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July 13, 2021

Sent by EMAIL, RESS e-filing

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

Dear Ms. Long:

**Re: Consultation to Review Annual Update to Five-Year Natural Gas Supply
Plans - EPCOR Natural Gas Limited Partnership (Aylmer and Southern
Bruce) 2021 Annual Update – EB-2021-0146
ENGLP Responses to Interrogatories**

Pursuant to OEB letter received May 18, 2021 in the above noted proceeding, EPCOR Natural Gas Limited Partnership (“**ENGLP**”) herby submits its responses to interrogatories received from OEB Staff, Federation of Rental-housing Providers of Ontario (FRPO) and Pollution Probe.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Hesselink", with a stylized flourish at the end.

Tim Hesselink
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EPCOR Natural Gas Limited Partnership
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EPCOR Natural Gas LP – Aylmer Franchise Area

ONTARIO ENERGY BOARD STAFF QUESTIONS

June 29, 2021

Staff.1

Ref: EPCOR Natural Gas LP Aylmer Gas Supply Plan (GSP) 2021 Annual Update, pp. 8-10

EPCOR Natural Gas LP (ENGLP) has provided a demand forecast for the different customer classes. Tables 2-1 and 2-2 provides the forecast of customer connections and volumes for the period 2020 to 2025.

The forecast volumes for R2 seasonal customers increase significantly from 2020 to 2021 (785,475 m3 in 2020 to 1,305,829 m3 in 2021) although customer numbers have increased by one, from 48 to 49 for the same period. Please provide the rationale for the substantial increase in volumes.

ENGLP Response: The 2020 grain drying season was exceptionally short, therefore consumption from R2 customers – grain dryers – is also much lower than in previous years. For the forecast in this Gas Supply Plan, the 2020 R2 consumption was treated as an anomaly; instead, the average consumption from 2017 to 2019, plus the expected annual consumption for the additional dryer, was used for forecasting 2021 volume.

Staff.2

Ref: ENGLP Aylmer GSP Update, 2020-2024 GSP, pp. 12-13: Supply Options, Peak Day/Hour

Based on the study, the biggest difficulty in establishing an accurate model for the distribution system was the loading throughout the system. Gas is not metered using district meter stations for each of the towns the system serves, which necessitates that a peak hour consumption estimate be developed for each town center.

- a) Please explain what drawbacks, if any, there are to using a peak hour consumption estimate for determining peak load.

ENGLP Response: Gas is not metered using district meter stations for each of the towns the system serves, which necessitates that a peak hour consumption estimate be developed for each town center. There are a few identifiable drawbacks from using a peak hour consumption estimate for determining peak load such as:

- a) A town with a larger commercial or industrial component could be slightly misrepresented in terms of gas usage.

- b) Towns with larger urban areas, may over-represents gas usage as apartment buildings contain a larger population per square foot than a single family house.
- c) All residential customers are assumed a uniform consumption value. This is inherently inaccurate because consumption varies widely from older buildings to newer construction buildings which have tighter envelopes.

- b) Were alternative methodologies or approaches considered?

- i. If so, please provide additional details.

ENGLP Response: No other alternative methodologies or approaches were investigated.

With the benefit of hindsight, an alternative approach which could have been considered, was completing a building count of each of the towns and assigning loads based on building count rather than population. However, this approach would have introduced flaws and error in the model when considering gas consumed for personal usage such as cooking and hot water consumption.

Staff.3

Ref: ENGLP Aylmer GSP Update pp. 15-16

ENGLP signed a 5-year gas supply agreement with Lagasco and service commenced December 1, 2019. The gas was mainly sourced to alleviate system pressure issues in the southeast area of the distribution system where ENGLP has historically suffered from low pressure issues.

- a) ENGLP has been receiving gas from Lagasco for 18 months now. Please provide an update on the system pressure issues in the southeast area.

ENGLP Response: No system pressure issues have been identified since ENGLP began receiving gas from Lakeview (Lagasco).

- b) What is the typical pressure in the southeast area of the distribution system after Lagasco has started delivering gas to ENGLP?

ENGLP Response: 75 to 80psi.

Staff.4

Ref: ENGLP Aylmer GSP Update pp. 22-23: Accelerated depletion of local gas production wells

ENGLP consulted with Lagasco Inc. (Lagasco) in order to determine production levels over the planning period. Lagasco confirmed production will continue to decline from these wells. In 2020, well gas volumes declined by another 31% compared to 2019 volumes. To mitigate potential gas shortages in the south area of the franchise, ENGLP contracted for incremental lake gas starting December 2019 on a firm basis.

- a) Please indicate when well gas volumes are expected to decline to a level at which Lagasco will no longer be able to provide gas to ENGLP from this source.

ENGLP Response: At this point, ENGLP has not received a forecast from Lagasco. An update will be provided during the next annual submission if new information is available.

- b) Is the supply from lake gas sufficient to meet ENGLP's supply requirements and alleviate system pressure issues in the south in the event that well gas is not available anymore?

ENGLP Response: If the land wells are no longer available, the lake gas will be sufficient to provide ENGLP with the required volumes and pressure at the southern part of our system.

- c) Does Lagasco intend to drill additional wells in the southern area of ENGLP's franchise?

ENGLP Response: ENGLPS is not aware of Lagasco's intention to drill additional wells in the southern area of ENGLP's franchise area.

Staff.5

Ref: ENGLP Aylmer GSP Update p. 17: Alternative Rate Consideration

ENGLP has provided an analysis of alternative rates for comparison purposes. For the M17 rate, ENGLP allocated storage based on 30% of the expected annual consumption. Please explain the underlying reasoning for this assumption.

ENGLP Response: The 30 percent storage assumption is based on an annual volumetric load analysis that assumes that if you purchase the annual load on an even and constant basis throughout the year, that approximately 30% of storage working capacity is need to balance out the higher winter demand.

Staff.6

Ref: ENGLP Aylmer GSP Update p. 24: Renewable Natural Gas (RNG)

At this time, ENGLP does not hold any RNG supply in its Supply Plan. However, ENGLP is currently in discussion with customers capable of providing RNG into the natural gas distribution system. ENGLP will update the Supply Plan as strategies of a RNG solution are developed and finalized.

- a) Has ENGLP identified any suppliers for RNG? If yes, is there a premium for purchasing RNG as compared to conventional natural gas? Please provide a detailed response.

ENGLP Response: ENGLP has identified an RNG supplier within the Aylmer franchise, however ENGLP will act as a transportation agent as Walker RNG Inc. (the RNG supplier) has entered into an agreement with Fortis BC to sell their RNG.

