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**Enbridge Gas Inc.**  
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September 2, 2022

**VIA RESS AND EMAIL**

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas)  
Ontario Energy Board (OEB) File No.: EB-2022-0110  
2021 Utility Earnings and Disposition of Deferral & Variance Account  
Balances - Additional Interrogatory Responses**

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In accordance with the OEB's Procedural Order No. 1 dated, July 18, 2022, enclosed please find the interrogatory responses of Enbridge Gas to the additional interrogatories submitted by the Federation of Rental Housing Providers (FRPO).

On July 29, 2022, the OEB approved Enbridge Gas's request for confidential treatment of Exhibit D, Tab 1, Schedule 6. As the additional interrogatories filed by FRPO are in relation to the above-mentioned confidential exhibit, the following questions and responses have been redacted:

Questions

- Exhibit I.FRPO.5.1, and
- Exhibit I.FRPO.8.1, part a

Responses

- Exhibit I.FPRO.2.1,
- Exhibit I.FRPO.4.1,
- Exhibit I.FRPO.5.1, and
- Exhibit I.FRPO.7.1 to 9.1.

In the event that you have any questions on the above or would like to discuss in more detail, please do not hesitate to contact me.

Sincerely,

*(Original Digitally Signed)*

Richard Wathy  
Technical Manager, Regulatory Applications

cc.: D. Stevens (Aird & Berlis)  
EB-2022-0110 Intervenors

ENBRIDGE GAS INC.

Answer to Additional Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Preamble:

EGI has instituted a blind RFP process which, as we understand, chose the successful bids in the RFP for long-term storage. We would like to understand this process better

Question(s):

Was this table produced and used by the RFP manager, Guidehouse, to make recommendations for the successful bids?

- a) If not, please explain the responsibilities of the RFP manager and what information is conveyed to Enbridge.

Response:

Enbridge Gas confirms that the table filed as Exhibit D, Tab 1, Schedule 6 was produced and used by Guidehouse to make recommendations for the successful bids.

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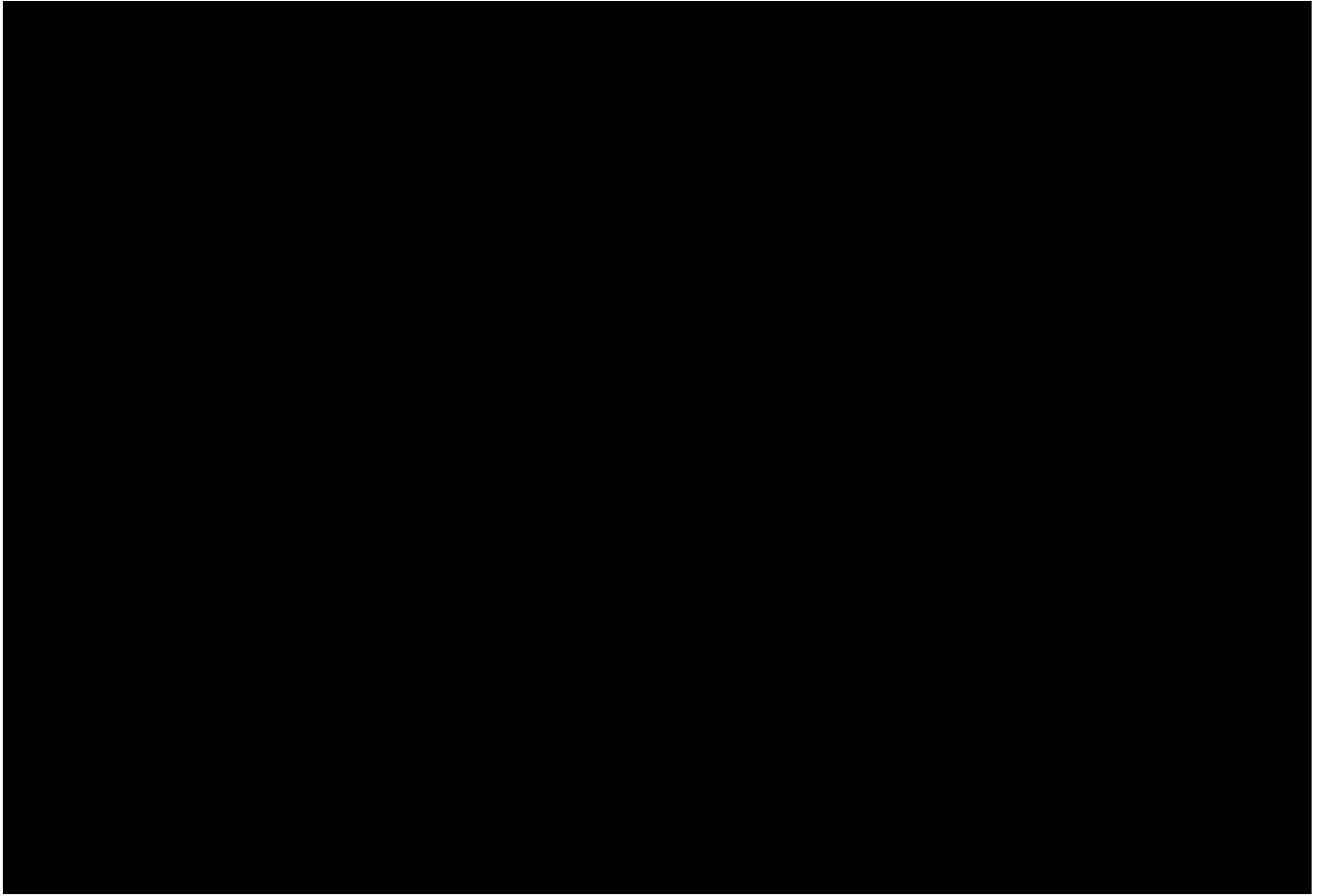
Question(s):

