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Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

**Attention: Nancy Marconi, Board Secretary**

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (EGI)  
OEB File No. EB-2022-0200 - Enbridge Gas Inc. (EGI) 2024 Rebasing Proceeding  
TransCanada PipeLines Limited (TCPL) Interrogatories**

Enclosed are the interrogatories of TransCanada PipeLines Limited.

Should you have any questions, please contact the undersigned.

Yours truly,

**TransCanada PipeLines Limited**

Matthew Ducharme  
Senior Legal Counsel  
Canadian Natural Gas Pipelines Law

cc: Vanessa Innis, Enbridge Gas Inc.  
David Stevens, Aird & Berlis LLP  
Dennis O'Leary, Aird & Berlis LLP  
Khalil Viraney, Ontario Energy Board  
Michael Millar, Ontario Energy Board  
Ian Richler, Ontario Energy Board  
Intervenors in EB-2022-0200

**IR Number**    **7.1-TCPL-1**

- Reference:**
- 1)    EB-2019-0194, EGI's Response to TCPL Interrogatory Exhibit I.TCPL.1, b) – Attachment 1.
  - 2)    EB-2019-0194, EGI's Response to TCPL Interrogatory Exhibit I.TCPL.2, b) – Attachment 1.
  - 3)    Exhibit 7, Tab 1, Schedule 4, Attachment 1
  - 4)    Exhibit 7, Tab 2, Schedule 1, Attachment 6

**Preamble:**    Reference 1) provides a table as Attachment 1 titled *M12/M12-X/C1 Transportation Demand Charges Impacts of Cost Allocation Methodologies* produced by EGI as a response to a TCPL Interrogatory about EGI's 2019 Cost Allocation Study. The table provides the unit rate impacts (\$/GJ) for M12, M12-X and C1 rate classes by transportation path for each of the proposed cost allocation changes (Panhandle/St. Clair, Parkway Station, Dawn Station). The impact of the cost allocation proposals was displayed by providing the unit rates under the current Board-approved methodology, the unit rates under the proposed methodology, and the resulting net impacts between the cases, with EGI specifying all assumptions relied on in providing these impacts.

Reference 2) provides a table titled *Rate Class Breakdown of Parkway Station Demand Costs – Measuring & Regulating Costs, Compression Costs, and All Other Costs* produced by EGI as a response to a TCPL Interrogatory about EGI's 2019 Cost Allocation Study.

Reference 3) shows the total rate class impacts from the proposed cost allocation methodology changes in total dollars, incremental to EGI's proposal to harmonize the EGD and Union rate zones into one rate zone. Under column (b) Parkway Station, the total impact to Ex-Franchise rate classes is an increase of \$9.935 million with \$9.882 million of that impact being allocated to M12 rate classes. There is an equal off-setting decrease in impact to the EGD Rate Zone, Union North Rate Zone, and Union South Rate Zone in aggregate.

Reference 4) shows the costs under the Transmission Classification and how the costs are allocated into the various Transmission Demand categories.

**Request:**

- a) Please provide a table similar to the one in Reference 1) showing all of the unit rate impacts (\$/GJ) for M12, M12-X and C1 rate classes by transportation path for each of the proposed cost allocation changes in the Cost Allocation Study (Panhandle/St. Clair, Parkway Station, Dawn Station, Dawn Parkway, DSM Budget). To display the impact, please

provide the applicable unit rates under the current Board-approved methodology, the unit rates under the proposed methodology, and the resulting net impacts between the cases. Please explain and provide all assumptions relied on in calculating the impacts.

- b) Please compile six tables similar to the table provided in Reference 2) showing a breakdown of Measuring & Regulating Costs, Compression Costs, and all other costs under the applicable Transmission Demand categories shown in Reference 4) and specified below. Please include all in-franchise and ex-franchise rate classes in these tables and provide the allocation units used to allocate these costs to the rate classes:
  - i. for Parkway Station under the current Board-approved cost allocation methodology;
  - ii. for Parkway Station under the proposed cost allocation methodology;
  - iii. for Dawn Station under the current Board-approved cost allocation methodology;
  - iv. for Dawn Station under the proposed cost allocation methodology;
  - v. for Dawn Parkway under the current Board-approved cost allocation methodology; and
  - vi. for Dawn Parkway under the proposed cost allocation methodology.
- c) Please provide an excel file showing the data and derivation behind Reference 3).