- b) Is the purchase of RNG a consideration for the 2020-2024 gas supply planning period?

ENGLP Response: There are currently no considerations to purchase RNG for the 2020-2024 gas supply planning period.

- c) What is the anticipated supply of RNG and what portion of the total supply will be from RNG?

ENGLP Response: Although ENGLP is not “purchasing” RNG as part of its supply portfolio, RNG will flow into the distribution system and does have reliability benefits. ENGLP estimates RNG will form up to 10% of the total supply.

Staff.7

Ref: Weather Normalized Distribution System Throughput Forecast, Report by Elenchus Research Associated Inc., pp. 4-27

Forecast consumption for the R1 Residential, R1 Industrial, R1 Commercial and R3 rate classes were forecast using multivariate regressions. A set of interaction COVID/weather variables were considered for the weather-sensitive classes but found to be not statistically significant. The variable intended to capture potential incremental heating load for the residential class, and reduced heating load for non-residential classes, resulting from people staying at or working from home, was found to not have a material impact on heating load.

Does the actual consumption for 2020 support the conclusions from the regression analysis for the R1 and R3 rate classes? Please explain your response.

ENGLP Response: Actual consumption for 2020 is sufficiently similar to predicted 2020 consumption to support the use of the regression analysis that does not use COVID variables. Actual consumption for each class has declined relative to 2019, however, predicted consumption

also declined materially. Predicted consumption declined because heating degree days declined by 9.4% from 2019 to 2020 (3,947 HDD in 2019 to 3,577 HDD in 2020 at 18°C). The 2020 variances between predicted consumption and actual consumption are reasonably close to the annual Mean Absolute Percentage Error (MAPE), as per the Elenchus Throughput Forecast report on Table 5 (R1 Residential), Table 7 (R1 Industrial), Table 9 (R1 Commercial), and Table 11 (R3).

The lack of statistical significance for the interaction COVID/weather variables suggests that extent to which predicted consumption deviated from actual consumption in the March 2020 to December 2020 period is not sufficiently correlated with weather variables. There are only a few winter months from the start of the COVID-19 pandemic in March to December 2020, which may impact that statistical significance. Elenchus recommends that future throughput forecasts consider these variables, despite the lack of statistical significance found in this forecast. Through its work with electricity LDCs, Elenchus has found that electricity consumption in the March 2020 to December 2020 period has been statistically significantly impacted by similar COVID/CDD (cooling degree day) interaction variables, but the impact of COVID/HDD (heating degree day) interaction variables has been mixed.

Staff.8

Ref: ENGLP Aylmer GSP Update Appendix F: Performance Metric Scorecard

ENGLP has provided a Performance Metric Scorecard for the Aylmer franchise area. The measures are based on the guiding principles of Cost Effectiveness, Reliability & Security of Supply and Public Policy identified in the OEB's Gas Supply Plan Framework.

However, the scorecard does not have any objectives or targets to compare the achieved performance and assess the extent to which the guiding principles have been achieved, and present value for customers.

- a) Has ENGLP considered any target metrics or performance objectives for its performance scorecard?
 - a. Please provide a list of probable target objectives in the event that ENGLP is required to develop a set of performance objectives for the scorecard.

ENGLP Response: ENGLP does not currently have a list of probable target objectives however, for the 2022 Annual Update, ENGLP will consider Stakeholder feedback on the existing Performance Metrics, and consider whether it is appropriate to add any items and also whether it would be possible and helpful to add some guidance as to target results for some of the Performance Metrics. It should be noted that ENGLP is a system gas customer of Enbridge hence any commodity, balancing and storage target objectives would flow from any objectives established by Enbridge.

b) Does ENGLP support the establishment of performance objectives for the scorecard?

ENGLP Response: ENGLP would support the establishment of appropriate performance objectives. As an example, ENGLP would not support a commodity price target which would introduce the risk that the utility does not have the tools to appropriately manage.

EPCOR Natural Gas LP – South Bruce Franchise Area

ONTARIO ENERGY BOARD STAFF QUESTIONS

Staff.1

Ref. EPCOR Southern Bruce Gas Supply Plan (GSP), Administration, p. 7

The 3-year GSP was referenced as EB-2020-0161, records show that the referenced docket number was a QRAM for July 1, 2020, that was withdrawn. Please confirm the docket number for the 3-year GSP.

ENGLP Response: The docket number for the 3-year GSP is **EB-2020-0106**.

Staff.2

Ref: EPCOR Southern Bruce GSP, Customer Connection, p.17, 24 and 33

EPCOR has revised its customer connection number (see below for table). In 2020, actual customer connections deviated significantly from the forecast presented in the 2020 Supply Plan due to a later start date for customer conversion and a slower than forecasted pace of customer conversion.

A number of factors contributed to the delay in conversion, namely:

- Construction delays as a result of the evolving health and safety guidance caused by the COVID-19 Pandemic required to ensure employee safety
- Customers having difficulty scheduling HVAC contractors for equipment inspection and conversion.
- Customers with propane equipment filled up their propane tanks over winter and delayed conversion until Spring.

EPCOR contracted Innovate Research Group to survey customers in the franchise area to better understand decision drivers related to conversion. The findings from the survey suggested that almost half of those surveyed intend to convert to natural gas as soon as possible, 2-in-5 said they continue to have difficulty finding an HVAC contractor for the inspection and equipment conversion.

- a) From Table 3-2, please breakout the actual Gas-consuming customer by rate classes. i. Compare the rate class breakout to the 2020 GSP forecast.

ENGLP Response:

Year	2020 GSP				2021 GSP Update			
	Rate1	Rate6	Rate11	Total	Rate1	Rate 6	Rate 11	Total
2020	2,249	34	2	2,285	179	-	1	180
2021	3,616	56	5	3,677	2,614	40	3	2,657
2022	4,248	78	5	4,331	3,703	56	6	3,765
2023	4,795	87	5	4,887	4,792	71	6	4,869
2024					5,039	91	6	5,136

Note that in connections numbers in the 2020 GSP is based on the construction schedule, which estimates the number of customers connected to the system by the end of each year and the best information available at the time of drafting the GSP. In the 2021 GSP Update, the forecast was based on the number of customers converting their equipment and unlocking the installed meters to start consuming gas, and the forecasted number of unlocks after considering the observed rate of unlocks over the winter of 2020/21.

The update in 2021 GSP update was made as the unlock metric is more relevant from a gas management perspective, since customers do not always consume gas as soon as they are connected to the system. The time between customer connection and the meter unlock / gas flow date was not anticipated at the time of drafting the 2020 GSP.

