

MICHAEL R. BUONAGURO

Barrister and Solicitor

24 HUMBER TRAIL
TORONTO, ONTARIO, M6S 4C1
P: (416) 767-1666
F: (416) 767-1666
EMAIL: mr@mr-law.com

September 1, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Marconi,

**RE: EB-2022-0157-Leave to Construct Application- Panhandle Regional Expansion Project-
Enbridge Gas Inc.**

Please find enclosed the interrogatories filed on behalf of the Ontario Greenhouse Vegetable Growers in the above noted proceeding.

If any further information is required, please do not hesitate to contact the undersigned.

Yours very truly,



Michael R. Buonaguro
Encl.

EB-2022-0157

Leave to Construct Application- Panhandle Regional Expansion Project-Enbridge Gas Inc.

OGVG INTERROGATORIES

September 1, 2022

OGVG-1

Ref: EB-2022-0133, Exhibit A, Tab 2, Schedule 1, page 2, paragraph 4
EB-2022-0157, Exhibit A, Tab 3, Schedule 1, page 5, paragraph 13

Preamble: In its 2023 Rates Application filed June 30, 2022 (EB-2022-0133), EGI makes the following assertion with respect to the applicability of the Ontario Energy Board's Incremental Capital Module ("ICM") in 2023:

This 2023 Rate Application is the final annual rate adjustment application under the IRM approved in the MAADs Decision. Enbridge Gas will not be proposing an ICM request for 2023 Rates. As such, there will not be a Phase 2 of the 2023 Rates application. Enbridge Gas will be filing a rebasing application for rates in 2024 prepared under a cost of service. (emphasis added)¹

By contrast, in the Leave to Construct Application, most recently updated on June 23, 2022, EGI makes the following, apparently inconsistent assertion:

As outlined in Exhibit E, Tab 1, Schedule 1, Enbridge Gas is not seeking cost recovery of the Project as part of this application. The OEB approved the use of the Incremental Capital Module ("ICM") for Enbridge Gas as a mechanism to fund incremental capital investments during the current deferred rebasing period. If the Project meets the criteria for rate recovery through the ICM mechanism, then an ICM request for the costs of the Project may form part of the Company's 2023 Rates (Phase 2) application. (emphasis added)²

- a) Please confirm that EGI will not be seeking ICM relief for any part of the Panhandle Regional Expansion Project.
- b) Assuming that a) is confirmed, please confirm that, accordingly, spending on the Panhandle Regional Expansion Project will not impact EGI's rates until that project spending is considered by the OEB in EGI's next rebasing application for, under EGI's current plans, approval of rates effective January 1, 2024.
- c) Assuming that a) and b) are confirmed, please confirm that, as a result of a) and b), the appropriate allocation of costs and rate design implications of the Panhandle Regional Expansion Project will be considered in the context of EGI's next rebasing application.

OGVG-2

Ref: Exhibit B Tab 1 Schedule 1 Page 8

Preamble: Each customer that requests incremental contract rate service may require an individual service line, main extension, station(s), and/or local distribution reinforcement to bring

1 EB-2022-0133, Exhibit A, Tab 2, Schedule 1, page 2, paragraph 4.

2 EB-2022-0157, Exhibit A, Tab 3, Schedule 1, page 5, paragraph 13.

sufficient natural gas from the Panhandle System to their site. These costs will be the responsibility of the customer and will be assessed in accordance with E.B.O. 188 guidelines, which may result in the need for the customer to pay a contribution in aid of construction.

- a) Does EGI anticipate utilizing the “hourly allocation factor” when determining each customers’ responsibility for a potential contribution in aid of construction for any new distribution assets required to connect customers to the incremental capacity provided by the Panhandle Regional Expansion Project?
- b) Does EGI anticipate that the Profitability Index for any distribution projects related to the incremental capacity provided by the Panhandle Regional Expansion Project will be at least 1.0 because of the use of the “hourly allocation factor”, and that the actual Profitability Index for any such distribution projects will likely be more than 1.0?

OGVG-3

Ref: Exhibit B Tab 1 Schedule 1 Page 11

Preamble: Table 1 shows a 9 TJ/day decline in General Service demand in the 2020/2021 winter.

- a) Please explain the driver of the decline in General Service demand in the 2020/2021 winter.

OGVG-4

Ref: EB-2022-0157 Exhibit B Tab 1 Schedule 1 Page 18

Preamble: Enbridge Gas has also identified the potential need for a second phase of transmission expansion to meet the demands that are forecasted over the next 20 years. This second phase has been identified within the Enbridge Gas 2021-2025 AMP with a forecasted 2029 in-service date as shown below.

- a) Please discuss the potential for Integrated Resource Planning to defer, mitigate or obviate the need for a second phase of transmission expansion in 2029.