Please file the communication from the RFP manager to EGI (confidentially).

Response:

[REDACTED]

[REDACTED]



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Interrogatory

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Question(s):

What position at Enbridge makes the final decision and the bids to accept?

Response:

The final decision to accept the recommended bids was made by the Director of Gas Supply.

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Question(s):

The RFP requests the injection and withdrawal curves and a minimum of firm months for deliverability. The footnote at the bottom of the table conveys that "Number of days to empty storage is a measure of the minimum number of days required to empty storage from full and is intended to capture the impact of ratchets to firm withdrawal rights."

- a) How are firm withdrawal rights in the spring valued?
- b) How are firm injection rights in the fall valued?

Response:

[REDACTED]

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Question(s):

[REDACTED]

[REDACTED]

Response:

[REDACTED]

ENBRIDGE GAS INC.

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Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Preamble:

EGI has instituted a blind RFP process which, as we understand, chose the successful bids in the RFP for long-term storage. We would like to understand this process better

Question(s):

Was the option to secure firm deliveries of gas for December to March of future winters at market prices evaluated?

- a) Please provide the current differential in market prices between the summer of 2023 (May to Sept.) and winter of 2023/2024 (Dec. to Mar.).
- b) Would Enbridge consider approaching the Board for the opportunity to secure future winter firm deliveries of gas and charging the price premium of the winter deliveries to load balancing?
  - i) If not, why not?

Response:

Enbridge Gas did not evaluate the option to secure future winter firm deliveries of gas at market prices.

- a) Table 1 below includes NYMEX futures and Dawn basis pricing based on August 9, 2022 market settlements.



Table 1  
NYMEX Futures and Dawn Basis Pricing

	(a)	(b)	( c ) = ( b - a )
	May - Sept 2023 Average	Dec 2023 - Mar 2024 Average	Spread
NYMEX Forward Price (US\$/mmbtu)	\$ 4.810	\$ 5.228	\$ 0.419
Dawn Basis Price (US\$/mmbtu)	(\$ 0.230)	(\$ 0.045)	\$ 0.184
Dawn Landed Price (US\$/mmbtu)	\$ 4.580	\$ 5.183	\$ 0.603

Source: CME Group, Kiodex

Enbridge Gas has provided the information above to be responsive but notes that the information is not relevant the decisions made in the blind storage RFP, as this information was not available at the time of contracting, nor does it align with the terms of any of the storage bids sought by the Company in the RFP.

