit I.EP.3, Attachment 2, pg. 1, Col. 3, Line 16. Forecast volumes from April 1, 2021 to March 31, 2022.
- (2) EB-2020-0212, Exhibit A, Table A-1.
- (3) EB-2020-0212, Exhibit B, Tab 2, Schedule 2, Column 1, Line 4. Forecast volumes from April 1, 2021 to March 31, 2022.
- (4) EB-2020-0212, Exhibit B, Tab 2, Schedule 4. Forecast from January 1 to December 31, 2021.
- (5) Unregulated OBPS costs are allocated based on pro-rata regulated/unregulated total compressor volumes per EB-2020-0212, Exhibit B, Tab 2, Schedule 2.

EGD RATE ZONE

Updated Exhibit D, Tab 1, Schedule 1, pg. 1

TABLE 1: 2021 CUSTOMER-RELATED VOLUMES AND DERIVATION OF FEDERAL CARBON CHARGE UNIT RATE

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Line	Rate	Forecast Volumes ¹	Less: Transportation Volumes	Customer-Related Forecast Volumes ²	OBPS Participant & Other Exempt Volumes ³	Net Volumes ⁴	Federal Carbon Charge ⁵	Federal Carbon Cost ⁶	Federal Carbon Charge Unit Rate ⁷
		(10 ³ m ³)	(10 ³ m ³)	(10 ³ m ³)	(10 ³ m ³)	(10 ³ m ³)	(\$/m ³)	(\$)	(¢/m ³)
1.1	1	5,116,256	0	5,116,256	455	5,115,801	0.0783	400,567,250	
1.2	6	4,903,468	0	4,903,468	179,538	4,723,930	0.0783	369,883,708	
1.3	9	0	0	0	0	0	0.0783	0	
1.4	100	33,431	0	33,431	13,660	19,771	0.0783	1,548,079	
1.5	110	957,019	0	957,019	247,083	709,936	0.0783	55,587,966	
1.6	115	469,919	0	469,919	425,602	44,317	0.0783	3,470,055	
1.7a	125	560,000	0	560,000	560,000	0	0.0783	0	
1.8	135	61,643	0	61,643	0	61,643	0.0783	4,826,623	
1.9	145	27,157	0	27,157	6,780	20,377	0.0783	1,595,540	
1.10	170	267,329	0	267,329	209,692	57,638	0.0783	4,513,034	
1.11	200	181,853	0	181,853	181,853	0	0.0783	0	
1.12	300	0	0	0	0	0	0.0783	0	
1.13	332	3,599,792	3,599,792	0	0	0	0.0783	0	
1	Total	16,177,867	3,599,792	12,578,074	1,824,661	10,753,413		841,992,254	7.8300

Notes:

(1) Exhibit I.EP.3, Attachment 1, pg. 1, Col. 1. + Rate 332 forecast volume

(2) Col. 1 - Col. 2

(3) Exhibit I.EP.3, Attachment 1, pg. 1, Col. 2

(4) Col. 3 - Col. 4

(5) EB-2020-0212, Exhibit B, Tab 1, Schedule 5, Line 2

(6) Col. 5 x Col. 6 x 1000

(7) (Col. 7 / (Col. 5 x 1000)) x 100

UNION RATE ZONES
Updated Exhibit D, Tab 2, Schedule 1, pg. 1
2021 Customer-Related Volumes and Derivation of Federal Carbon Charge Unit Rate
Effective April 1, 2021

Line No	Rate Class	Forecast Volumes (10 ³ m ³) (1) (a)	Less: Transportation Volumes (10 ³ m ³) (b)	Customer-Related Forecast Volumes (10 ³ m ³) (2) (c) = (a - b)	OBPS Participant & Other Exempt Volumes (10 ³ m ³) (3) (d)	Net Volumes (10 ³ m ³) (e) = (c - d)	Federal Carbon Charge (\$/m ³) (4) (f)	Federal Carbon Cost (\$) (g) = (e * f * 1000)	Federal Carbon Charge Unit Rate (¢/m ³) (h) = (g/(e*1000))*100
Union South In-Franchise Delivery									
1	Rate M1	3,141,401	-	3,141,401	1,566	3,139,836	0.0783	245,849,141	
2	Rate M2	1,334,183	-	1,334,183	90,944	1,243,239	0.0783	97,345,614	
3	Rate M4	679,456	-	679,456	259,001	420,455	0.0783	32,921,629	
4	Rate M5	69,356	-	69,356	18,601	50,755	0.0783	3,974,108	
5	Rate M7	560,929	-	560,929	420,055	140,873	0.0783	11,030,374	
6	Rate M9	101,338	-	101,338	101,338	-	0.0783	-	
7	Rate M10	379	-	379	54	325	0.0783	25,444	
8	Rate T1	320,854	-	320,854	226,391	94,463	0.0783	7,396,451	
9	Rate T2	4,128,487	-	4,128,487	4,128,487	-	0.0783	-	
10	Rate T3	283,374	-	283,374	283,374	-	0.0783	-	
11	Total Union South In-Franchise	10,619,757	-	10,619,757	5,529,811	5,089,946		398,542,762	
Union North In-Franchise Delivery									
12	Rate 01	1,023,567	-	1,023,567	270	1,023,297	0.0783	80,124,117	
13	Rate 10	358,449	-	358,449	7,173	351,276	0.0783	27,504,913	
14	Rate 20	668,106	-	668,106	536,195	131,911	0.0783	10,328,626	
15	Rate 25	79,886	-	79,886	68,897	10,989	0.0783	860,410	
16	Rate 100	1,018,057	-	1,018,057	1,018,057	-	0.0783	-	
17	Total Union North In-Franchise	3,148,065	-	3,148,065	1,630,592	1,517,472		118,818,065	
18	Total In-Franchise	13,767,822	-	13,767,822	7,160,404	6,607,418		517,360,827	
Ex-Franchise									
19	Rate M12 - Firm Transportation	18,143,991	18,143,991	-	-	-	0.0783	-	
20	Rate M13	65,732	65,732	-	-	-	0.0783	-	
21	Rate M16	257,502	257,502	-	-	-	0.0783	-	
22	Rate C1 - Firm Transportation	6,094,178	6,094,178	-	-	-	0.0783	-	
23	Total Ex-Franchise	24,561,403	24,561,403	-	-	-		-	
24	Total In-Franchise & Ex-Franchise	38,329,224	24,561,403	13,767,822	7,160,404	6,607,418		517,360,827	7.8300

Notes:

- (1) Exhibit I.EP.3, Attachment 2, pg. 1, Col. 1. + ex-franchise forecast volumes.
- (2) Exhibit I.EP.3, Attachment 2, pg. 1, Col. 1.
- (3) Exhibit I.EP.3, Attachment 2, pg. 1, Col. 2.
- (4) EB-2020-0212, Exhibit B, Tab 2, Schedule 5, Line 2.