- b) One of the reasons cited for the delay is customers having difficulty scheduling HVAC contractors. Is EPCOR aware of the number of HVAC contractors that provide service in the South Bruce area? If yes, please provide the number.

ENGLP Response: ENGLP is aware of up to 40 HVAC contractors within the South Bruce area. ENGLP currently has preferred supplier arrangements with 13 of these HVAC Contractors in the area. While the preferred supplier arrangement is open to all contractors, the 13 HVAC contractors noted are able to comply with ENGLP's health and safety requirements and have been vetted for meeting customer service standards.

- c) Noting that HVAC contractors are external to EPCOR and there are a limited number of HVAC contractors in the Southern Bruce region, what measures does EPCOR intend to implement in order to meet the planned customer connection forecast?

ENGLP Response: ENGLP has a series of communications strategies in place to encourage customers to get gas flowing from their new meter.

- a) In March 2021, ENGLP conducted online research to understand what the barrier was for customers who had yet to start using natural gas within their home but had signed up for service and had a meter installed. The research also served to remind the customers of their commitment to convert.
- b) In June/July 2021:
 - i. ENGLP sent email communications reminding these lagging customers of the benefits of using natural gas and the timeline to convert to avoid having to pay for their connection. Further communications are planned in July
 - ii. A public relations story is pitched to local media outlining the benefits of converting to natural gas and reminding those who have a meter that there are a number of HVAC providers who can assist them.
 - iii. A customer letter will be sent outlining the need to convert within the two year timeframe along with a reminder notice in August if needed.
 - iv. We have approached the HVAC providers with whom ENGLP has a preferred supplier arrangement and who have indicated that they have adequate capacity to meet the expected customer demand to determine if they can administer a promotion to fast-track customer connections.
- d) When does EPCOR expect the actual customer connections to align with the connection schedule as outlined in the Common Infrastructure Plan (CIP)?

ENGLP Response: ENGLP estimates the actual customer connections to align with the connection schedule as outlined in the Common Infrastructure Plan (CIP) by 2024. Note that the delay in gas-consuming customers connected to the system is in part due to customers having trouble finding HVAC availability for conversion, which ENGLP has little control over.

Staff.3

Ref: EPCOR Southern Bruce GSP, Storage Portfolio, p. 22

In its GSP update, EPCOR has indicated that it has entered into a 5-year contract with Enbridge Gas Inc. for seasonal storage service with a maximum storage balance of 100,000 GJ.

In EPCOR's 2020 Annual Update to the GSP (EB-2020-0106), EPCOR indicated that it has entered into a 10-year contract for seasonal storage services in contrast to a 5-year contract noted in this update. Please confirm the updated contract length and explain the reasons for the discrepancy.

ENGLP Response: The correct contract length for the season storage service is 10 years. The 5-year contract term in the 2021 GSP update was filed in error.

Staff.4

Ref: EPCOR Southern Bruce GSP, Unutilized Storage Capacity, p. 25

EPCOR made the decision in February 2021 to sell off a portion of gas held in storage at high spot prices, and an equivalent volume of gas (after accounting for fuel loss) were purchased for redelivery and to be injected back into storage for May and June 2021 at lower fixed prices as monthly strip transactions at fixed daily volumes.

EPCOR expects minimal unutilized storage capacity in the upcoming winters covered by this Supply Plan Update. Given the current forecast, storage gas is expected to meet 36.6% of system gas demand this upcoming winter.

- a) Please provide the spread in the price between the storage gas sold in winter and repurchased for injection in May and June 2021.

ENGLP Response: The spread in price between storage gas sold in winter and repurchased for injection is provided in the table below:

Transaction #	Sale Price (CAD/GJ)	Repurchase Price (CAD/GJ)	Spread (CAD/GJ)
1	\$ 3.86	\$ 3.40	\$ 0.46
2	\$ 3.95	\$ 3.30	\$ 0.65
3	\$ 5.12	\$ 3.41	\$ 1.71
4	\$ 4.84	\$ 3.35	\$ 1.49
5	\$ 10.60	\$ 3.60	\$ 7.00
6	\$ 5.45	\$ 3.44	\$ 2.01
7	\$ 5.83	\$ 3.55	\$ 2.28
8	\$ 5.10	\$ 3.43	\$ 1.67

- b) Is EPCOR expecting the practice of selling stored gas in winter and repurchasing cheaper gas in summer to continue in 2021/2022 and beyond? Is EPCOR aware of any risks of pursuing such a strategy? Please provide a detailed response.

ENGLP Response: EPCOR is not expecting the practice of selling stored gas in winter and repurchasing cheaper gas in summer to continue in 2021/2022 and beyond, as system gas consumption during the storage withdrawal period (December 2021 to March 2022) is forecasted to be greater than the amount of storage gas available. Storage is expected to empty for the upcoming winter, with additional market purchases required to meet system gas demand.

Since the sale and repurchase of the storage gas for each set of transactions were made with the same supplier, at fixed price and transacted on the same day, there were no price risks involved with these transactions.

Staff.5

Ref: EPCOR Southern Bruce GSP, Supply Option Update, p. 28

Consumptions during warm days in March and April, when heating degree days drop to near zero, suggest that the CIP assumptions may be overestimating baseload consumption.

One reason may be that most customers who have converted to natural gas only converted heating equipment (i.e. they have electric stove ranges and water heaters).

- a) Has EPCOR considered the impacts of COVID when evaluating the baseload assumptions for customers in different rate classes? (i.e. restaurant and business closures etc.)

ENGLP Response: ENGLP did not consider the impacts of COVID when evaluating the baseload assumptions for customers in different rate classes. As system gas customers started connecting to the system and consuming gas during the pandemic, ENGLP did not have a clear baseline for customer consumption in the absence of COVID impacts. Pre-COVID historical data would be required to understand COVID-related impacts.

- b) Has EPCOR completed a survey indicating if potential customers will convert other appliances (i.e. excluding space heating) to natural gas?

- i. If so, please provide the results of the survey.

ENGLP Response: ENGLP has not surveyed potential customers on conversion by appliance types.

- ii. Please indicate if the baseload assumptions includes non-space heating equipment. If yes, please provide reasons.

ENGLP Response: Yes, the baseload assumption includes non-space heating equipment, in particular water heating equipment. In the Annual CIP, the average annual common assumption volumes of 2,149m³ per annum were developed in conjunction with Union Gas as mandated by Procedural Order No. 8 (EB-2016-0137, EB-2016-0138, EB-2016-0139), which includes baseload water heating in its assumptions. The monthly breakdown for a typical South Bruce residential customer's annual consumption is shown in the table below.