**IR Number: 4.7-TCPL-2**

- Reference:**
- 1) Exhibit 4, Tab 7, Schedule 1, Page 7 of 16, Paragraph 19.
  - 2) Exhibit 7, Tab 2, Schedule 1, Attachment 6, Page 3 of 4.
  - 3) Exhibit 7, Tab 1, Schedule 4, Page 13 of 20, Paragraphs 37 to 39.
  - 4) Exhibit 7, Tab 1, Schedule 4, Page 14 of 20, Paragraph 41 to 43.
  - 5) EB-2019-0194, Enbridge's Response to TCPL Interrogatory Exhibit I.TCPL.2, f).

**Preamble:** Reference 1) discusses how EGI is proposing to change the allocation of the PDCI payment costs within the 2024 cost allocation study. Under the approved methodology the cost of the PDCI payment is currently allocated to Union South in-franchise rate classes in proportion to firm design day demands on the Dawn Parkway System. Enbridge Gas is proposing to change the allocation of the PDCI payment costs to include both in-franchise and ex-franchise rate classes, consistent with the allocation of the Dawn Parkway Transmission Demand costs.

Reference 2) shows details of the Transmission Classification under the proposed 2024 Cost Allocation Methodology. Line 69 column (i) shows the Parkway Delivery Commitment Incentive costs of \$17.708 million being allocated to Dawn Parkway Transmission Demand.

Reference 3) describes the distance-weighted cost allocation used under the approved cost allocation methodology for Dawn Parkway Transmission Demands. The use of a "distance credit" as a result of the PDO and the allocation of the cost of the PDCI to Union South in-franchise rate classes is described.

Reference 4) describes how Enbridge Gas is proposing to change the allocation of Dawn Parkway transmission demand costs to in-franchise rate classes by assuming all in-franchise design day demands are served from Dawn in the derivation of the distance weighted allocation factor. Reference 4) also states that Enbridge Gas is proposing to eliminate the distance credit to in-franchise customers and allocate PDCI costs to both in-franchise and ex-franchise rate classes.

Reference 4) also states: "*Based on the 2024 Cost Allocation Study, the estimated distance credit benefit is approximately \$3 million compared to the PDCI costs of approximately \$18 million, which illustrates that the value of the PDO deliveries provided to in-franchise customers through the distance*

*credit is not equal to the PDCI payment costs.*” TCPL would like to understand these changes more thoroughly.

In Reference 5), a schedule is provided showing commodity-kilometres used as Dawn Parkway Allocation Units.

**Request:**

- a) Please explain how the approved allocation of PDCI payment costs solely to in-franchise customers described in Reference 3) was determined. Please also explain the rationale and history behind the arrangement. Provide any significant documentation about this allocation in previous OEB proceedings and provide references to OEB approval of this allocation of costs to in-franchise customers.
- b) Please explain the rationale for ex-franchise customers to now be allocated PDCI costs under the proposed methodology per Reference 1). Is the rationale solely related to the removal of the distance credit for in-franchise customers, or are there other reasons?
- c) Do ex-franchise customers realize any incremental benefit related to now being allocated a portion of PDCI costs under the proposed methodology, relative to the currently approved methodology? If not, please explain why not. If so, explain any incremental benefits.
- d) Please explain where the \$3 million distance credit benefit in the 2024 Cost Allocation study identified in Reference 4) comes from and provide a schedule showing its derivation. Is that value from the approved methodology or the proposed methodology or both?
- e) Please confirm the \$18 million PDCI cost in the 2024 Cost Allocation study identified in Reference 4) is the same shown in Reference 2) on line 69. Is that same value also present in the approved methodology? Please explain any differences in the line item between the approved and proposed methodology and provide schedules showing its derivation in both methodologies.
- f) Please provide a forecast of total PDCI costs during the price cap incentive rate-setting term from 2024-2028. Please explain and provide all assumptions relied on in developing the forecast.
- g) Please provide schedules showing the commodity-kilometres used in the 2024 Cost Allocation Study under both the approved methodology described in Reference 3) and the proposed methodology described in Reference 4) to allocate Dawn-Parkway demand costs to in-franchise and ex-franchise rate classes in the same format as Reference 5).