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ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit A Pages 6/7

Preamble:

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

Questions:

- 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)

Response:

- a) Enbridge has not received any further details regarding implementation of Ontario's Emissions Performance Standards ("EPS") since filing its Application.
- b) Legislation on the EPS was enacted as of July 2019. Although already enacted, the compliance obligation under the EPS will not apply until the federal government stands down the Output-Based Pricing System ("OBPS") in Ontario. At the time of this submission, Enbridge Gas is not aware when the federal government will take action to stand down the OBPS in Ontario.

Should the EPS be put into place for 2021, the parts of Enbridge Gas's Application that would be impacted are mainly Exhibits B and D. Further amendments would be required throughout the Application wherever facility-related costs or total FCPP costs are discussed.

Please also see the response at Exhibit I.STAFF.1.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

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).

Questions:

- 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

Response:

- a) As stated in Exhibit A, page 12, the potential projects listed to reduce greenhouse gas ("GHG") emissions pertain only to facility-related GHG emissions. Estimating potential emission reductions for customer-related volumes resulting from Enbridge Gas's Application and FCPP-related charges in 2021 would provide limited value to the Board and ratepayers, and exceeds the scope of this proceeding as established by the Board in the Decision on Scope of Proceeding dated November 20, 2020:

The OEB confirms that the review of the application filed by Enbridge Gas will be limited to considering the recovery of its costs related to the FCPP. This comprises (i) updating the Federal Carbon Charge and Facility Carbon Charge on customer bills, to match the costs incurred by Enbridge Gas under the GGPPA; and (ii)

considering Enbridge Gas's activities with respect to understanding, controlling and mitigating its facility-related FCPP costs (for example, evaluating Offset Credits as an option to reduce facility-related costs).

b) No.

Paying FCPP-related charges does not directly reduce GHG emissions. Rather, these charges are a price signal established by the federal government through the Greenhouse Gas Pollution Pricing Act ("GGPPA") to encourage reduction of GHG emissions from natural gas.

Enbridge Gas's annual GHG emissions data related to both customer and facility-related emissions is available to customers through Enbridge Inc.'s annual Sustainability Report.¹

¹ <https://www.enbridge.com/reports/2019-sustainability-report-executive-summary>

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

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,

Questions:

- 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.

Response:

Neither Enbridge Gas's 2019/2020 FCPP-related charges nor OEB-approved bill presentation of such charges are at issue in this proceeding. Accordingly, EP's questions exceed the scope of this proceeding as defined by the Board in its Decision on Scope of Proceeding dated November 20, 2020, where the Board stated:

The OEB confirms that the review of the application filed by Enbridge Gas will be limited to considering the recovery of its costs related to the FCPP. This comprises

(i) updating the Federal Carbon Charge and Facility Carbon Charge on customer bills, to match the costs incurred by Enbridge Gas under the GGPPA; and (ii) considering Enbridge Gas's activities with respect to understanding, controlling and mitigating its facility-related FCPP costs (for example, evaluating Offset Credits as an option to reduce facility related costs).

Despite the fact that EP's questions appear to exceed the OEB-defined scope for this proceeding, Enbridge Gas has provided limited responses to EP's questions below in an effort to be as responsive as reasonably possible.

a) & b)

Enbridge Gas confirms that consistent with the Board's July 4, 2019 Decision and Order and July 25, 2019 Decision and Rate Order dealing with Enbridge Gas's 2019 Federal Carbon Pricing Program Application, Enbridge Gas implemented the FCPP rate riders and charges for the EGD and Union rate zones effective August 1, 2019. Enbridge Gas's presentation of FCPP-related charges remains consistent with the Board's July 4, 2019 Decision and Order where it stated:¹

The OEB accepts Enbridge Gas' proposal to present the Federal Carbon Charge (customer-related) as a separate line on the bill and to include the Facility Carbon Charge as part of the delivery and transportation charge.

c) Please see Enbridge Gas's 2019 Federal Carbon Pricing Program Application (EB-2018-0205) at Exhibit A, Appendix A, for a sample bill for the EGD rate zone.

In May 2020, the bill format for the Union rate zones changed to reflect the same format as EGD rate zone bills. Accordingly, please see Attachment 1 for a copy of a sample bill for the Union rate zones.

d) Please see the response to part a).

Customer bills do not include detailed description of FCPP-related charges, however, Enbridge Gas maintains FCPP-related webpages for both EGD and Union rate zones' customers, dedicated to providing customers with the most current information available regarding the GGPPA, FCPP and related charges included on customer bills.

In April 2020, customer bills included the following on-bill message to direct customers to the EGD and Union rate zones' FCPP-related webpages for more information regarding increases to the Federal Carbon Charge:

¹ EB-2018-0205, OEB Decision and Order, July 4, 2019, p. 7.

EGD Rate Zone

The Federal Carbon Charge has increased. Visit www.enbridgegas.com/federalcarbonprogram for more information on the Federal Carbon Pricing Program and related charges.

Union Rate Zones

The Federal Carbon Charge has increased. Visit www.uniongas.com/carboncharge for more information on the Federal Carbon Pricing Program and related charges.

Additionally, the April and October 2020 customer bills included the following messages on QRAM rate inserts referencing the Federal Carbon Charge and directing customers to the EGD and Union rate zones' respective FCPP-related webpages for more information:

April 2020

EGD Rate Zone

The Federal Carbon Charge has increased from 3.91 ¢/m³ to 5.87 ¢/m³. This charge increases annually each April. All of the money collected for this charge goes to the federal government. Visit www.enbridgegas.com/federalcarbonprogram for more information.

Union Rate Zones

The Federal Carbon Charge has increased from 3.91 ¢/m³ to 5.87 ¢/m³. This charge increases annually each April. All of the money collected for this charge goes to the federal government. Visit www.uniongas.com/carboncharge for more information.

October 2020

EGD Rate Zone

The Federal Carbon Charge is 5.8700 cents per cubic metre (¢/m³). This charge increases annually each April. All of the money collected for this charge goes to the federal government. Visit www.enbridgegas.com/federalcarbonprogram for more information.

Union Rate Zones

The Federal Carbon Charge is 5.8700 ¢/m³. This charge increases annually each April. All of the money collected for this charge goes to the federal government. Visit www.uniongas.com/carboncharge for more information.

Enbridge Gas anticipates using similar customer communication tactics in 2021.


SMELL GAS? 1-877-969-0999
For Inquiries: 1-888-774-3111

Make Payments to: PO Box 4001 Stn A Toronto, ON M5W 0G2

Enbridge Gas (Union Gas)
uniongas.com
Filed: 2020-12-08
EB-2020-0212
Exhibit I.EP.6
Attachment 1
Page 1 of 2
Service Address
Account Number
Bill Date

May 11, 2020



WHAT DO I OWE?

