REF: EB-2019-0137 5 Year Gas Supply Plan ("PLAN"), page 7

1) Please provide EGI's views on the specific proceeding (e.g., rates, deferral, etc.) in which the appropriateness of gas costs would be determined and approved.
   a) In what proceeding would prudence be tested?

REF: EGI Annual Gas Supply Plan ("Update"), pg. 7

Preamble: EGI's evidence states: *"EGI has incorporated recommendations from ScottMadden Management Consulting's report into its blind RFP process that took place during January 2021."*

We would like to understand the results from incorporating the recommendations.

2) For what gas year(s) were proposals sought in the January 2021 process?
   a) Were the bids assessed against the alternative to purchase gas for the winter period <u>at that time?</u>
   b) Was the approach of comparing storage bids to the value of winter purchases discussed with ScottMadden as part of the engagement?
      i) If so, what was the recommendation of the consultant?
   c) Please provide a summary of what was learned or improved as a result of incorporating the recommendations.

REF: Update pg. 14, Figure 4

Preamble: The graph in figure 4 depicts a significant dip in prices in the 2023 to 2024 time frame. We would like to understand the reasons for the significant dips in prices for all locations.

3) To what factor or factors did/does ICF attribute to the large price dip?
   a) What measures does the company plan to take to adjust its gas supply plan with this information?

REF: Update pg. 16

Preamble: EGI evidence states: *"On August 30, 2019, Panhandle Pipelines filed a Section 4 application with the Federal Energy Regulatory Commission ("FERC") under the Natural Gas Act. Panhandle Pipelines proposed rate changes for existing services and changes to certain terms and conditions of service.*

We would like to understand the implication of these changes.

4) Please summarize the changes in applications in term of their impact for the Gas Supply plan including the terms and conditions of service.
   a) Please confirm that deliveries from Panhandle are received by EGI at Ojibway.
   b) Do the changes affect opportunities to incorporate increase supply from the Panhandle Pipelines?
   c) Please provide EGI's comments on incorporating EGI contracted deliveries at Ojibway to reduce peak day needs on EGI Panhandle system.

REF: Update pg. 21

Preamble: EGI evidence states: "*Table 1 below illustrates the annual demand forecast for each rate zone. Overall, the current forecast is showing higher demand compared to the 2020 Annual Update as a result of updated driver variables, recent actual consumption trends, and known and forecasted customer and contracted demand growth.*"

We would like to understand better the drivers and trends that contribute to the forecasted increases in Table 1.

5) In an Excel file, for each month that contributed to the demand forecast, for each rate zone (i.e., EGD, UG South, UG Northwest, UG Northeast), please provide:
   a) The actual monthly consumption
   b) The monthly heating degree days
   c) The weather normalized consumption

6) In our view, a comparison of the annual demand tables from this year and last, the most significant volatility is in the contract demand market. Please explain the drivers.

7) A comparison of the annual demand tables from this year and last, the most significant increase is in the annual demand for the EGD rate zone. However, the peak demand is relatively constant between the two tables, please explain.

REF: Update pg. 26

Preamble: EGI evidence states: "*EGI is investigating SNG frameworks and exploring opportunities for the potential inclusion of SNG within its system supply portfolio as early as November 1, 2021.*

We would like to understand how Sustainable will be valued and drivers for the urgency.

8) Will EGI be seeking specific approval for a framework?
   a) How will the Sustainable be valued to justify a premium?
   b) Are any EI companies involved in the development of SNG?

REF: Update pg. 26 and Appendix D

Preamble: EGI evidence states: *"Rationale for NEXUS Pipeline Capacity … The costs of this transportation are expected to be largely offset by lower commodity prices at Clarington…*

9) What is the basis for the transportation rate (i.e., negotiated rate, tariff, recourse rate)?
   a) Please explain why the transportation rate is higher than the basis differential between the two points?

REF: UPDATE, pg. 33

Preamble: We would like to understand better the economics around storage

10) What is the annualized cost of full cycle storage for:
    a) Union Dawn
    b) EGD Tecumseh

11) Please provide an analysis showing the cost of the summer strip and winter strip for each of the next 3 years and the difference of winter over summer for each year.
    a) How does the Board ensure that there is sufficient transparency on storage costs paid by legacy EGD customers especially where EGD is buying EI storage services?

REF: Update pg. 33-34 and Appendix C

Preamble: EGI evidence states: *"In the Union North rate zones, the upstream transportation portfolio is sized to meet design day demand. Logically, the amount of supply transported to meet average annual demand is less than the capacity needed to meet requirements on design day. As a result, a portion of EGI's contracted capacity is planned to be unutilized during the year."*

We would like to understand how STS is used to mitigate the capacity demand for peak design and the comparison of serving the NDA as it is or with the reciprocal approach.

12) Using the NDA, please provide the design day demand and the contracts that contribute to meeting the peak day needs.
    a) Please provide the percentage of annual demand for the NDA is provided at Empress and Dawn.
    b) For the NDA using existing costs and supply, please provide the existing bill for all component services (i.e., commodity, transport, storage) for an M1 customer.

c) For the NDA, please provide an estimated bill for the component services for an M1 customer if the supply mix was reversed (i.e., if the percentage of supply currently supplied at Dawn is 85% and Empress 15%, provide the bill estimate with Dawn providing 15% and Empress 85%).

