



Ontario  
Energy  
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de l'énergie  
de l'Ontario

BY EMAIL

August 23, 2022

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
[Registrar@oeb.ca](mailto:Registrar@oeb.ca)

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Interrogatories  
Enbridge Gas Inc.  
2023 Rates Application (IRM Phase 1)  
OEB File Number: EB-2022-0133**

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In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Enbridge Gas Inc.'s responses to interrogatories are due by September 8, 2022.

Any questions relating to this letter should be directed to Petar Prazic at [petar.prazic@oeb.ca](mailto:petar.prazic@oeb.ca) or at 647-668-3135. The Board's toll-free number is 1-888-632-6273.

Yours truly,

*Original Signed By*

Petar Prazic  
Applications Division

Encl.

cc: All parties in EB-2022-0133



# **OEB Staff Interrogatories**

**Enbridge Gas Inc. 2023 Rates Application**

**EB-2022-0133**

**August 23, 2022**

## OEB Staff Interrogatories Enbridge Gas Inc. EB-2022-0133

Please note, Enbridge Gas Inc. (Enbridge Gas) is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

### Staff. 1

**Ref: Exhibit B, Tab 1, Schedule 1, pp. 7-8**

On May 5, 2021, Enbridge Gas filed its proposed 2022-2027 DSM Plan (EB-2021-0002). Enbridge Gas's 2023 Rates application reflects the proposed 2023 DSM budget and rate class allocations as filed in EB-2021-0002 (Exhibit F, Tab 1, Schedule 2). The 2023 DSM budget for the EGD rate zone is \$76.9 million and \$65.3 million for the Union rate zones. Enbridge Gas expects to have an OEB decision on the 2022-2027 DSM Plan before a final rate order is issued in this application. Enbridge Gas will update any difference between the DSM budget included in 2023 Rates and the OEB approved DSM budget for 2023 in the final rate order.

UNION RATE ZONES  
2022 and 2023 DSM Budget Allocation by Rate Class

Line No.	Particulars (\$000s)	Board-Approved 2022 DSM Budget (1) (a)	2023 DSM Budget (2) (b)	Change (c) = (b - a)
	<u>Union North</u>			
1	Rate 01	6,625	6,030	(595)
2	Rate 10	3,127	3,264	137
3	Rate 20	1,753	1,852	99
4	Rate 25 (3)	-	75	75
5	Rate 100	1,147	1,184	37
6	Total Union North	12,652	12,405	(247)

- a) Please explain the decrease in DSM budget allocation by rate class between the 2022 OEB-approved DSM budget and 2023 DSM budget in the Union North rate zone (i.e. from \$6.625 million to \$6.03 million).

### Staff. 2

**Ref: Exhibit B, Tab 1, Schedule 1, p. 6 of 17, Table 3**

Table 3  
Annual % Change in GDP IPI FDD  
Effective January 1, 2023

Line No.	Particulars	Annual % Change in GDP IPI FDD (1) (a)
1	January - March 2021	2.47%
2	April - June 2021	3.44%
3	July - September 2021	4.30%
4	October - December 2021	5.32%
5	Inflation Factor (Average % Change)	3.88%
6	Inflation Factor (Average % Change), rounded to one decimal place <sup>4</sup>	3.9%

- a) Given that the inflation rate as reported by StatsCan showed a substantial rate of increase in 2021 as compared to previous years, does Enbridge Gas anticipate there to be similar (or greater) increases for 2022?

### Staff. 3

#### Ref: Exhibit B, Tab 1, Schedule 1, pp. 12-13

As outlined in EB-2019-0294 Decision and Order, Enbridge Gas is to review the hydrogen gas rate rider (Rider M) annually and request an update if there is a material change in the price of natural gas. The OEB noted the definition of “material” is in relation to the change in the commodity cost of natural gas as an increase or decrease of 25% or more. Enbridge Gas has reviewed the hydrogen gas rate rider calculation based on the most recent approved rates (EB-2022-0089, April 1, 2022 QRAM) for Rate 1 and Rate 6 and confirms the change in the rate rider exceeds 25%. As a result, Enbridge Gas is proposing to increase the Rate 1 rate rider credit from \$10 to \$16 annually. The Rate 6 rate rider credit will increase from \$86 to \$138 annually.

- a) Please provide an overview of the calculations used to determine that the increase in the hydrogen gas rate rider (Rider M) exceeded the OEB definition of “material” (i.e. 25% or more).
- b) Please provide detailed calculations supporting the Rider M credit amounts of \$16 and \$138 for Rate 1 and Rate 6 respectively.
- c) Please advise whether Enbridge Gas intends to update Rider M to reflect the most up to date OEB approved commodity rates available at the time of the draft

rate order stage of the proceeding.

**Staff. 4****Ref: Exhibit B, Tab 1, Schedule 1, pp. 14-17**

In the 2022 Rates proceeding (EB-2021-0147), the parties supported Enbridge Gas's continuing efforts to identify and implement cost-effective alternatives to addressing Dawn-Parkway capacity constraints. Parties supported the exchange service identified by Enbridge Gas as a cost-effective means to potentially reduce the current PDO by allowing PDO obligated customers to shift, in aggregate, up to an additional 37 TJ/day of Parkway obligated deliveries to Dawn at a cost to Enbridge Gas below that of the current PDCI paid on those Parkway obligated volumes.

Enbridge Gas offered the 37,000 GJ/day Market Based Solution (Firm exchange contract between Dawn-Parkway) to all 497 customers with a current Parkway Delivery Obligation. There were 140 customers that chose to accept the move back to Dawn, totaling 26,514 GJ/day.

- a) Does Enbridge Gas have additional information on why certain customers chose to accept the move back to Dawn and others did not? If so, please provide additional explanation.
- b) Enbridge Gas has stated it will re-offer the remaining capacity (10,486 GJ/Day) to Parkway obligated customers on a first come first served basis over the next several months. Enbridge Gas noted that it will report on the results through interrogatory responses or an evidence update.
  - i. If available, please provide an update on the results of the offering for the remaining capacity.