Billing Period Apr 06, 2020 - May 05, 2020


● **Charges for Natural Gas**

• See page 2 for details •



HOW MUCH GAS DID I USE?

Meter Reading

Meter Number:
Actual: 4853

Previous: 4722

You used

372.95m³
approx. 12.86m³ per day

This cost you

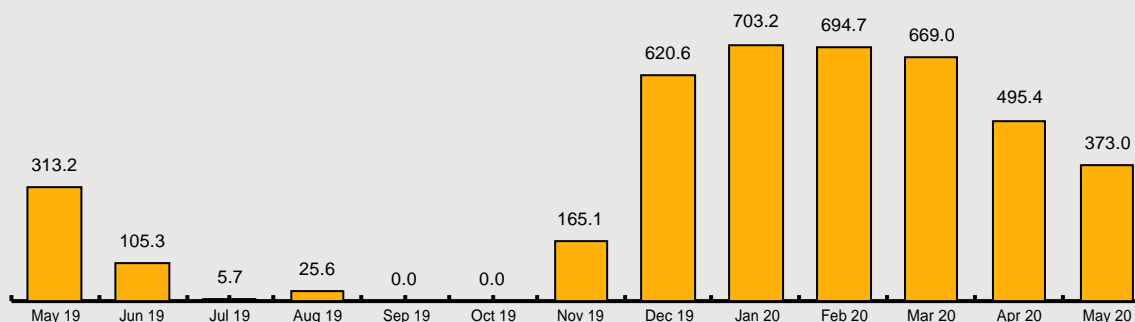
\$190.69
approx. \$6.58 per day

Did you know?

Your average daily use is more this year than last year. Choose eBill to access your last 24 bills:
uniongas.com/myaccount



MY LAST 13 MONTHS GAS USE



* HST Registration Number: 105205140RT0001

- The monthly late payment charge equal to 1.50% per month (effective annual rate of 19.56% per annum or 0.04896% compounded daily rate) multiplied by the total of all unpaid charges will be added to the bill if full payment is not received by the late payment effective date of June 01, 2020.

- E & O.E.

- Pressure Factor: 1.005



WHAT AM I PAYING FOR?

Billing Period Apr 06, 2020 - May 05, 2020

Balance from Previous Bill	\$251.56
Payment Received [Apr 29, 2020]	\$251.56 ^{CR}
Balance Forward	\$0.00
Charges for Natural Gas	\$190.69
Total Amount Due	\$190.69

CHARGES FOR NATURAL GAS

Apr 06, 2020 - May 05, 2020

Customer Charge	\$22.50
Delivery to You	\$34.40
Transportation to Enbridge	\$7.70
Federal Carbon Charge	\$21.89
Delivery Price Adjustment	\$9.89 ^{CR}
Transportation Price Adjustment	\$9.33 ^{CR}
Storage Charge	\$18.66
Planet Energy	
Gas Supply Charge (372.95 m ³ @ 18.99¢/m ³)	\$70.82
REM Administration Fee	\$12.00

Charges for Natural Gas **\$168.75^{+HST}**

HST* \$21.94

Total Charges for Natural Gas **\$190.69**



You are buying your natural gas from PLANET ENERGY.
For questions contact Planet Energy @ 866-360-8569 or
visit: planetenergy.ca

For Inquiries: 1-888-774-3111

Make Payments to: PO Box 4001 Stn A Toronto, ON M5W 0G2

Enbridge Gas (Union Gas)

uniongas.com

Filed: 2020-12-08

EB-2020-0212

Exhibit I.EP.6

Attachment 1

Page 2 of 2



WHAT DO I NEED TO KNOW?

- Safety is our number one priority and we're doing our part to help prevent the spread of the virus and protect the health and safety of our employees and the public. Visit enbridgegas.com/covid19 for the most up to date information.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

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.

Question:

- 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 tCO₂e? Please indicate the cost/tCO₂e when each would be cost effective

Response:

- a) As discussed in the response at Exhibit I.STAFF.2 a), Enbridge Gas is not seeking to recover any costs associated with either of these projects through this Application. Opportunities currently being implemented and those planned for 2021 are being driven by Enbridge Gas's standard operational maintenance program. The

estimated cost of the CEE Plan to date and projected costs for 2021 are provided in Table 1.

Table 1

Opportunity	Costs to Date		Projected 2021 Costs	
	O&M	Capital	O&M	Capital
Online Monitoring	Not Applicable	\$40,000	Not Applicable	\$10,000
Air Filters	Not Applicable	Not Applicable	\$10,000	Not Applicable

- b) For the Distributed Cash Flow (“DCF”) analysis, project life cycles of 40 years and 20 years were assumed for the Plant J Twinning opportunity and the Re-wheeling Turbines opportunity, respectively. Exhibit A, Table A-2, provided a 10-year outlook for the estimated emissions reductions, and does not reflect the estimated emission reduction for entire life cycle of the project.
- c) Please see Attachment 1.
- d) As part of the CEE Plan work, subject matter experts determined the useful life of the assets associated with each opportunity and completed respective DCF analyses on this basis. It would be inappropriate to use a project life longer than the useful life of the assets determined by subject matter experts.
- e) Both the Plant J Twinning and Re-wheeling Turbines opportunities would become economic at a higher carbon price. Plant J Twinning would become cost effective at a carbon price of \$1,065/tCO₂e and the Re-wheeling turbines opportunity would become cost effective at a carbon price of \$1,283/tCO₂e.

Air Filters (Opportunity 2)

	1	2	3	4	5	6	7	8	9
Start of Period	1-Jun-2020	1-Jun-2021	1-Jun-2022	1-Jun-2023	1-Jun-2024	1-Jun-2025	1-Jun-2026	1-Jun-2027	1-Jun-2028
End of Period	31-May-2021	31-May-2022	31-May-2023	31-May-2024	31-May-2025	31-May-2026	31-May-2027	31-May-2028	31-May-2029
Cash Inflows									
Revenue	-	-	-	-	-	-	-	-	-
O&M Expense	155,508	164,688	177,540	186,720	195,900	36,720	27,540	18,360	9,180
Income Tax Expense	(41,210)	(43,642)	(47,048)	(49,481)	(51,914)	(9,731)	(7,298)	(4,865)	(2,433)
Total Cash Inflows	114,298	121,046	130,492	137,239	143,987	26,989	20,242	13,495	6,747
Cash Outflows									
Capital Expenditures	-	-	-	-	-	-	-	-	-
Change in Working Capital	(7,855)	(464)	(649)	(464)	(464)	8,041	464	464	464
Total Cash Outflows	(7,855)	(464)	(649)	(464)	(464)	8,041	464	464	464
Net CF Undiscounted	122,154	121,509	131,141	137,703	144,450	18,949	19,778	13,031	6,284
Net CF Cumulative (Undiscounted)	122,154	243,663	374,804	512,507	656,957	675,906	695,684	708,715	714,998
Cum'litive PV Net Inflow	111,716	224,726	341,098	458,004	575,149	596,123	611,149	620,717	625,286
Cum'litive PV Net Capital	(7,855)	(8,298)	(8,890)	(9,295)	(9,681)	(3,287)	(2,935)	(2,599)	(2,278)
Cumulative NPV of Cash Flows	119,571	233,024	349,989	467,299	584,829	599,410	614,084	623,316	627,564
Project NPV, Proj Life Years = 9	627,564								