Month	% of Annual Consumption
January	18%
February	18%
March	15%
April	9%
May	5%
June	3%
July	2%
August	2%
September	2%
October	5%
November	7%
December	13%
Total	100%

Staff.6

Ref. EPCOR Southern Bruce GSP, Unutilized Transportation Capacity, p. 24 and 33

EPCOR does not expect all M17 transportation capacity to be fully utilized. EPCOR will have unutilized transportation capacity for which costs will not be fully recovered in the planning period. The approved Storage and Transportation Variance Account for Rates 1, 6 & 11 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.

The actual UDC incurred was 633 GJ lower than planned primarily due to delay in construction and slower than forecasted pace of conversion.

- a. Please confirm that UDC refers to Unutilized Transportation Capacity.

ENGLP Response: ENGLP confirms UDC refers to Unutilized Transportation Capacity.

- b. What is the M17 transportation capacity Southern Bruce has contracted for during the plan period?

ENGLP Response: EPCOR initially contracted for 3,310 GJ/d (85,112 m3/d) of transportation capacity starting June 4, 2020. On November 19 2020, EPCOR increased the capacity to 8,863 GJ per day, or 227,889 m3 per day, for the remainder of the plan period.

- c. Please provide a comparison between actual and planned excess transportation capacity (to-date) on a monthly basis.

ENGLP Response:

Month	South Bruce Contract Demand (m3/d)	Peak Day Consumption* (m3)		Unutilized transportation capacity (m3/d)		Unutilized transportation capacity (%)	
		Planned (GSP 2020)	Actual	Planned (GSP 2020)	Actual	Planned (GSP 2020)	Actual
Aug-20	85,112	85,112	46,970	-	38,141	0%	45%
Sep-20	85,112	85,112	58,223	-	26,889	0%	32%
Oct-20	85,112	85,112	76,477	-	8,635	0%	10%
Nov-20	227,889	107,224	67,566	120,665	160,323	53%	70%
Dec-20	227,889	117,397	66,293	110,492	161,596	48%	71%
Jan-21	227,889	121,325	71,410	106,564	156,479	47%	69%
Feb-21	227,889	126,819	77,113	101,070	150,776	44%	66%
Mar-21	227,889	118,564	76,146	109,325	151,743	48%	67%
Apr-21	227,889	111,036	71,109	116,853	156,780	51%	69%
May-21	227,889	101,511	64,929	126,378	162,960	55%	72%
Jun-21	227,889	95,819	45,804	132,070	182,085	58%	80%

**Planned and peak consumption includes Rate 16 customers' contract demand, in addition to system gas peak day consumption*

Staff.6 (note duplicate question number)

Ref: EPCOR Southern Bruce GSP, Community Expansion, p. 34

In August 2020, EPCOR submitted "The Southern Bruce Expansion Project" to the OEB as part of the Phase 2 natural gas expansion program funding. Please provide an update on the program funding request and identify any changes to EPCOR's community expansion plans.

ENGLP Response: ENGLP's application was not selected for Phase 2 Program Funding and, as such, the expansion proposed in the proposal is currently not being further developed.

Staff.7

Ref. EPCOR Southern Bruce GSP, Federal Carbon Pricing Program, p. 34 As

part of the Government of Canada's Federal Carbon Pricing Program ("FCPP"), a federal carbon pricing system has been implemented in Ontario, under the Greenhouse Gas Pollution Pricing Act.

- a) Has EPCOR completed any follow up survey after the increase to the FCPP with potential customers, to gauge interest in conversion considering the increase in bill impacts due to FCPP pricing? If yes, please provide details.

ENGLP Response: ENGLP has not conducted a follow up survey after the increase to the FCPP with potential customers.

- b) What is EPCOR's current FCPP assumptions until the end of the planning period?

ENGLP Response: ENGLP follows the current federal guideline for FCPP annual increase until the end of the planning period.

- c) Does EPCOR forecast a decrease in customer connections due to the FCPP? If so, what is the forecasted impact?

ENGLP Response: ENGLP has not included a decrease in customer connections due to the FCPP.

Staff.8

Ref. EPCOR Southern Bruce GSP, Demand Side Management, p.35

EPCOR is in the process of developing a commercial demand side management (DSM) pilot program expected to be rolled out in 2021 or 2022 within its Aylmer or South Bruce territories.

Has DSM been factored into the GSP and the demand forecast? If yes, please provide details.

ENGLP Response: DSM has not been factored into the GSP and the demand forecast.

Staff.9

Ref: EPCOR Southern Bruce GSP, EPCOR Natural Gas Procurement Manual

The manual has several references of the consultant providing information to EPCOR and in certain cases, the consultant provides written information to the Gas Supply Manager.

- a) Please confirm the key contact of the consultant in EPCOR Southern Bruce.

ENGLP Response: The key contact of the consultant in Southern Bruce is Manager, Energy Supply & Procurement. This role is referred to as Gas Supply Manager in the Procurement Manual.

- b) Is the Gas Supply Manager an employee of EPCOR Southern Bruce or a different related company?

ENGLP Response: The Manager, Energy Supply & Procurement is an employee of EPCOR Utilities Ontario Inc., a related company of EPCOR Natural Gas Limited Partnership. This role is referred to as Gas Supply Manager in the Procurement Manual.

- c) When the manual refers to “the consultant provides information to EPCOR”, who receives this information in EPCOR?

ENGLP Response: The Manager, Energy Supply & Procurement receives this information in EPCOR. This role is referred to as Gas Supply Manager in the Procurement Manual.

Staff.9 *(note duplicate question number)*

Ref. EPCOR Southern Bruce GSP, EPCOR Natural Gas Procurement Manual, RFP Procedures, p. 13

The procedures manual states that the consultant will provide EPCOR a summary of results & recommendations based on RFP results, and accept winning bid based on pre-approved criteria.

- a) Please confirm that it is the consultant that will be selecting the winning bid on behalf of EPCOR based on a pre-approved criteria.

ENGLP Response: ENGLP confirms that the consultant selects the winning bid on behalf of EPCOR based on pre-approved criteria.

Staff.10

Ref. EPCOR Southern Bruce GSP, Performance Metric Scorecard, Appendix F

EPCOR has provided a Performance Metric Scorecard for the Southern Bruce franchise area. The measures are based on the guiding principles of Cost Effectiveness, Reliability & Security of Supply and Public Policy identified in the OEB's Gas Supply Plan Framework.

However, the scorecard does not have any objectives or targets to compare the achieved performance and assess the extent to which the guiding principles have been achieved, and present value for customers.

- a) Has EPCOR considered any target metrics or performance objectives for its performance scorecard?
 - i. Please provide a list of probable target objectives in the event that EPCOR is required to develop a set of performance objectives for the scorecard.