REF: Update pg. 34, Table 5

Preamble: We would like to understand improvements in EGI's consideration of sharing resources to minimize ratepayer cost.

13) Has EGI explored sharing potentially excess firm contracts including STS between Union and EGD rate zones in the EDA?
    a) If not, why not?

14) What, if anything, would prevent EGI from diverting legacy EGD long-haul contracts to the legacy Union Gas system upstream (e.g., WDA, NDA, etc.)?
    a) Please explain EGI's views on this a short-term tactic to optimize the portfolio.

REF: Update pg. 35, Table 6, pg. 36 and Table 7 pg. 37

Preamble: EGI evidence states: *"The level of third-party services (e.g. peaking and delivered services) held within the portfolio. EGI aims to limit the level of third-party services because in the event that third-party services failed to deliver, the utility expects to manage the supply shortfall within the parameters of its existing firm transportation contracts55."*

We would like to understand the cost consequences of failure of a third-party contract.

15) The footnote to the referenced section refers to penalties over 2%. Assuming the peaking service contract of 40,000 GJ to the CDA failed, please quantify the penalty that would be incurred on the day.
    a) If the calculated penalty is zero for the scenario above, please quantify the penalty for 10,000 GJ/day over the tolerance below which there is no penalty.

Preamble: EGI evidence states: "*Finally, EGI's evaluation of the costs of a potential supply option is mainly a quantitative exercise. If the option is intended to satisfy average day needs, EGI will evaluate based on landed costs (i.e.$/GJ/d). If the option is intended to meet design day needs, annual costs (i.e. $/GJ/yr) are calculated.*

We would like to understand the potential benefits of peaking services in meeting demand.

16) Please provide the specific location (receipt and delivery points of contract, e.g., CDA Vic Square, etc.) of peaking services obtained by EGI (or EGD or UG) in the last 5 years?
   a) Please provide the historic annual cost ($/GJ/yr.)
   b) Table 6 shows the peaking service ceasing in 2021/22. What is the plan to replace that service?
   c) The footnote 56 provides a "temporary phenomenon". Please describe the phenomenon and what will alleviate that condition.

REF: Update pg. 39, Table 9 and Figure 13

17) Please specify the delivery point inside of the EGD EDA.
   a) Please locate it relative to the delivery point for Union EDA (distance, in path/not in-path).

18) What is the redline drawn between Niagara-Kirkwall and EDA depicting?

Preamble: We would like to understand better the comprehensive assessment of customer costs associated with supply choices.

19) How does EGI assess the cost of seasonal load balancing for each supply option?
   a) Please provide an analysis on the total bill impact for an EGI customer in the EGD EDA that compares delivered gas using TCPL (Empress to EDA) vs. Nexus to Dawn redelivered to the EDA in the winter.

REF: Update pg. 42, Table 14

20) Where is the Union South control point for the purposes of design day in this table (e.g. Parkway)?

REF: Update pg. 26

Preamble: EGI evidence states: *"However, a supply option analysis for average day requirements is presented to determine if additional transportation assets upstream of Dawn may provide additional reliability, flexibility, diversity and cost effectiveness."*

21) Please explain why the transportation assets need be upstream of Dawn as opposed to another point such as Kirkwall or Parkway?

REF: Update Appendix E

Preamble: We would like to understand the Transportation Cost Analysis more fully.

22) Please provide the transportation cost analysis to determine the landed cost at Parkway including adding Empress to Parkway. For those paths that need to go Dawn first, please use the M12 rate for transportation.

REF: EB-2019-0137 EGI 5 YR GAS SUPPLY PLAN

Preamble: We would like to understand better how EGI optimizes the long-haul, short-haul and market-based purchase to optimize diversity.

23) Has EGI performed any combined utility SENDOUT runs to start the process of integration?
   a) If so, please provide summary reporting highlighting any area of potential synergies in the short-term or long-term.
   b) If not, please provide the results of a preliminary run of SENDOUT including short-term recommendations for cost savings.

REF: EB-2019-0137 EGI 5 YR GAS SUPPLY PLAN, page 46

Preamble: We would like to understand better the utilization of EGD's Segment A pipeline.

24) Is all of the capacity of Segment A (Parkway to Albion) utilized?
   a) How much of the capacity is used to serve the GTA distribution?
   b) How much of the capacity is utilized by TCE to move gas to Station 130 (Maple)?
   c) Has EGI negotiated any agreements with TCE to maximize the utilization of the pipe during non-peak conditions (e.g., TCE using greater than contracted right)?

REF: EB-2019-0137 EGI 5 YR GAS SUPPLY PLAN, page 53, Table 16

Preamble: We would like to understand better the determination of the landed costs and their impact on customer bills.

25) Please provide the path including the individual segments
   a) Please provide each segment's contribution to the total costs.

Please show the calculation that determines that there is less than one percent difference between the current portfolio and the Nexus path.

REF: EB-2019-0137 EGI 5 YR GAS SUPPLY PLAN, page 80

Preamble: Rationale for Panhandle

26) Has EGI explored the efficacy of having a delivery obligation credit at Ojibway to meet design day needs on the Panhandle system?
   a) If so, what were the results?
   b) If not, why not?