Plant J Twinning (Opportunity 3)

19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
1-Jun-2039	1-Jun-2040	1-Jun-2041	1-Jun-2042	1-Jun-2043	1-Jun-2044	1-Jun-2045	1-Jun-2046	1-Jun-2047	1-Jun-2048	1-Jun-2049	1-Jun-2050	1-Jun-2051	1-Jun-2052	1-Jun-2053	1-Jun-2054	1-Jun-2055	1-Jun-2056	1-Jun-2057	1-Jun-2058	1-Jun-2059	1-Jun-2060
31-May-2040	31-May-2041	31-May-2042	31-May-2043	31-May-2044	31-May-2045	31-May-2046	31-May-2047	31-May-2048	31-May-2049	31-May-2050	31-May-2051	31-May-2052	31-May-2053	31-May-2054	31-May-2055	31-May-2056	31-May-2057	31-May-2058	31-May-2059	31-May-2060	31-May-2061
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)	(1,435,985)
516,636	496,221	478,868	464,118	451,581	440,924	431,866	424,167	417,622	412,059	407,331	403,311	399,895	396,991	394,523	392,425	390,642	389,126	387,837	386,742	385,811	385,020
(919,349)	(939,764)	(957,116)	(971,866)	(984,404)	(995,060)	(1,004,119)	(1,011,818)	(1,018,363)	(1,023,926)	(1,028,654)	(1,032,673)	(1,036,090)	(1,038,993)	(1,041,462)	(1,043,560)	(1,045,343)	(1,046,859)	(1,048,147)	(1,049,243)	(1,050,174)	(1,050,965)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(919,349)	(939,764)	(957,116)	(971,866)	(984,404)	(995,060)	(1,004,119)	(1,011,818)	(1,018,363)	(1,023,926)	(1,028,654)	(1,032,673)	(1,036,090)	(1,038,993)	(1,041,462)	(1,043,560)	(1,045,343)	(1,046,859)	(1,048,147)	(1,049,243)	(1,050,174)	(1,050,965)
(72,467,247)	(73,407,011)	(74,364,127)	(75,335,993)	(76,320,397)	(77,315,457)	(78,319,576)	(79,331,394)	(80,349,757)	(81,373,682)	(82,402,336)	(83,435,010)	(84,471,099)	(85,510,093)	(86,551,555)	(87,595,114)	(88,640,457)	(89,687,316)	(90,735,464)	(91,784,706)	(92,834,880)	(93,885,845)
1,030,310	646,052	272,232	(90,344)	(441,145)	(779,815)	(1,106,259)	(1,420,468)	(1,722,543)	(2,012,626)	(2,290,992)	(2,557,927)	(2,813,746)	(3,058,760)	(3,293,353)	(3,517,888)	(3,732,731)	(3,938,220)	(4,134,746)	(4,322,664)	(4,502,322)	(4,674,039)
70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899	70,072,899
(69,042,590)	(69,426,847)	(69,800,667)	(70,163,243)	(70,514,044)	(70,852,715)	(71,179,158)	(71,493,368)	(71,795,443)	(72,085,525)	(72,363,891)	(72,630,826)	(72,886,646)	(73,131,659)	(73,366,252)	(73,590,787)	(73,805,630)	(74,011,120)	(74,207,645)	(74,395,563)	(74,575,221)	(74,746,939)

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit B Tab 1 Schedule 1; Exhibit D Tab1 Schedule 1

Question:

- 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

Response:

Please see Attachment 1.

- a) Col. 1 of Attachment 1, shows the 2021 forecast volumes (including OBPS and exempt gas volumes) from the 2021 Federal Carbon Pricing Program Application (EB-2020-0212, Exhibit B, Tab 1, Schedule 1, Col. 1).

Col. 2 of Attachment 1, shows the 2021 delivery forecast volumes from the 2021 Rates Application (Phase 1) (EB-2020-0095, Exhibit D, Tab 1, Rate Order, Working Papers, Schedule 8, Page 1, Col. (b)).¹

¹ Please note that Phase 1 (EB-2020-0095) and Phase 2 (EB-2020-0181) of the 2021 Rates Application were both prepared using the same forecast. Phase 1 includes the volume forecast at the evidence reference above.

A forecast excluding OBPS and exempt gas volumes is only applicable to the FCPP Application.

- b) Col. 3 and Col. 4 of Attachment 1 show volume variances by rate class.
- c) The volume variances in Col. 3 relate to two differences in forecast volumes:
 - (i) The 2021 Rates Application forecast volumes (Phase 1, EB-2020-0095) are based on the forecast period January 1 – December 31, 2021, while the 2021 FCPP Application forecast volumes are based on the forecast period April 1, 2021 – March 2022.
 - (ii) The Application forecast volumes for all rate classes except Rate 200 incorporate a reduction due to the forecast impact of the COVID-19 pandemic on volumes. At the time the 2021 Rates Application was filed, the impact of the COVID-19 pandemic had not yet been assessed and incorporated into the forecast.

Please see the response at Exhibit I.STAFF.4 for additional detail regarding COVID-19 pandemic-related adjustments.

- d) The volume forecast used in this Application is appropriate as:
 - (i) it best reflects the impacts of the COVID-19 pandemic;
 - (ii) resulting volume variances identified in Attachment 1 are not material as they represent 0.5%² of the total forecast volumes and result in no impact to the derivation of the Facility Carbon Charge of 0.0066 cents/m³; and
 - (iii) variances between the actual Facility Carbon Costs and the Facility Carbon Costs recovered in rates will be recorded in the Federal Carbon Charge – Facility Variance Account for disposition to customers as part of a future application.

The volume forecast does not impact the derivation of the Federal Carbon Charge of 7.8300 cents/m³.

² Volume variance of 0.5% calculated as the variance of 85,448 10³m³, per Attachment 1, divided by total forecast volumes used to derive the Facility Carbon Charge of 16,177,867 10³m³ per Exhibit D, Tab 1, Schedule 1, p. 1, line 1, column 1.