ENGLP Response: ENGLP does not currently have a list of probable target objectives however, for the 2022 Annual Update, ENGLP will consider Stakeholder feedback on the existing Performance Metrics, and consider whether it is appropriate to add any items and also whether it would be possible and helpful to add some guidance as to target results for some of the Performance Metrics.

- b) Does EPCOR agree that "Customer Connections" should be a performance measure for the current planning period, considering that it is an important metric in the "Price Effectiveness" performance category during this initial period?

ENGLP Response: ENGLP does not agree that Customer Connections should be a performance measure for the current period in the "Price Effectiveness" performance category. The rate at which customers conversions occur and start consuming gas is beyond ENGLP's control.

- c) Does EPCOR support the development of performance objectives for the scorecard?

ENGLP Response: ENGLP would support the establishment of appropriate performance objectives. As an example, ENGLP would not support a commodity price target which would introduce the risk that the utility does not have the tools to appropriately manage.

FRPO: Questions on Aylmer Gas Supply Evidence

REF: GSP Aylmer, pg. 10, Tables 2-1, 2-2 and Load Forecast, pg.'s 28 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.

ENGLP Response: R4 customers experienced a year-over-year decrease in consumption in 2020, which is due to an uncharacteristically high consumption in 2019. In our 2021 Gas Supply Plan Update, the 2021 R4 consumption was forecasted by assuming an historical 5-year average growth rate, which is indicative of historical growth patterns for this type of customers.

Additionally, one large R4 customer is expected to connect to the system in 2021, which is accounted for in the higher forecasted consumption in 2021 onwards.

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.

ENGLP Response: Only contract SA1550 (System Gas) includes provision of the commodity at the Enbridge Gas's OEB approved WACOG.

- 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?

ENGLP Response: Yes, the remaining components of the M9 rate (demand charge, delivery commodity charge, etc.) are charged for contracts that do not take commodity.

- 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?

ENGLP Response: Prior to 2014, NRG was on 2 point balancing on the M9 rate. In 2014, NRG switched to fully bundled M9, at which point NRG procured gas supply for system gas customers from Union at system gas rates. This shift was undertaken following the outcome of proceeding EB-2014-0154 and is the main contributing factor which inhibits ENGLP from shifting the SA1550 System Gas.

- 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.

ENGLP Response: No, Enbridge Gas have not informed ENGLP that it would lose access to the other components of M9 if ENGLP procured its own commodity.

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.

ENGLP Response: Without incremental administrative costs, the delivery costs under the T3 is approximately 5% lower compared to the M9. However, under the T3 scenario in our analysis we have not included potential costs related to incremental balancing. As ENGLP

also has no history managing gas supply under a T3 rate, we have no estimate of the magnitude of these incremental balancing charges.

- 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?

ENGLP Response: Yes, changes in storage and distribution charges would impact 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?

ENGLP Response: Changes in storage and distribution charges would 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.

ENGLP Response: N/A based on response to 3)b)i).

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?

ENGLP Response: This approved allocation approach is not a matter within the scope of the Framework, or the review of a Gas Supply Plan.

a) Does EPCOR use M17 transportation services from EGI to serve Rate 16 customers?

ENGLP Response: Yes, EPCOR uses 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?

ENGLP Response: Yes, current Rate 16 customers contracted for their full forecasted demands.

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.

ENGLP Response: See response to question 4 above.

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.

ENGLP Response: See response to question 4 above.

Pollution Probe

A) Questions related to the EGNLP Aylmer Annual Update to Gas Supply Plan

Pollution Probe #A1

Reference: EGNLP indicates that there are “No significant changes were introduced this past year to Aylmer’s Supply Plan.”

- a) Have any adjustments been made to the Gas Supply Plan due to COVID related impacts. If yes, please provide details. If no, please explain the data supporting no COVID related impacts.

ENGLP Response: No, adjustments were not made to the Gas Supply Plan Update due to COVID related impacts. Please refer to Staff 7 - Aylmer for a detailed response.

- b) Are any adjustments expected due to the DSM programs proposed to be launched in 2021 or 2022?

ENGLP Response: No, there are no adjustments in this supply plan update related to upcoming DSM activities.

Pollution Probe #A2

Reference: Section 3.1.9 Diversity of Supply

- a) Please explain the factors that led to the downward historical trend of supply from Enbridge of 94.5% in 2016 to 67.3% in 2020.

ENGLP Response: The downward historical trend is due to the introduction of local lake gas supply, which reduced the supply from Enbridge required to meet system gas demand.

- b) Please explain the factors that are leading to the upward trend of supply from Enbridge of 69.3% in 2021 to 74.5% in 2025.

ENGLP Response: In the forecast, we set the local lake gas supply to be flat year-over-year at the contract demand of 1,200 GJ/d. In the forecast model, growth in system gas demand is to be met by increases in Enbridge volumes over the forecast period.

Pollution Probe

A) Questions related to the EGNLP Aylmer Annual Update to Gas Supply Plan

Pollution Probe #A3

Reference: Section 6.1 RNG

- a) Please describe what activity (including discussions with municipalities) EGNLP has undertaken or plans to undertake to assess development of RNG opportunities.

ENGLP Response: ENGLP is working with customers to better understand opportunities for RNG.

EPCOR Utilities Inc. has a broader business development group who is investigating broader opportunities within the province (not necessarily in existing service territories).

- b) Please explain EGNLP's understanding of the scale of opportunity for RNG in Ontario compared to traditional natural gas. Please provide any studies or reports that support this understanding.

ENGLP Response: ENGLP is working with customers to better understand opportunities for RNG as this is an emerging market. So far, there has been one opportunity presented.

- c) What volume (m³ or GJ) of RNG does EGNLP forecast to be available to Ontario gas consumers for the next 5, 10 and 20 years? Please also provide this as a percentage of gas supply.

ENGLP Response: At this time, ENGLP does not hold any RNG supply in its Supply Plan. However, ENGLP is currently in discussion with customers capable of providing RNG into the natural gas distribution system. ENGLP will update the Supply Plan as strategies of a RNG solution are developed and finalized.

- d) In EGNL's view, is RNG likely to have a material (volume or decarbonization) impact in Ontario to the natural gas grid in the future? Please explain.

ENGLP Response: Based on current customer interaction, it would not be a material impact, but ENGLP will continue to monitor policy development and customer requests.

- e) If a municipality wanted to capture RNG from its operations (e.g. landfill or wastewater treatment plant) for its own use or injection into the EGNLP system, please explain the process and timing that would need to occur.

