Questions on Aylmer Gas Supply Evidence

REF: GSP Aylmer, pg. 10, Tables 2-1, 2-2 and Load Forecast, pg.'s 2 & 30-32

Preamble: Table 2-1 shows a 5% or less annual increase in customers over the forecast period. Table 2-2 shows a considerably higher increase in forecasted consumption. The Load Forecast pages provide the methodology including the increase in one large customer in 2021. We respect the analytical rigour and we would like to understand better the assumptions behind continued growth given the nature of the customers.

1) From the type of customers served under the R4 rate, does the nature of their consumption lend themselves to this level of continued growth for the existing and forecasted customers? Please explain.

REF: GSP Aylmer, pg. 14

Preamble: ENGLP evidence states: "*ENGLP receives the majority of its commodity under the bundled M9 rate which is based on Enbridge Gas' OEB approved WACOG application. ENGLP currently has three M9 Large Wholesale Service Contracts; SA1550 (System Gas) with a contract demand of 208,429 m3, SA25050 (Direct Purchase) with a contract demand of 13,366 m3 and SA8936 (IGPC) with a contract demand of 208,800 m3.*"

"*ENGLP is also developing the Southern Bruce natural gas franchise and as ENGLP gains operational experience and measures consumption data associated with this system, it will evaluate potential synergies between the two systems including the M9 system supply option for the Aylmer operation. ENGLP is mindful that should it elect to not take service under the M9 rate for the Aylmer operation, the rate will no longer be available to ENGLP.*"

We would like to understand better the arrangements ENGLP has with Enbridge Gas.

2) For each of the three contracts:
   a) Does each contract include provision of the commodity at the Enbridge Gas's OEB approved WACOG?
      i) If not, please differentiate which do and which don't.
   b) For those contracts that do not take commodity, are the remaining components of the M9 rate (demand charge, delivery commodity charge, etc.) charged for those components?
   c) If SA25050 receives gas that is not provided to ENGLP by Enbridge Gas but the remaining the delivery services are charged according to the remaining M9 rate components, what inhibits ENGLP from shifting the SA1550 System Gas to the same arrangement?
   d) Has Enbridge Gas informed ENGLP that it would lose access to the other components of M9 if ENGLP procured its own commodity? If so, please provide.

REF: GSP Aylmer, pg. 16-18

Preamble: In the referenced pages, ENGLP provides an assessment of impacts of alternative rate structures. While deemed to be a quantitative assessment, there are no specific cost estimates provided beyond the "Premium to Dawn". Given the lack of specific figures and that the M9 represents an 8% Premium, we would like to understand better the assessment provided.

3) Please describe what the baseline cost is that is compared to the three rate class options.
    a) In assessing the T3 rate class, were there potential reductions in **delivery rates** relative to the M9 determined in the analysis?
        i) If so, what was the percentage reduction?
        ii) If not, please consider and provide.
    b) In the last sentence of the reference, ENGLP indicates that these rate impacts would be visited on system gas customers.
        i) Would changes in storage and distribution charges not be impacting the costs of utility delivery intra-Ontario?
            (1) If so, would these changes not impact the costs of delivery and load-balancing i.e., distributor services to all ENGLP customers with the possible exception of IGPC?
            (2) If not, please describe the cost causality allocation of these costs to commodity rates.

REF: GSP South Bruce, pg. 24, EB-2019-0183, EB-2018-0264

Preamble: EPCOR evidence states: *"As EPCOR does not currently have the ability to assign its excess transportation capacity to another party (EPCOR is the only party that will be taking the gas at the Dornoch Interconnect), EPCOR will have unutilized transportation capacity for which costs will not be fully recovered from the in the planning period. In its rates application (EB2018-0264) EPCOR applied for and was granted a Storage and Transportation Variance Account for Rates 1, 6 & 11 ("S&TVA Rates 1, 6 & 11"). This account provides for EPCOR the ability to defer the recovery of the additional capacity EPCOR was required to contract with Enbridge Gas/Union Gas initially in order to provide service to its customer base in future years. Accordingly, this under recovery will accrue in the S&TVA Rates 1, 6 & 11 account."*

From our involvement in EB-2019-0183, we understand that EPCOR needed to contract for it longer term need for capacity with Union/EGI under M17. We understand from the above reference, that EPCOR has approval for an S&T variance account to be allocated to Rates 1, 6, 11. However, having not intervened in the EB-2018-0264 proceeding, we would like to understand the principles behind this approved allocation approach.

4) What were the principles behind isolating Rate 16 customers from an allocation of the future recovery of this account?
   a) Does EPCOR use M17 transportation services from EGI to serve Rate 16 customers?
   b) Have current Rate 16 customers contracted for their full forecasted demands?
      i) If not, could the Rate 16 class receive a future allocation of this deferral account?
   c) Hypothetically, if a Rate 16 requested an increase in contracted demand, would EPCOR apply for a variance to this methodology to include Rate 16 in the future allocations? Please explain.
   d) Hypothetically, if a new Rate 16 customer were to request a new contract demand, would EPCOR apply for a variance to this methodology to include Rate 16 in the future allocations? Please explain.