Enbridge Gas Inc.
EGD Rate Zone

2021 Volumes Forecast from the 2021 Federal Carbon Pricing Program (FCPP) application (EB-2020-0212)
vs 2021 Volume Forecast from the 2021 Rate Application (Phase 1) (EB-2020-0095)

Line No.	Rate Class	Col. 1	Col. 2	Col. 3 (Col. 1 - Col. 2)	Col. 4 (Col. 3 / Col. 2)
		2021 Forecast Volumes		Variance	
		2021 FCPP Application (EB-2020-0212) ¹	2021 Rate Application (Phase 1) (EB-2020-0095) ²		
		(10 ³ m ³)	(10 ³ m ³)	(10 ³ m ³)	(%)
1	1	5,116,256	5,118,240	(1,984)	0.0%
2	6	4,903,468	4,923,001	(19,533)	-0.4%
3	9	-	-	-	0.0%
4	100	33,431	34,607	(1,177)	-3.4%
5	110	957,019	990,703	(33,684)	-3.4%
6	115	469,919	486,459	(16,540)	-3.4%
7	125	560,000	560,000	-	0.0%
8	135	61,643	63,812	(2,170)	-3.4%
9	145	27,157	28,113	(956)	-3.4%
10	170	267,329	276,738	(9,409)	-3.4%
11	200	181,853	181,849	3	0.0%
12	300	-	-	-	0.0%
13	Total	12,578,074	12,663,523	(85,448)	-0.7%

Notes:

(1) EB-2020-0212, Exhibit B, Tab 1, Schedule 1, Col. 1. Forecast volumes after DSM from April 1, 2021 to March 31, 2022.

(2) EB-2020-0095, Exhibit D, Tab 1, Rate Order, Working Papers, Schedule 8, Page 1. Forecast volumes after DSM from January 1, 2021 to December 31, 2021. For Rate 125, there is no delivery volume in the 2021 Rate Application. For the purpose of calculating the variance, Rate 125 volume forecast in Col. 2 is set equal to Col. 1.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

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

Question:

- 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.

Response:

- a) Non-utility volumes are volumes associated with Enbridge Gas's unregulated non-utility storage business. The Company Use volume forecast for the EGD rate zone does not include facilities from the unregulated non-utility business. The forecast methodology for the 2021 Company Use forecast is consistent with the approach used in the volume forecast for annual rate setting applications.
- b) For the purposes of internal tracking, non-utility fuel volumes are determined based on actual storage fuel usage apportioned based on the percentage of regulated versus non-regulated activity. The non-utility fuel volumes are separated from Enbridge Gas's regulated utility fuel volumes for the purposes of determining regulated costs.

For the purposes of reporting OBPS emissions to government, Enbridge Gas is required to file a single report that combines emissions from combustion of regulated and unregulated volumes.

- c) As shown in the pre-filed evidence at Exhibit B, Tab 1, Schedule 5, non-utility volumes and associated costs are separated out from the total cost forecast. The non-utility compressor fuel costs are allocated based on pro-rata regulated/unregulated totals. See the calculation below, showing the separation of utility and non-utility compressor fuel use volumes and the associated costs for the EGD rate zone.

Utility vs. Non-Utility Compressor Fuel Use Calculation¹

Utility Compressor Fuel Volumes: 16,981 10³m³

Non-Utility Compressor Fuel Volumes: 2,068 10³m³

Total Compressor Fuel Use Costs: \$635,753

Volume % of Non-Utility Compressor Fuel:

$$2,068 \text{ } 10^3\text{m}^3 \div (2,068 \text{ } 10^3\text{m}^3 + 16,981 \text{ } 10^3\text{m}^3) \times 100 = 10.86\%$$

Non-Utility Compressor Fuel Use Costs: 10.86% × \$635,753 = \$69,006

Utility Compressor Fuel Use Costs: \$635,753 - \$69,006 = \$566,747

Only the total regulated facility costs of \$566,747 is used in the derivation of the Facility Carbon Charge at Exhibit D, Tab 1, Schedule 1, Line 2.2.

- d) Confirmed.

¹ Compressor fuel use volumes and costs are from EB-2020-0212, Exhibit B, Tab 1, Schedules 2 and 5. Numbers may differ slightly due to rounding.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit B Tab 1 Schedule 4

Questions:

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

Response:

- a) & b)

Please see Attachment 1. As shown in Attachment 1, Page 3, Column 8, Line 3, the total compressor fuel use costs reconcile to Exhibit B, Tab 1, Schedule 5, Line 9.

Enbridge Gas Inc.
EGD Rate Zone
2021 Facility-Related Volumes
(10³m³)

		Col. 1	Col. 2	Col.3 (Col. 1 + Col.2)
Line No.	Particulars	Utility Forecast Amount (regulated)	Non-Utility Forecast Amount (unregulated)	Total 2021 Forecast
1	Company Use - Buildings	1,494	-	1,494
2	Company Use - Boilers/Line Heaters	3,849	-	3,849
3	Company Use - NGV Fleet	1,011	-	1,011
4	Total Company Use ¹	6,354	-	6,354
5	Compressor Fuel ²	16,981	2,068	19,049
6	Total Facility-Related	23,335	2,068	25,403

Notes:

(1) Forecast Company-Use volumes for April 1, 2021 to March 31, 2022.

(2) Forecast Compressor Fuel for January 1 to December 31, 2021.

Enbridge Gas Inc.
EGD Rate Zone

Table 1
2021 Forecast Compressor Emissions

			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
Line No.	Particulars	Utility or Non-Utility	Volumes ¹ (10 ³ m ³)	CO ₂ Emissions ² (Tonnes CO ₂)	CH ₄ Emissions ³ (Tonnes CH ₄)	N ₂ O Emissions ⁴ (Tonnes N ₂ O)	CO ₂ e Emissions ⁵ (Tonnes CO ₂ e)
1	Compressor Fuel & Transmission Ancillary Fuel	Utility Forecast Amount (regulated)	16,981	33,116	33	1	34,197
2	Compressor Fuel & Transmission Ancillary Fuel	Non-Utility Forecast Amount (unregulated)	2,068	4,032	4	0	4,164

Notes:

- (1) Line 1: Exhibit I.EP.10, Attachment 1, Page 1, Col. 1, Line 5.
Line 2: Exhibit I.EP.10, Attachment 1, Page 1, Col. 2, Line 5.
(2) Environment and Climate Change Canada "Canada's Greenhouse Gas Quantification Requirements - December 2017", Equation 2-11.
(3) Col. 1 x Table 2, Col. 2, Line 1 x Table 2, Col. 2, Line 2.
(4) Col. 1 x Table 2, Col. 3, Line 1 x Table 2, Col. 3, Line 2.
(5) Col. 2 + (Col. 3 x Table 3, Col. 1, Line 1) + (Col. 4 x Table 3, Col. 2, Line 1).

Table 2
Emission Factors

			Col. 1	Col. 2	Col. 3
Line No.	Particulars	Units	CO ₂ Emission Factor	CH ₄ Emission Factor ¹	N ₂ O Emission Factor ¹
1	Natural Gas Pipelines	Tonne/GJ		0.00005	0.0000013
2	Heat Value ²	GJ/10 ³ m ³	38.88	38.88	38.88

Notes:

- (1) Environment and Climate Change Canada "Canada's Greenhouse Gas Quantification Requirements - December 2017", Table 2-4.
(2) Assumed Budget Heat Value = 38.88 GJ/10³m³. In calculating actual emissions, actual heating value will be used.