ENGLP Response: The process and timing would depend on the scale of the project. As there have not been any of these projects in the Aylmer service territory, there is not an existing process in place. A process would likely be developed as the volume increased and similarities could be identified.

In the absence of this, ENGLP would work on an individual basis with municipalities & stakeholders in an effort to collaboratively investigate projects to determine feasibility based on safety, financial and environmental impacts

- f) Is EGNLP able to provide RNG assistance (capture or private pipeline) to municipalities that are in an Enbridge franchise area for collection of RNG and use in their operations (e.g. private pipeline and not injecting into the Enbridge system)? If not, why not?

ENGLP Response: ENGLP is currently involved in a project where it would act as a transportation agent from and RNG supplier to a third party RNG producer. Using this as an example, ENGLP is willing to work with customers to help come up with creative solutions to facilitate RNG development in Ontario.

- g) Please explain what ENGLP specifically plans to do to support the RNG policy outcomes over the next 5 years.

ENGLP Response: ENGLP is aware of the Made in Ontario Environment Plan, specifically, a requirement that natural gas utilities implement a voluntary RNG option for customers. Furthermore, ENGLP is aware that Enbridge has already done this, with the OEB approving a pilot that started in January 2021. ENGLP will monitor this pilot closely and determine if a similar program is appropriate for its customer base at the end of the pilot period.

Pollution Probe #A4

Reference: Section 6.2 DSM

- a) Please explain what reports, analysis or other activity EGNLP has undertaken in support of providing DSM programs to its customers.

ENGLP Response: ENGLP has completed internal market research (based on customer type and volumes) in order to determine suitable customer groups for a DSM pilot/rollout. ENGLP is in process of identifying existing programs offered by Enbridge that may be suitable for local customers.

ENGLP is also reviewing OEB/Enbridge DSM filing guidelines and maintains a regular touchpoint with OEB staff to provide support to program development.

- b) Please provide specific details and status of the commercial DSM pilot expected to be rolled out in 2021 or 2022.

ENGLP Response: Potential project programs have been identified. The next steps will include budget and resource determination followed by an application to the Board. No

formal project milestones have been completed as of the filing of the Gas Supply Plan update.

- c) Please explain why the commercial DSM pilot is the only program proposed to be launched in 2021 or 2022.

ENGLP Response: Part of the rationale for a pilot is to determine how a DSM program can be operated effectively from a smaller utility. ENGLP is ensuring that any program launched has a strong chance of success taking into account potential cost issues for existing customers. A commercial pilot was chosen as there is increased opportunity for overall system benefits and gas reduction without the large volume required of a residential program. Commercial programs typically have larger savings per customer

Pollution Probe #A5

Reference: Section 6.2 DSM

- a) DSM programs have been available in Ontario for over 30 years. Please explain why a pilot is needed for such an established set of programs.

ENGLP Response: ENGLP wants to ensure that product offerings are of benefit to our existing customer groups/classes as there is not the same economies of scale as a larger servicer territory. We also need to ensure the program is run efficiently and effectively to avoid unnecessary rate impacts on customers. As noted in #A4c, a pilot is an opportunity to determine how the programs can be operated within the LDC as there is not a dedicated team.

- b) Has EGNLP discussed opportunities to partner with IESO, local electric utilities or other delivery agents to deliver cost-effective joint energy efficiency programs. If not, why not.

ENGLP Response: ENGLP is considering this option as part of the program roll-out.

- c) A significant amount (\$ billions) of energy reduction incentives are currently available through various levels of government and other sources that EGNLP customers could have access to today. Please explain if EGNLP has made customers aware of these programs and incentives and if not, why not.

ENGLP Response: ENGLP advises customers of any programs that it is aware of when receiving phone/email inquiries and occasionally through social media.

- d) Please explain how the proposed EGNLP DSM programs will be complimentary to the existing programs and incentives mentioned above, rather than duplicative.

ENGLP Response: ENGLP is looking to replicate existing DSM programs that are not currently offered in our service territory.

- e) Does EGNLP prefer to insource or outsource its proposed DSM programs? Please explain the answer.

ENGLP Response: This is undetermined, but likely outsourced due to local resource constraints and available expertise.

Pollution Probe #A6

Reference: Section 6.2 DSM

Reference: Currently, the OEB is considering a multi-year DSM Framework (EB-2021-0002) specific to Enbridge rather than its traditional approach of a generic DSM Framework applicable to all Ontario Natural Gas utilities.

- a) Please explain what the impacts will be to EGNLP going forward if the OEB moves from a generic DSM Framework to one specific to Enbridge.

ENGLP Response: ENGLP is reviewing both the DSM and Enbridge framework to identify similarities. ENGLP expects to follow existing industry practices, but may need to adjust due to the smaller operational scale. ENGLP is working with OEB staff to better understand the expectations and identify a suitable balance before submission of an application

- b) Is EGNLP willing to accept the proposed DSM Framework filed in EB-2021-0002 by Enbridge for use by EGNLP? If not, why not?

ENGLP Response: Refer to #A6a)

- c) Was EGNLP consulted on the proposed changes to the OEB's DSM Framework? If yes, please provide a summary of the consultation.

ENGLP Response: ENGLP was consulted on the changes and was a participant in the hearing. Information regarding the consultation can be found under OEB reference EB-2019-0003.

Pollution Probe #A7

Reference: Section 6.3 Community Expansion

- a) Please provide a summary of the impacts to EGNLP from the recently announced funding to provide natural gas to new Ontario communities and how this needs to be incorporated into the Five Year Gas Supply Plan.

ENGLP Response: The recently announced funding to provide natural gas to new Ontario communities does not impact the Five Year Gas Supply Plan for the Aylmer franchise area.

- b) Do Tables 2.1 and 2.2 include the forecasted additions as a result of the recent Provincial grant program referenced above?

ENGLP Response: Tables 2.1 and 2.2 do not include the forecasted additions as a result of the recent Provincial grant program.

Pollution Probe #A8

Reference: Section 9 Continuous Improvement

Please identify what continuous improvement has been identified since the last OEB review of the Five Year Gas Supply Plan. Please explain the impacts of implementing these continuous improvement activities.

ENGLP Response: Over the last year, a number of improvements have been implemented in the gas supply planning. Beginning in 2020, a monthly operational gas supply review takes place which responsibility includes:

- Scorecard review
- Contract demand
- Local supply volumes
- Any pressure concerns

This meeting has resulted in better visibility of gas supply volumes in relation to contract demand, which allows EPCOR to have more fulsome assessments of the appropriateness of contract demand.

