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January 12, 2021

VIA E-MAIL

Nancy Marconi,  
Registrar (registrar@oeb.ca)  
Ontario Energy Board  
Toronto, ON

Dear Ms. Marconi:

**Re: EB-2021-0209 – Enbridge Gas Inc. 2022 Federal Carbon Pricing Program (FCCP) Application  
Submissions of the Vulnerable Energy Consumers Coalition (VECC)**

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These are the submissions of VECC with respect to the above noted application by Enbridge Gas Inc. (Enbridge or Applicant). As we are not in opposition to the proposals our submissions are necessarily brief.

We have reviewed the submissions of Board Staff (January 12, 2022) and are in agreement with them. We note the Applicant has made minor revisions to their proposal with respect to the calculation of bad debt (in response to I.VECC.7) and 2022 administration costs (in response to I.Staff.4). We have found no reason to disagree with these adjustments.

VECC is concerned that the cost of administrating the FCCP and associated programs has yet to receive detailed review by the Board. Similarly, no scrutiny has been applied to the efforts of Enbridge to minimize costs through reducing facility-related emissions. However, we recognize the Green House Gas (GHG) policies of the Federal and Provincial governments are in their early days and that Enbridge needs both the time to investigate possible initiatives and to understand how GHG markets mature.

In response to I.VECC.4 Enbridge noted that it is currently considering how to address these issues in its upcoming cost of service application. In our view it may be beneficial for the Board, subsequent to understanding any concerns of interested parties, to provide guidance as to its filing expectations for this part of the upcoming cost of service application.

These are our respectful submission. VECC submits that it has acted responsibly and efficiently during the course of this proceeding and requests that it be allowed to recover 100% of its reasonably incurred costs.

Yours truly,

A handwritten signature in black ink, appearing to read "Mark Garner". The signature is fluid and cursive, with the first name "Mark" and last name "Garner" clearly distinguishable.

Mark Garner  
On behalf of VECC/PIAC

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**REQUESTOR NAME**            **VECC**  
**TO:**                                **Enbridge Gas Inc. (EGI)**  
**DATE:**                            **December, 1 2021**  
**CASE NO:**                        **EB-2021-0209**  
**APPLICATION NAME**            **2022 Federal Carbon Pricing Program Application**

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**VECC -1**

Reference:    Exhibit A, Tab 2, Schedule 1, pages 12

*“Customers that hold an Exemption Certificate must provide a copy to Enbridge Gas no later than two weeks in advance of the first day of the month in which they wish to have their consumption volumes exempted from the Federal Carbon Charge”*

- a) If a customer remits a Certificate after the deadline described above but for which the Certificate covers a prior period are they eligible for a refund? If so is this an adjustment made to the variance account for this change?

**VECC -2**

Reference:    Exhibit A, Tab 2, Schedule 1, page 8.

EGI explains that: *“Certain aspects of this transition have not yet been finalized by the relevant governmental authorities and may ultimately impact the costs incurred by Enbridge Gas in complying with the GGPPA and EPS”*

- a) Please explain what aspects have not been finalized and how they impact the implementation of EGI’s compliance with the GGPPA and EPS.
- b) EGI notes that any cost impacts due to change in the estimated EPS compliance obligation will be included in the Facility Carbon Charge – Variance Account. Does EGI have an estimate of the possible range of costs that might be incurred due to this uncertainty?

### VECC -3

Reference: Exhibit A, Tab 2, Schedule 1

Table 3  
Facility-Related Emission Reduction Project Summary

	Opportunity	Total Estimated Capital Cost (\$millions)	Estimated Emissions Reductions – 2020 (tCO <sub>2</sub> e)	Forecasted Emissions Reductions – 2022 (tCO <sub>2</sub> e)	Forecasted Emissions Reductions – 10-yr Cumulative (tCO <sub>2</sub> e)	Cost per Tonne of GHG Emissions (\$/tCO <sub>2</sub> e) <sup>26</sup>
1	Online Monitoring	0.05	218	N/A <sup>27</sup>	1,100	-32
2	Air Filters	0 <sup>28</sup>	0 <sup>29</sup>	184	1,500	-47 <sup>30</sup>
3	Plant J Twinning (Electric Drive)	70.00	N/A <sup>31</sup>	N/A	N/A	105
4	Re-wheeling Turbines	17.19	N/A <sup>32</sup>	N/A	N/A	191

- a) Please provide the cost-benefit analysis that was undertaken for projects 3 (Plant J) and project 4 (Re-wheeling).
- b) Are there any projects being planned and for which costs are currently being booked to account for future recovery? If so please detail these and provide an estimate of the annual costs for each of the next two years.

### VECC -4

Reference: Exhibit A, Tab 2, Schedule 1

- a) Does EGI expect that GHG Emission Reduction and OBPS/EPS program cost delivery will form a distinct part of its upcoming cost of service application and with detailed supporting evidence?
- b) If yes, can EGI provide an outline of the expected areas to be addressed in that evidence.

**VECC -5**

Reference: Exhibit C,

Table 1  
2020 Administration Costs (\$millions)

Cost Element	2020 Forecasted Costs <sup>9</sup>	2020 Actual Costs <sup>10</sup>			Variance
		EGD Rate Zone	Union Rate Zones	Total	
IT Billing System	0.40	0.17	0.14	0.31	(0.09)
Staffing Resources	0.80	0.52	0.32	0.84	0.04
Consulting and External Legal Support	0.20	0.08	0.05	0.13	(0.07)
GHG Reporting and Verification	0.10	0.04	0.02	0.06	(0.04)
Bad Debt	1.84	0.84	0.29	1.13	(0.71)
Other Miscellaneous Costs	0.20	0.02	0.01	0.04	(0.16)
Interest <sup>11</sup>	N/A	0.02	0.01	0.02	0.02
<b>Total</b>	<b>3.54</b>	<b>1.70</b>	<b>0.85</b>	<b>2.54</b>	<b>(1.00)</b>

Table 3  
Forecast 2022 Administration Costs

Cost Element	2022 Forecast Costs (\$millions)		
	EGD Rate Zone	Union Rate Zones	Total
IT Billing System	0.00	0.06	0.06
Staffing Resources	0.91	0.56	1.47
Consulting & External Legal Support	0.19	0.11	0.30
GHG Reporting & Verification	0.03	0.02	0.05
Bad Debt	3.47	1.49	4.96
Other Miscellaneous Costs	0.09	0.06	0.15
<b>Total</b>	<b>4.69</b>	<b>2.30</b>	<b>6.99</b>

- a) Please provide a table showing the 2021 GGEADA forecast balances.
- b) Are the 2020 balances the first time the GGEADA account has been proposed for disposition?
- c) Has the Board ordered annual disposition of this account and if not, what impediments are there to disposition of the account at the time of rebasing?

**VECC -6**

Reference: Exhibit A, Tab 2, Schedule 1

- a) What initiatives have EGI introduced to limit the costs for administration of the GHG programs?

**VECC -7**

Reference: Exhibit C, pages 6, 12

- a) Please explain how the bad debt figures (2020 and 2022 forecast) attributable to the carbon tax is calculated and distinguished from “regular” (i.e., forecasted into rates) bad debt due to circumstances and regulatory requirements related to COVID-19 and winter moratorium bad debt?

**End of document**