Table 3
Conversion Factors

			Col. 1	Col. 2
Line No.	Particulars	Units	Methane ¹	Nitrous Oxide ¹
1	Global Warming Potential for Carbon Dioxide Equivalent	Tonnes CO ₂ e	25	298

Notes:

- (1) Environment and Climate Change Canada "Greenhouse Gas Pollution Pricing Act, Schedule 3".

Enbridge Gas Inc.
EGD Rate Zone
2021 Forecast OBPS Obligation & Associated Costs

Line No.	Particulars	Col. 1 2021 Forecast Compressor Emissions ¹ (tCO ₂ e)	Col. 2 2017 - 2019 EGD Average Emission Intensity (tCO ₂ e/MWh)	Col. 3 2021 Forecast Production ² (MWh)	Col. 4 Sector Emission Intensity Target ³ (tCO ₂ e/MWh)	Col. 5 Facility Emissions Limit ⁴ (tCO ₂ e)	Col. 6 OBPS Compliance Obligation ⁵ (tCO ₂ e)	Col. 7 Federal Excess Emissions Charge ⁶ (\$/tCO ₂ e)	Col. 8 Compressor Fuel Use Costs ⁷ (\$)
1	Utility Forecast Amount (regulated)	34,197	0.671	50,964	0.393	20,029	14,169	40.00	566,747
2	Non-Utility Forecast Amount (unregulated)	4,164	0.671	6,205	0.393	2,439	1,725	40.00	69,006
3	Total Compressor Fuel Use Costs								635,753

Notes:

- (1) Line 1: Exhibit I.EP.10, Attachment 1, Page 2, Table 1, Col. 5, Line 1.
Line 2: Exhibit I.EP.10, Attachment 1, Page 2, Table 1, Col. 5, Line 2.
(2) Col. 1 / Col. 2.
(3) Based on value in the Output-Based Pricing System Regulations: SOR/2019-266 under the Greenhouse Gas Pollution Pricing Act.
(4) Col. 3 x Col. 4.
(5) Col. 1 - Col. 5.
(6) EB-2020-0212, Exhibit A, Table A-1.
(7) Col. 6 x Col. 7.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit B Tab 2 Schedule 1

Questions:

- 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

Response:

Please see Attachment 1.

- a) Col. 1 of Attachment 1, shows the 2021 forecast volumes (including OBPS and exempt gas volumes) from the 2021 Federal Carbon Pricing Program Application (EB-2020-0212, Exhibit B, Tab 1, Schedule 1, Col. 1).

Col. 2 of Attachment 1, shows the 2021 delivery forecast volumes from the 2021 Rates Application (Phase 1) (EB-2020-0095, Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 10, Pages 2-4 and Schedule 11, Pages 8-10).¹

A forecast excluding OBPS and exempt gas volumes is only applicable to the FCPP Application.

¹ Please note that Phase 1 (EB-2020-0095) and Phase 2 (EB-2020-0181) of the 2021 Rates Application were both prepared using the same forecast. Phase 1 includes the volume forecast at the evidence reference above.

- b) Col. 3 and Col. 4 of Attachment 1 show the volume variances by rate class.
- c) The volume variances in Col. 3 relate to three differences in forecast volumes:
- (i) The 2021 Rates Application forecast volumes (Phase 1, EB-2020-0095) are based on the forecast period January 1 – December 31, 2021, while the 2021 FCPP Application forecast volumes are based on the forecast period April 1, 2021 – March 2022.
 - (ii) The Application forecast volumes incorporate a reduction due to the forecast impact of the COVID-19 pandemic on volumes. At the time the 2021 Rates Application was filed, the impact of the COVID-19 pandemic had not yet been assessed and incorporated into the forecast.
 - (iii) The 2021 Rates Application forecast volumes (Phase 1, EB-2020-0095) include a forecast of minimum annual volume charges. FCPP-related charges are not applicable to minimum annual volume charges and therefore are excluded from the forecast of volumes.
- Please see the response at Exhibit I.STAFF.4 for additional detail regarding COVID-19 pandemic-related adjustments.
- d) The volume forecast used in this Application is appropriate as:
- (i) it best reflects the impacts of the COVID-19 pandemic;
 - (ii) resulting volume variances identified in Attachment 1 are not material as they represent 2%² of the total forecast volumes used and results in a 0.0002 cents/m³ difference in the derivation of the Facility Carbon Charge of 0.0127 cents/m³; and
 - (iii) variances between the actual Facility Carbon Costs and the Facility Carbon Costs recovered in rates will be recorded in the Federal Carbon Charge – Facility Variance Account for disposition to customers as part of a future application.

The volume forecast does not impact the derivation of the Federal Carbon Charge of 7.8300 cents/m³.

² Volume variance of 2% calculated as the variance of 730,752 10³m³, per Attachment 1, divided by total forecast volumes used to derive the Facility Carbon Charge of 38,329,224 10³m³ per Exhibit D, Tab 2, Schedule 1, p. 1, column (a).

Enbridge Gas Inc.
Union Rate Zones

2021 Volumes Forecast from the 2021 Federal Carbon Pricing Program (FCPP) application (EB-2020-0212)
vs 2021 Volume Forecast from the 2021 Rate Application (Phase 1) (EB-2020-0095)

Line No.	Rate Class	Col. 1	Col. 2	Col. 3 (Col. 1 - Col. 2)	Col. 4 (Col. 3 / Col. 2)
		2021 Forecast Volumes		Variance	
		2021 FCPP Application (EB-2020-0212) ¹	2021 Rate Application (Phase 1) (EB-2020-0095) ²		
		(10 ³ m ³)	(10 ³ m ³)	(10 ³ m ³)	(%)
1	1	1,023,567	1,023,451	116	0.0%
2	10	358,449	359,134	-684	-0.2%
3	M1	3,141,401	3,142,868	-1,467	0.0%
4	M2	1,334,183	1,340,433	-6,250	-0.5%
5	20	668,106	686,307	-18,201	-2.7%
6	25	79,886	80,723	-837	-1.0%
7	100	1,018,057	1,089,225	-71,168	-6.5%
8	M4	679,456	707,951	-28,495	-4.0%
9	M5	69,356	68,930	426	0.6%
10	M7	560,929	595,232	-34,303	-5.8%
11	M9	101,338	103,990	-2,652	-2.5%
12	M10	379	391	-12	-3.1%
13	T1	320,854	444,974	-124,120	-27.9%
14	T2	4,128,487	4,571,591	-443,104	-9.7%
15	T3	283,374	283,374	0	0.0%
16	Total	13,767,822	14,498,573	(730,752)	-5.0%

Notes:

(1) EB-2020-0212, Exhibit B, Tab 2, Schedule 1, Col. 1. Forecast volumes after DSM from April 1, 2021 to March 31, 2022.