Pollution Probe #A9

Reference: The ENGLP Aylmer Gas Supply Plan identifies four elements that align with the Public Policy requirement, specifically the Federal Carbon Pricing Program, Renewable Natural Gas (RNG), Demand Side Management (DSM) and Community Expansion,

- a) Please provide a comprehensive list of public policies that were reviewed as the Gas Supply Plan Annual update was developed.

ENGLP Response: ENGLP reviewed the Federal Carbon Pricing Program and Community Expansion Program.

- b) Please explain if any of the following policy considerations were considered and if so, please explain how they impacted the plan update.

- Government of Ontario's Made-in-Ontario Environment Plan (MOEP)
- Ontario's Natural Gas Expansion policy and program
- Municipal Energy and Emissions Plans
- Climate policy

ENGLP Response: The Ontario Natural Gas Expansion policy and program was reviewed, but as Aylmer is surrounded by existing Enbridge services, ENGLP did not submit any applications for the Aylmer area.

Pollution Probe A10

Reference: Appendix F - EGNLP Aylmer Performance Metrics Scorecard

- a) Several metrics in the scorecard have a 2020 result noted as “C”, which Pollution Probe has interpreted as “Complete”. For each metric with a result listed as “C”, please provide details to help understand the outcome achieved and if it would be considered a poor outcome, adequate outcome or good outcome.

ENGLP Response: C is compliant. A poor outcome would be non-compliant.

- b) The scorecard indicates “N/A” for the RNG and DSM metrics. Please explain if the target was to do nothing for these metrics or if there was a goal that was not met in 2020.

ENGLP Response: Plans are in the work to meet RNG and DSM targets, however development on both fronts are in early stages and goals have not been set when the 2021 GSP Update were drafted.

- c) Please explain the purpose of including metrics in a scorecard where the results can be “N/A”.

ENGLP Response: As the scorecard was based on a 5 year gas supply plan, the Metrics with an “N/A” have not been formally identified, but are included to recognize they are policy goal and the expectation exists that these measures will be added.

- d) Does EGNLP use this scorecard to manage its business (e.g. on a monthly or quarterly basis) or is it purely for OEB reporting?

ENGLP Response: EPCOR reviews and updates the scorecard on a monthly basis to manage gas supply procurement and review contract demand.

- e) Has EGNLP assessed opportunities to make improvements to its scorecard? If yes, please provide details of the assessment and the outcome.

ENGLP Response: EPCOR have not assessed opportunities to make improvements to its scorecard.

B) Questions related to the EPCOR Southern Bruce Gas Supply Plan 2020-2023

Pollution Probe #B1

Reference: Section 8.1 Community Expansion

- a) Please provide a summary of the impacts on EPCOR for the recently announced funding to expand natural gas to Ontario communities and how this is incorporated into the Gas Supply Plan.

ENGLP Response: As the community announcements were not announced at the time of drafting the 2021 GSP Update, impacts on the GSP from the expansions were not incorporated in the 2021 updates. These impacts will be incorporated in the 2022 GSP Update.

- b) Please explain how the Provincial grant program will impact community expansion.

ENGLP Response: The Provincial grant program is expected to increase the opportunity for investment in community expansion leading to expanded Natural Gas service in the province. EPCOR's Brockton proposal was approved as part of phase 2 of the natural gas expansion and is planned to be connected to the Southern Bruce distribution network. This project is still in the planning stages the project timeline has not yet been finalized. This is expected to include 500 customer connections.

- c) Does Table 3.2 include the forecasted impacts of expansion?

ENGLP Response: No, Table 3.2 does not include the forecasted impacts of expansion.

Pollution Probe #B2

Reference: Section 8.3 DSM

- a) Please explain what reports, analysis or other activity EPCOR has undertaken in support of providing future DSM programs to its customers.

ENGLP Response: ENGLP has completed internal market research (based on customer type and volumes) in order to determine suitable customer groups for a DSM pilot/rollout. ENGLP is in process of identifying existing programs offered by Enbridge that may be suitable for local customers.

ENGLP is also reviewing OEB/Enbridge DSM filing guidelines and maintains a regular touchpoint with OEB staff to provide support to program development.

- d) Please provide specific details and status of the commercial DSM pilot expected to be rolled out in 2021 or 2022.

ENGLP Response: Potential project programs have been identified. The next steps will include budget and resource determination followed by an application to the Board. No formal project milestones have been completed during the filing of the Gas Supply Plan update.

- e) Please explain why a commercial DSM pilot is the only program proposed to be launched in 2021 or 2022.

ENGLP Response: Part of the rationale for a pilot is to determine how a DSM program can be operated effectively from a smaller utility. ENGLP is ensuring that any program launched has a strong chance of success taking into account potential cost issues for existing customers. A commercial pilot was chosen as there is increased opportunity for overall system benefits and gas reduction without the large volume required of a residential program. Commercial programs typically have larger savings per customer.

Pollution Probe #B3

Reference: Section 8.3 DSM

- a) DSM programs have been available in Ontario for over 30 years. Please explain why a pilot is needed for such an established set of programs.

ENGLP Response: ENGLP wants to ensure that product offerings are of benefit to our existing customer groups/classes as there is not the same economies of scale as a larger servicer territory. We also need to ensure the program is run efficiently and effectively to avoid unnecessary rate impacts on customers. As noted in #A4c, a pilot is an opportunity to determine how the programs can be operated within the LDC as there is not a dedicated team.

- b) Has EPCOR discussed opportunities to partner with IESO or local electric utilities to deliver cost-effective joint energy efficiency programs? If not, why not.

ENGLP Response: ENGLP is considering this option as part of the program roll-out.

- c) A significant amount (\$ billions) of energy reduction incentives are currently available through various levels of government and other sources that EPCOR customers could have access to today. Please explain if EPCOR has made customers aware of these programs and incentives and if not, why not.

ENGLP Response: We advise customers of any programs that we are aware of when receiving phone/email inquiries and occasionally through social media.

- d) Please explain how the proposed EPCOR DSM programs will be complimentary to the existing programs and incentives mentioned above, rather than duplicative.

ENGLP Response: ENGLP is looking to replicate existing DSM programs that are not currently offered in our service territory.

- e) Does EPCOR prefer to insource or outsource its proposed DSM programs? Please explain the answer.

ENGLP Response: This is undetermined, but likely outsourced due to local resource constraints and available expertise.

Pollution Probe #B4

Reference: Section 8.3 DSM

Reference: Currently, the OEB is considering a multi-year DSM Framework (EB-2021-0002) specific to Enbridge rather than the traditional approach of a DSM Framework applicable to all Ontario Natural Gas utilities.

- a) Please explain what the impacts will be to EPCOR going forward if the OEB moves from a generic DSM Framework to one specific to Enbridge.

