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**VIA RESS and EMAIL**

June 18, 2021

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

Dear Christine Long:

**Re: EB-2021-0153 – Enbridge Gas Inc. (Enbridge Gas) – July 1, 2021  
Quarterly Rate Adjustment Mechanism (QRAM) Application**

On June 11, 2021, Enbridge Gas filed the July 1, 2021, QRAM application with the Ontario Energy Board (OEB). Enbridge Gas has since received a letter from Canadian Manufacturers & Exporters (CME) and Industrial Gas Users Association (IGUA) both indicating they have no objection to approval of the application as filed.

On June 14, 2021, Enbridge Gas received questions from the Federation of Rental-housing Providers of Ontario (FRPO). Enclosed please find Enbridge Gas's responses to the questions received.

Should you have any questions on this matter please contact the undersigned at 416- 495-5642.

Sincerely,

(Original Digitally Signed)

Asha Patel  
Technical Manager, Regulatory Applications

cc: Tania Persad, Enbridge Gas  
All Interested Parties EB-2008-0106, EB-2019-0194, EB-2020-0095, &  
EB-2020-0181

ENBRIDGE GAS INC.

Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, pg. 1 and Exhibit C, Tab 1, Schedule 2

Preamble:

In its evidence, EGI provides that, despite the significant cold spell experienced during February, the actual weather across Enbridge Gas rate zones from November 2020 to March 2021 was 7-8% warmer than normal. In analyzing Schedule 2, there appears to be a number of volume variances during the winter months. Specifically, most winter months evidenced a reduction in supplies for Dominion, Chicago and Niagara supplies. We are interested in understanding how the purchase plan adapted during the warmer than normal winter.

Question:

Please provide the amount of unutilized transport for system supply during each of the respective winter months by path for the Dominion, Chicago and Niagara paths.

- a) For each path with any under-utilized transport, please provide:
- i) the specific rate zone for which those planned purchases were varied.
  - ii) how the cost of unutilized transport was mitigated and/or allocated.

Response:

The volume variances for November 2020 to March 2021 (winter months) referenced at Exhibit C, Tab 1, Schedule 2, pages 3 and 4 are a comparison of actual purchases for the EGD Rate Zone to the forecast volume of gas purchases at each location in EB-2018-0305. All upstream transportation contracts were fully utilized in the EGD Rate Zone portfolio for the November 2020 to March 2021 period. In response to the warmer than forecast winter period, Enbridge Gas has reduced supply purchases at Dawn for the EGD Rate Zone, which is represented as "Ontario Delivered" in Exhibit C, Tab 1, Schedule 2.

The volume variances shown at Chicago and Niagara paths are driven by a higher heat value on an actual basis than the heat value included in the EB-2018-0305 forecast of gas costs. The forecast cost of gas purchases was completed on a volumetric basis to align with rates and all volume variances shown in Exhibit C, Tab 1, Schedule 2 are calculated in m<sup>3</sup> and converted to Canadian dollars. Since natural gas is purchased in energy and not volume, a higher heat value results in the need to purchase less gas in volumetric terms. There is no volume variance for these paths if they are compared in energy.

The volume variances shown at Dominion are driven by a difference in fuel requirements along the NEXUS path and a higher heat value on an actual basis than the heat value included in the EB-2018-0305 forecast of gas costs. The legacy EGD contract on the NEXUS pipeline moves gas from the NEXUS Supply Zone to Milford Junction, and gas is then transported on the Vector pipeline from Milford Junction to Dawn. Each segment of this path has an individual fuel requirement. As a result, Enbridge Gas is not able to transport all of the fuel required by the Vector portion of the path to Milford Junction, which results in a slightly lower delivery of supply to Dawn. At the time the EB-2018-0305 forecast was completed, this immaterial variance driven by segmented fuel requirements had not been identified.

ENBRIDGE GAS INC.

Answer to Interrogatory from  
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Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 1, pg. 1 and Exhibit C, Tab 1, Schedule 2 and EB-2021-0004 Gas Supply Annual Update, pg. 21

Preamble:

EGI Update 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.

Question:

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 North East), please provide:

- a) The actual monthly consumption
- b) The monthly heating degree days
- c) The weather normalized consumption

Response:

The request for granular information supporting Enbridge Gas's demand forecast which underpins the 2021 Annual Gas Supply Plan ("2021 Update")<sup>1</sup> is not relevant to the approvals sought in the July 2021 QRAM proceeding.

In the 2021 Update proceeding, FRPO requested this same information. Enbridge Gas declined to provide the requested information at that time, as the detailed request was

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<sup>1</sup> EB-2021-0004

not relevant or necessary for review or consideration of the Annual Update. Enbridge Gas' response to this request was filed as Exhibit I.FRPO.5. For convenience, the response is included as Attachment 1.

ENBRIDGE GAS INC.

Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.”*

Questions:

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

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

Response:

a) – c)

The referenced table shows the forecast annual demand (consumption) for each year from 2020/21 to 2024/25. There is no “actual” consumption for those years included in the Update. The forecast heating degree days that are used in the annual demand (consumption) forecasts are held constant for each year, using the 2020/21 forecast for each weather zone.

Enbridge Gas does not believe that it is relevant or necessary for the purpose of this Annual Update process to provide monthly breakdowns of demand forecasts or degree days and declines to provide that information.

ENBRIDGE GAS INC.

Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 5 and EB-2021-0004 Gas Supply Annual Update, pg. 33

Preamble:

We would like to understand better the economics around storage.

Question:

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.

Response:

FRPO's question is not relevant to the approvals sought within the July 2021 QRAM proceeding. Questions related to the Enbridge Gas approach to evaluating the economics of storage and load balancing options as well as targeted or planned gas inventory levels should be directed to the Company's Annual Gas Supply Plan Update proceedings.

In the 2021 Annual Gas Supply Plan Update, Enbridge Gas described the methodology and approach to procurement of market-base storage capacity for the EGD Rate Zone.<sup>1</sup> Enbridge Gas acknowledges FRPO's desire for further information and is prepared to include more detailed information about the approach to assessing storage and load balancing options in the 2022 Annual Gas Supply Plan Update, which will be filed in early 2022.

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<sup>1</sup> EB-2021-0004, EGI Reply Submission, paragraph 58

ENBRIDGE GAS INC.

Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit C, Tab 2, Schedule 5 and EB-2021-0004 Gas Supply Annual Update, pg. 33

Preamble:

We would like to understand better the economics around storage.

Question:

Please provide the planned percentage storage levels at the end of each winter month and the actual amount for each of the EGI rate zones (i.e., EGD, Union South, North West and North East).

Response:

See the response to Exhibit I.FRPO.3.



ENBRIDGE GAS INC.

Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Rate Order, Appendix A, page 1, EB-2021-0004 Gas Supply Annual Update, Appendix C, page 1, FRPO\_EGI GS ANN REV\_20210511, pg. 5-6,

Preamble:

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

Question:

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 UG NDA that compares delivered gas using TCPL (Empress to NDA) including STS and other costs vs. Nexus to Dawn redelivered (allocated) to the NDA in the winter including the firm transport (both M12 and TCPL) contracts to meet both annual and peak day demands.

Response:

Enbridge Gas has procured a mix of assets to meet peak and seasonal gas requirements in the NDA, all of which are outlined in detail within the Company's 2021 Annual Gas Supply Plan Update ("2021 Update").<sup>1</sup>

Enbridge Gas holds long-term short-haul contracts from Dawn to the Union NDA as well as a long-term contract with NEXUS Pipeline to transport gas from the NEXUS Supply Zone to Dawn, a portion of which is allocated to the Union North East Rate Zone.<sup>2</sup> Enbridge Gas also holds short-term long-haul contracts from Empress to the Union NDA and STS contracts with injections and withdrawals in the Union NDA. Due to the

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<sup>1</sup> EB-2021-0004, 2021 Annual Gas Supply Plan Update, Table 11 & Appendix C.

<sup>2</sup> The Union Northeast Rate Zone consists of Union NDA, Union NCDA, and Union EDA delivery areas.

contract terms associated with a large portion of these Union NDA contracts<sup>3</sup>, there is little opportunity in the near future to significantly change the portfolio of gas supply assets to serve the Union NDA delivery area.

Union Gas communicated details about rationale for shifting a large proportion of long-haul contracts from Empress to short-haul contracts from Dawn to meet the needs of delivery areas within the Union North East Rate Zone in several proceedings including, but not limited to, EB-2015-0181, EB-2017-0091, and EB-2018-0105 . The cost consequences of this shift have been approved by the OEB on an actual basis in every QRAM proceeding since the contracts became effective. Additionally, the cost consequences associated with Union Gas' NEXUS contract capacity were pre-approved by the OEB in EB-2015-0166.

As evidenced in the 2021 Update, Enbridge Gas has not made a new contracting decision associated with supplying the Union NDA delivery area but has indicated the Company's preferred planning approach with respect to any future forecasted shortfalls in the Union North East Rate Zone.<sup>4</sup> As noted, Enbridge Gas will consider third party services if future shortfalls arise.

Enbridge Gas is not in a position to procure different supply arrangements for the Union NDA delivery area at the current time, for the reasons outlined above. For that reason, the scenario analysis requested by FRPO is not relevant to the approvals being sought in the July 2021 QRAM proceeding.

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<sup>3</sup> As outlined in EB-2021-0004, 2021 Annual Gas Supply Plan Update, Appendix C, the short haul contracts to move gas into the Union NDA do not expire until October 31, 2031.

<sup>4</sup> EB-2021-0004, 2021 Annual Gas Supply Plan Update, page 42.