(2) EB-2020-0095, Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 10, Pages 2-4 and Schedule 11, Pages 8-10.
Forecast volumes from January 1, 2021 to December 31, 2021.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit B Tab 2 Schedule 2 and Schedule 3 Table 1

Questions:

- 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.

Response:

- a) Non-utility volumes are volumes associated with Enbridge Gas's unregulated non-utility storage business. The Boilers/Line heaters volumes are Own Use gas volumes consumed within Enbridge Gas's distribution operations, which is 100% regulated. A portion of compressor fuel Own Use gas consumption is utilized by the non-utility storage business and is therefore allocated to unregulated volumes. The forecast methodology for the 2021 Company Use forecast is consistent with the approach used in the volume forecast for annual rate setting applications.
- b) For the purposes of internal tracking, non-utility fuel volumes are determined based on actual storage fuel usage apportioned based on the percentage of regulated versus non-regulated activity. The non-utility fuel volumes are separated from Enbridge Gas's regulated utility fuel volumes for the purposes of determining regulated costs.

For the purposes of reporting OBPS emissions to government, Enbridge Gas is required to file a single report that combines emissions from combustion of regulated and unregulated volumes.

- c) As shown in the pre-filed evidence at Exhibit B, Tab 2, Schedule 5, non-utility volumes and associated costs are separated out from the total cost forecast. The non-utility compressor fuel costs are allocated based on pro-rata regulated/unregulated totals. See the calculation below, showing the separation of utility and non-utility compressor fuel use volumes and the associated costs for the Union rate zones.

Utility vs. Non-Utility Compressor Fuel Use Calculation¹

Utility Compressor Fuel Volumes: 125,749 10³m³

Non-Utility Compressor Fuel Volumes: 17,930 10³m³

Total Compressor Fuel Use Costs: \$3,878,429

Volume % of Non-Utility Compressor Fuel:

$$17,930 \text{ } 10^3\text{m}^3 \div (17,930 \text{ } 10^3\text{m}^3 + 125,749 \text{ } 10^3\text{m}^3) \times 100 = 12.48\%$$

Non-Utility Compressor Fuel Use Costs: 12.48% × \$3,878,429 = \$483,988

Utility Compressor Fuel Use Costs: \$3,878,429 - \$483,988 = \$3,394,441

Only the total regulated facility costs of \$3,394,411 is used in the derivation of the Facility Carbon Charge at Exhibit D, Tab 2, Schedule 1, Line 5.

¹ Compressor fuel use volumes and costs are from EB-2020-0212, Exhibit B, Tab 2, Schedules 2 and 5. Numbers may differ slightly due to rounding.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit B Tab 1 Schedule 5; Exhibit B Tab 2 Schedule 5

Questions:

- 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

Response:

Neither Enbridge Gas's 2019/2020 balances in FCPP-related deferral and variance accounts, nor the allocation and disposition methodologies previously approved by the Board are at issue in this proceeding. Accordingly, EP's questions exceed the scope of this proceeding as defined by the Board in its Decision on Scope of Proceeding dated November 20, 2020, where the Board stated:

In addition, in the 2021 FCPP proceeding, the quantum of administration costs or the disposition of other deferral and variance accounts (DVAs) is also out of scope as Enbridge Gas is not seeking recovery in this application for amounts related to administration costs or the disposition of related DVAs. The OEB confirms that the review of the application filed by Enbridge Gas will be limited to considering the recovery of its costs related to the FCPP. This comprises (i) updating the Federal Carbon Charge and Facility Carbon Charge on customer bills, to match the costs incurred by Enbridge Gas under the GGPPA; and (ii) considering Enbridge Gas's activities with respect to understanding, controlling and mitigating its facility-related FCPP costs (for example, evaluating Offset Credits as an option to reduce facility related costs).

In an effort to be as responsive as reasonably possible, Enbridge Gas has provided limited responses to EP's questions.

a) & b)

Enbridge Gas's response assumes that EP is asking for equivalent schedules to EB-2020-0212, Exhibit B, Tab 1 and 2, Schedule 5, including forecasts and actuals for both 2019 and 2020.

As stated in the response at Exhibit I.EP.1 b), Enbridge Gas does not have final 2020 volumes or charges at this time and therefore cannot produce the requested schedule. However, in an effort to be as responsive as possible, Enbridge Gas has prepared the equivalent schedule with columns for forecast vs. actual volumes and charges and differences for 2019, at Attachment 1.

For information on the 2020 forecast, please refer to EB-2019-0247, Exhibit B, Tab 1 and 2, Schedule 5.

Enbridge Gas Inc.
EGD Rate Zone
2019 Summary of Customer-Related and Facility-Related Costs

Line No.	Particulars	2019 Forecast ⁽¹⁾	2019 Actuals ⁽²⁾	2019 Variance
<u>Customer-Related Cost</u>				
1	Customer-related Volume (10 ³ m ³)	5,778,241	5,412,782	365,459
2	Federal Carbon Charge (\$/m ³) ⁽³⁾	0.0391	0.0391	0.0391
3	Total Customer-Related Costs (\$)	225,929,211	211,639,779	14,289,432
<u>Facility-Related Costs</u>				
4	Company-Use Volume (10 ³ m ³)	3,609	3,777	(168)
5	Federal Carbon Charge (\$/m ³) ⁽³⁾	0.0391	0.0391	0.0391
6	Company Use Costs - Regulated (\$)	141,116	147,678	(6,562)
7	OBPS Obligation (tCO ₂ e)	9,096	13,803	(4,707)
8	Federal Excess Emissions Charge (\$/tCO ₂ e) ⁽³⁾	20.00	20.00	20.00
9	Compressor Fuel Use Costs (\$)	181,920	276,059	(94,139)
10	Compressor Fuel Use Costs - Unregulated (\$)	-	(38,281)	38,281
11	Compressor Fuel Use Costs - Regulated (\$)	181,920	237,778	(55,858)
12	Total Facility Related Costs (\$)	323,036	385,456	(62,420)
13	Total Cost (\$)	226,252,247	212,025,236	14,227,012

Notes:

(1) EB-2018-0205, Exhibit B, Tab 1, Schedule 5

(2) Customer-related Cost: EB-2019-0247, Exhibit C, p. 11. Facility-related Cost: EB-2019-0247, Exhibit.I.STAFF.9, Attachment 1.

(3) EB-2020-0212, Exhibit A, Table 1.

