Ontario Energy Board | Commission de l'énergie de l'Ontario

BY EMAIL

August 18, 2021

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

Dear Ms. Long:

Re: Ontario Energy Board (OEB) Staff Submission
Enbridge Gas Inc.
2022 Rates Application (IRM Phase 1)
OEB File Number: EB-2021-0147

In accordance with OEB's Procedural Order No. 1, please find attached interrogatories of OEB staff with respect to the above noted proceeding. The attached document has been forwarded to the applicant and to all other registered parties to this proceeding.

Yours truly,

Original Signed By

Petar Prazic
Applications Division

Encl.

cc: All parties in EB-2021-0147

OEB Staff Interrogatories

Enbridge Gas Inc. 2022 Rates Application

EB-2021-0147

August 18, 2021

Staff. 1

Ref: Exhibit B, Tab 1, Schedule 1, p. 8

As a result of declines in the forecast for Rate 145 between 2021 and 2022, the DSM unit rate for Rate 145 customers increases significantly when the 2022 DSM budget allocation to this rate classes is held constant to the 2021 level. The Company has experienced a gradual migration of customers and associated volumes from Rate 145 to Rate 110 and proposes to shift the related DSM budget of $0.450 million from Rate 145 to Rate 110 to recognize the customer movement and reduce the DSM unit rate burden that would otherwise be experienced by the remaining customers in the rate class.

a) Were alternatives other than holding the 2021 level considered? If so, please provide additional details.

b) What is the individual DSM unit rate burden that would otherwise be experienced by the remaining Rate 145 class customers if no shift of the related DSM budget were to take place?

c) Would shifting the associated DSM costs of migrating customers result in no DSM-related rate increases to remaining Rate 145 customers? Has Enbridge Gas conclusively determined that there is no risk of cross-subsidization as a result of allocating DSM costs from one rate class to another?

Staff. 2

Ref: Exhibit B, Tab 1, Schedule 2, pp. 3-4

In Union Gas's 2014 rates proceeding (EB-2013-0365), parties agreed to as part of the Settlement Framework for Reduction of Parkway Delivery Obligation (PDO), to permanently shift the PDO of Union South direct purchase customers to Dawn over time and introduce the payment of a Parkway Delivery Commitment Incentive (PDCI) for any continuing obligated deliveries at Parkway. The intention of the PDO shift (when possible) and the PDCI payment was to remedy the inequity between large volume direct purchase customers and all users of the Dawn Parkway System. Enbridge Gas forecasts that no additional PDO shift will be available to Union South direct purchase customers for November 1, 2021 to November 1, 2022.

a) In Enbridge Gas's opinion, why is there no interest from large volume direct purchase customers to take advantage of the PDCI and shift additional PDO?

b) How does Enbridge Gas promote or inform eligible large volume direct purchase customers of the availability of PDCI to shift PDO?

Staff. 3

Ref: Exhibit B, Tab 1, Schedule 2, pp. 4-7

In accordance with the commitment made in the EB-2020-0095 settlement proposal, Enbridge Gas assessed pipeline and market-based solutions in this application, to reduce or eliminate the PDO. Enbridge Gas assessed certain infrastructure alternatives as part of this exercise. Enbridge Gas considered two infrastructure options: the Kirkwall to Hamilton NPS 48 pipeline and the Dawn to Enniskillen NPS 48 pipeline. The evidence notes that the Kirkwall to Hamilton followed by the Dawn to Enniskillen project sequence provides the best cost per unit of capacity of potential Dawn Parkway system projects. As a result, Enbridge Gas did not review other Dawn-Parkway system projects as alternatives.

a) If Enbridge Gas did not review other alternatives, how did it determine that the two considered alternatives were the lowest cost options?

b) Did Enbridge Gas undertake a preliminary review of other possible options? If yes, please provide information on these preliminary options.

Staff. 4

Ref: Exhibit B, Tab 1, Schedule 2, pp. 7-9

In order to assess market-based alternatives to reduce or eliminate PDO, Enbridge Gas issued a Request for Proposal (RFP) to the market to determine market availability for a firm exchange service which the company may require between Dawn and Parkway. The evidence indicates that Enbridge Gas received limited interest (less than 50,000 GJ/day) in response to the RFP that could potentially be used to reduce the PDO.

a) Enbridge Gas indicated that it issued the RFP to the market. What type of customers or rate classes were informed of the RFP?

b) Based on the response to the RFP, does Enbridge Gas intend to enter into any agreement with interested parties to reduce the PDO? If no, why not?

c) Enbridge Gas has noted that in order to pursue the market-based alternatives, Enbridge Gas seeks direction from the OEB to secure the offered firm exchange capacity. In Enbridge Gas's opinion, does it require OEB approval to enter into an agreement for the firm exchange capacity? If not, what specific direction does Enbridge Gas require from the OEB?