ENGLP Response: ENGLP is reviewing both the DSM and Enbridge framework to identify similarities. ENGLP expects to follow existing industry practices, but may need to adjust due to the smaller operational scale. ENGLP is working with OEB staff to better understand the expectations and identify a suitable balance before submission of an application

- b) Is EPCOR willing to accept the proposed DSM Framework filed in EB-2021-0002 by Enbridge for use by EGNLP? If not, why not?

ENGLP Response: Refer to #B4a)

- c) Was EPCOR consulted on the proposed changes to the OEB's DSM Framework? If yes, please provide a summary of the consultation.

ENGLP Response: ENGLP was consulted on the changes and was a participant in the hearing. Information regarding the consultation can be found under OEB reference EB-2019-0003.

Pollution Probe #B5

Reference: Section 8.4 RNG

- a) Please describe what activity (including discussions with municipalities) EGNLP has undertaken or plans to undertake to assess development of RNG opportunities.

ENGLP Response: ENGLP is working with customers to better understand opportunities for RNG.

EPCOR Utilities Inc. has a broader business development group who is investigating broader opportunities within the province (not necessarily in existing service territories).

- b) Please explain EGNLP's understanding of the scale of opportunity for RNG in Ontario compared to traditional natural gas. Please provide any studies or reports that support this understanding.

ENGLP Response: ENGLP is working with customers to better understand opportunities for RNG as this is an emerging market. So far, there has been one opportunity presented.

- c) What volume (m3 or GJ) of RNG does EGNLP forecast to be available to Ontario gas consumers for the next 5, 10 and 20 years? Please also provide this as a percentage of gas supply.

ENGLP Response: At this time, ENGLP does not hold any RNG supply in its Supply Plan. However, ENGLP is currently in discussion with customers capable of providing RNG into the natural gas distribution system. ENGLP will update the Supply Plan as strategies of a RNG solution are developed and finalized.

- d) In EGNL's view, is RNG likely to have a material (volume or decarbonization) impact in Ontario to the natural gas grid in the future? Please explain.

ENGLP Response: Based on current customer interaction, it would not be a material impact, but ENGLP will continue to monitor policy development and customer requests.

- e) If a municipality wanted to capture RNG from its operations (e.g. landfill or wastewater treatment plant) for its own use or injection into the EGNLP system, please explain the process and timing that would need to occur.

ENGLP Response: The process and timing would depend on the scale of the project. As there have not been any of these projects in the Aylmer service territory, there is not an existing process in place. A process would likely be developed as the volume increased and similarities could be identified.

In the absence of this, ENGLP would work on an individual basis with municipalities & stakeholders in an effort to collaboratively investigate projects to determine feasibility based on safety, financial and environmental impacts

- f) Is ENGLP able to provide RNG assistance (capture or private pipeline) to municipalities that are in an Enbridge franchise area for collection of RNG and use in their operations (e.g. private pipeline and not injecting into the Enbridge system)? If not, why not?

ENGLP Response: ENGLP is currently involved in a project where it would act as a transportation agent from and RNG supplier to a third party RNG producer. Using this as an example, ENGLP is willing to work with customers to help come up with creative solutions to facilitate RNG development in Ontario.

- g) Please explain what ENGLP specifically plans to do to support the RNG policy outcomes in the future.

ENGLP Response: ENGLP is aware of the Made in Ontario Environment Plan, specifically, a requirement that natural gas utilities implement a voluntary RNG option for customers. Furthermore, ENGLP is aware that Enbridge has already done this, with the OEB approving a pilot that started in January 2021. ENGLP will monitor this pilot closely and determine if a similar program is appropriate for its customer base at the end of the pilot period.

Pollution Probe #B6

Reference: The EPCOR South Bruce Gas Supply Plan identifies four elements that align with the Public Policy requirement, specifically the Federal Carbon Pricing Program, Renewable Natural Gas (RNG), Demand Side Management (DSM) and Community Expansion,

- a) Please provide a comprehensive list of public policy objectives that were reviewed as the Gas Supply Plan Annual update was developed.

ENGLP Response: ENGLP reviewed the Federal Carbon Pricing Program and Community Expansion Program

- b) Please explain if any of the following policies were considered and if so, please explain how they impacted the plan update.

- Government of Ontario's Made-in-Ontario Environment Plan (MOEP)
- Municipal Energy and Emissions Plans
- Ontario's Natural Gas Expansion policy and program
- Climate policy

ENGLP Response: The Ontario Natural Gas Expansion policy and program was reviewed.

Pollution Probe #B7

Reference: Appendix E - Southern Bruce County Lagging Conversion Survey

- a) What impact if any does climate change have on potential customer decisions to convert to natural gas?

ENGLP Response: ENGLP has not included a decrease in customer connections due to the FCPP or climate change.

- b) Enbridge applied to the OEB in EB-2020-0091 for the ability to use non-pipeline alternatives (e.g. geothermal) when cost-effective to reduce the need for additional gas infrastructure. Would EGNLP be interested in a similar proposal if the OEB allows it to be included in rate base?

ENGLP Response: Hypothetically, ENGLP would be interested in a similar proposal assuming there would be suitable benefits to customers through increased reliability, safety and lower cost.

Pollution Probe B8

Reference: Appendix F - EPCOR South Bruce Performance Scorecard

- a) Several metrics in the scorecard have a 2020 result noted as "C", which Pollution Probe has interpreted as "Complete". For each metric with a result listed as "C", please provide details to help understand the outcome achieved and if it would be considered a poor outcome, adequate outcome or good outcome.

ENGLP Response: C is compliant. A poor outcome would be non-compliant.

- b) The scorecard indicates "N/A" for the RNG and DSM metrics. Please explain if the target was to do nothing for these metrics or if there was a goal that was not met in 2020.

ENGLP Response: Plans are in the work to meet RNG and DSM targets, however development on both fronts are in early stages and goals have not been set when the 2021 GSP Update were drafted.

- c) Please explain the purpose of including metrics in a scorecard where the results are "N/A".

ENGLP Response: As the scorecard was based on a 3 year gas supply plan, the Metrics with an "N/A" have not been formally identified, but are included to recognize they are policy goal and the expectation exists that these measures will be added.

- d) Does EPCOR use this scorecard to manage its business (e.g. on a monthly or quarterly basis) or is it purely for OEB reporting?

ENGLP Response: ENGLP reviews and updates the scorecard on a monthly basis to manage gas supply procurement and review contract demand.

- e) Has EPCOR assessed opportunities to make improvements to its scorecard? If yes, please provide details of the assessment and the outcome.

ENGLP Response: ENGLP has not assessed opportunities to make improvements to its scorecard.