Enbridge Gas Inc.
Union Rate Zones
2019 Summary of Customer-Related and Facility-Related Costs

Line No.	Particulars	2019 Forecast ⁽¹⁾	2019 Actuals ⁽²⁾	2019 Variance
	<u>Customer-Related Cost</u>			
1	Customer-related Volume (10 ³ m ³)	3,404,553	3,398,019	6,534
2	Federal Carbon Charge (\$/m ³) ⁽³⁾	0.0391	0.0391	0.0391
3	Total Customer-Related Costs (\$)	133,118,008	132,862,553	255,455
	<u>Facility-Related Costs</u>			
4	Company-Use Volume (10 ³ m ³)	4,569	5,842	(1,273)
5	Federal Carbon Charge (\$/m ³) ⁽³⁾	0.0391	0.0391	0.0391
6	Company Use Costs - Regulated (\$)	178,664	228,423	(49,759)
7	OBPS Obligation (tCO ₂ e)	98,882	101,110	(2,228)
8	Federal Excess Emissions Charge (\$/tCO ₂ e) ⁽²⁾	20.00	20.00	20.00
9	Compressor Fuel Use Costs (\$)	1,977,640	2,022,201	(44,561)
10	Compressor Fuel Use Costs - Unregulated (\$)	(146,695)	(292,987)	146,292
11	Compressor Fuel Use Costs - Regulated (\$)	1,830,945	1,729,214	101,731
12	Total Facility Related Costs (\$)	2,009,609	1,957,637	51,972
13	Total Cost (\$)	135,127,617	134,820,190	307,427

Notes:

(1) EB-2018-0205, Exhibit B, Tab 2, Schedule 5

(2) Customer-related Cost: EB-2019-0247, Exhibit C, p. 11. Facility-related Cost: EB-2019-0247, Exhibit.I.STAFF.9, Attachment 2.

(3) EB-2020-0212, Exhibit A, Table 1.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

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.

Questions:

- 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

Response:

None of Enbridge Gas's 2019/2020 administration costs, balances in FCPP-related deferral and variance accounts, nor the allocation and disposition methodologies previously approved by the Board are at issue in this proceeding. Accordingly, EP's questions exceed the scope of this proceeding as defined by the Board in its Decision on Scope of Proceeding dated November 20, 2020, where the Board stated:

In addition, in the 2021 FCPP proceeding, the quantum of administration costs or the disposition of other deferral and variance accounts (DVAs) is also out of scope as Enbridge Gas is not seeking recovery in this application for amounts related to administration costs or the disposition of related DVAs. The OEB confirms that the review of the application filed by Enbridge Gas will be limited to considering the recovery of its costs related to the FCPP. This comprises (i) updating the Federal Carbon Charge and Facility Carbon Charge on customer bills, to match the costs

incurred by Enbridge Gas under the GGPPA; and (ii) considering Enbridge Gas's activities with respect to understanding, controlling and mitigating its facility-related FCPP costs (for example, evaluating Offset Credits as an option to reduce facility related costs).

In an effort to be as responsive as reasonably possible, Enbridge Gas has provided limited responses to EP's questions.

a) & b)

Actual administration costs for 2019 are detailed in Enbridge Gas's 2020 Federal Carbon Pricing Program (EB-2019-0247) Updated Application, filed May 14, 2020, at Exhibit C, Table C-1, p. 6.

Enbridge Gas does not have final 2020 administration costs or related deferral account balances at this time. Please see response at Exhibit I.EP.1 b).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

Exhibit D Tab1 Schedule 2; Exhibit D Tab2 Schedule 3

Question:

- a) Please provide the 2020 vs 2021 EGD rate Zone Bill impacts per Ex D Tab 1 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 Tab 2 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.

Response:

- a) & c)

The Facility Carbon Charge is calculated as the total Facility Carbon Costs divided by the total forecast volumes for all rate classes (EB-2020-0212, Exhibit D, Tab 1, Schedule 1, p. 2; and Exhibit D, Tab 2, Schedule 1, p. 2).

The 2020 vs 2021 bill impact changes for the Facility Carbon Charge and Federal Carbon Charge is provided at Exhibit D, Tab 1, Schedule 2 for the EGD rate zone and Exhibit D, Tab 2, Schedule 3 for the Union rate zones. For the EGD rate zone, the Facility Carbon Charge is embedded in the distribution charge, as such, the

change in the distribution charge is equal to the change in the Facility Carbon Charge. For the Union rate zones, the Facility Carbon Charge is embedded in the delivery charge, as such, the change in the delivery charge is equal to the change in the Facility Carbon Charge.

Tables 1 and 2 below show the proportion of the Facility Carbon Charge that is related to Company Use and to the OBPS Obligation for each of the EGD and Union rate zones, respectively.

Table 1
EGD Rate Zone

Line No.	Particulars	Facility Carbon Cost (\$) (1)	Percent of Total Facility Costs (%)	Facility Carbon Charge Unit Rate (¢/m ³)
1	Company Use	497,512	47%	0.0031
2	OBPS Obligation	566,747	53%	0.0035
3	Total Facility Related Costs	1,064,260	100%	
4	Facility Carbon Charge Unit Rate ⁽¹⁾			0.0066

Notes

(1) Exhibit D, Tab 1, Schedule 1, p. 2.

Table 2
Union Rate Zones

Line No.	Particulars	Facility Carbon Cost (\$) (1)	Percent of Total Facility Costs (%)	Facility Carbon Charge Unit Rate (¢/m ³)
1	Company Use	1,469,109	30%	0.0038
2	OBPS Obligation	3,394,441	70%	0.0089
3	Total Facility Related Costs	4,863,550	100%	
4	Facility Carbon Charge Unit Rate ⁽¹⁾			0.0127

Notes

(1) Exhibit D, Tab 2, Schedule 1, p. 2.

The percent of total facility-related costs from Tables 1 and 2 above can be applied to the distribution and delivery charge bill impacts to determine the applicable component of the Facility Carbon Charge for all rate classes and customer profiles.

b) & d)

The Federal Carbon Charge is currently shown as a separate line item on all customers' bills and the Facility Carbon Charge is embedded in the delivery or transportation charge on all customers' bills, including commercial and industrial customers.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Interrogatory

Reference:

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".

Question:

- 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 FCPP charge on customer bills? If so please file a copy.

Response:

- a) Confirmed.
- b) The statement with respect to a natural gas customer's bill impact is correct for 2020 for the EGD rate zone. Enbridge Gas's webpage clearly states the value of \$141 is the annual impact in year two of the Federal Carbon Pricing Program ("FCPP"). This annual impact was determined as detailed in Table 1.

Table 1

Year	EGD Rate Zone	Union Rate Zones
2019 ¹	\$93.93	\$86.21
2020 (incremental) ²	\$47.07	\$43.15
2020 (total)	\$141.00	\$129.36

c) No.

¹ EB-2018-0187/EB-2018-0205, Exhibit A, p. 14, Bill Impacts.

² EB-2019-0247, Exhibit A, p. 15, Bill Impacts.