- b) Enbridge Gas's Gas Supply Plan already includes firm supply deliveries at Dawn throughout the winter with the highest levels during the December to February period. Much of this supply is contracted in advance of the winter beginning. In the 2022 Annual Gas Supply Plan Update, Section 3, Enbridge Gas illustrated the planned variability of EGI's Dawn purchase deliveries by month and confirmed that Dawn gas purchases play an important role in load balancing<sup>1</sup>.

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<sup>1</sup> EB-2022-0072

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Question(s):

Please provide the number of independent parties that submitted a bid.

- a) Were there any non-Enbridge Inc. owned companies amongst the respondents that bid to provide storage with a High Ratchet Score.
- b) Were all the successful bidders owned by Enbridge Inc.

Response:

[REDACTED]

[REDACTED]

[REDACTED]

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Question(s):

The RFP included in Schedule 5 outlines the potential scope, scale and terms sought. The RFP further requests the provision of parameters including firm injection and withdrawal curves. Page 2 of the document provides a table of the received bids and the values under a number of categories.

The RFP did not deem any preference for longer-term contracts.

[REDACTED]

Response:

[REDACTED]

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Question(s):

Please provide the reasoning behind the selection of the bid of Respondents 17 and 18 over Respondent 9.

Response:

[REDACTED]

ENBRIDGE GAS INC.

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Federation of Rental-housing Providers of Ontario (FRPO)

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Preamble:

EGI has instituted a blind RFP process which, as we understand, chose the successful bids in the RFP for long-term storage. We would like to understand this process better.

Question(s):

The Board has determined that this information be held as confidential based upon past practice with this material. In our view, that past practice was generated as a result of settlement process between EGI and intervenors. We would like to understand EGI's views on whose interests are being protected.

- a) Are ratepayers' interests being protected and, if so, how? In your answer, please compare the load balancing costs to protection required for historic commodity purchases.
- b) Are bidders' interests being protected and, if so, how? What parties would benefit from this protection? Why would transparency not assist bidders?
- c) Are EI shareholders' interests being protected by eliminating transparency?

Response:

a - c)

As part of the settlement proposal in EB-2020-0134 (the 2019 Deferral Account clearance application), Enbridge Gas provided rationale for its confidentiality request made pursuant to the OEB's Practice Direction on Confidential Filings, and stated:

Given Enbridge Gas's concern that the confidential and commercially sensitive information set out in the documents might, if made public, compromise Enbridge Gas's commercial position in respect of future storage procurements and related negotiations which would not be in the best interests of either Enbridge Gas or its ratepayers, the parties to the Settlement Proposal have agreed that it would be appropriate for redacted versions of the subject documents to be filed on the public record.<sup>1</sup>

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<sup>1</sup> EB-2020-0134, Exhibit N1, Tab 1, Schedule 1, Cover Letter, page 2.

The OEB Decision on the confidentiality of the Request for Proposal (RFP) process for market-based storage capacity stated:

The OEB approves the confidentiality request as it finds the unredacted evidence in Appendix B to the settlement proposal to be commercially sensitive with respect to future storage procurements and related negotiations.<sup>2</sup>

This Decision was re-iterated by OEB in EB-2021-0149<sup>3</sup> for the same reasons as outlined above.

As outlined in the EB-2022-0110 cover letter, the Storage RFP Summary contains vendor responses for third party storage information including terms, pricing and injection and withdrawal offers. In accordance with the OEB's revised Practice Direction on Confidential Filings, this information all fits with the OEB's "presumptively confidential" category.

Again, consistent with the Decision in 2019 and 2020, the OEB approved the confidential treatment of the Storage RFP summary for the same reasons as outlined above.

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<sup>2</sup> EB-2020-0134 OEB Decision on Settlement Proposal dated January 25, 2021, page 9.

<sup>3</sup> EB-2021-0149 OEB Decision on Confidentiality dated August 16, 2021.