**IR Number: 7.2-TCPL-3**

- Reference:**
- 1) Exhibit 7, Tab 2, Schedule 1, Attachment 2, Page 3 of 3.
  - 2) Exhibit 7, Tab 2, Schedule 1, Attachment 8.
  - 3) Exhibit 8, Tab 1, Schedule 2, Attachment 2.
  - 4) Exhibit 8, Tab 2, Schedule 8, Attachment 1, Page 1 of 3.

**Preamble:** The table in Reference 1) shows a summary of the revenue requirement by rate class under the 2024 Cost Allocation Study. Column (ag) shows the revenue requirement for Rate 332 of \$21.668 million.

Reference 2) is a table showing the Total Allocation to current rate classes from the 2024 Cost Allocation Study. Line 17 shows the Transmission Demand - Albion Revenue Requirement of \$36.035 million which is allocated to rate classes using the "ALBIONTRANS" allocation factor which allocates 60% of these costs to ex-franchise (Rate 332), and the remaining 40% of costs to bundled in-franchise rate classes in proportion to firm design day demands.

Reference 3) lists all of the 2024 Rate Design Proposals contained in Exhibit 8.

The table in Reference 4) shows proposed revenue changes by rate class. Line 31 shows the approved revenue, revenue deficiency, proposed revenue requirement and proposed revenue for Rate 332.

- Request:**
- a) Please provide a table showing the proposed in-franchise revenue requirement for Albion Pipeline in the same form as presented in Reference 1) column (ag).
  - b) Are there any new costs or cost categories being included in the Transmission Demand – Albion Revenue Requirement for 2024 that were costs associated with the Dawn Parkway System or any of the Stations on the Dawn Parkway System prior to 2024? If so, please describe and quantify these new costs.
  - c) Do any of the proposed cost allocation changes described in Exhibit 7 impact the total costs allocated to the Albion Pipeline (Transmission Demand – Albion Revenue Requirement) or Rate 332? If so, please explain and quantify any such impacts.
  - d) Do any of the proposed 2024 Rate Design Proposals shown in Reference 3) impact the rate for Rate 332, apart from the recovery of the revenue deficiency identified in Reference 4), column (b). If so, please explain and quantify any such Rate Design Proposal impacts.

**IR Number:** 4.2-TCPL-4

- Reference:**
- 1) Exhibit 3, Tab 4, Schedule 1, Page 4 of 7, Paragraph 10.
  - 2) Exhibit 4, Tab 2, Schedule 1, Page 14 of 28, Paragraph 35.
  - 3) Exhibit 4, Tab 2, Schedule 1, Attachment 1, Page 2 of 6.

**Preamble:** Reference 1) states: “In 2024, with the amalgamation of EGD and Union and the proposed harmonization to one rate zone, Rate M12 long-term transportation contracts are no longer required between EGD and Union which eliminates 3.2 PJ/d of M12 contracting, resulting in a reduction of transportation revenue. These costs will no longer be treated as gas supply costs and will instead be part of rate base and recovered within delivery rates. Please see Exhibit 4, Tab 2, Schedule 1 for further detail.”

Reference 2) further discusses the Enbridge transportation capacity on the Dawn Parkway System used to transport supply from Dawn to serve the Enbridge CDA and Enbridge EDA, and how the cost of the Dawn Parkway System transportation was charged to the EGD rate zone by the Union rate zones. It also states that after rebasing the Dawn Parkway System costs are no longer treated as gas supply costs of the EGD rate zone and will instead be part of rate base and recovered within delivery rates. There is an offsetting reduction in regulated revenue relating to storage and transportation revenue.

Reference 3) is a table showing a summary of gas costs for EGI. Line 28 shows Dawn to Parkway Transportation costs which are reduced to zero in the 2024 Test Year from \$116.9 million in the previous year.

- Request:**
- a) Please confirm that the 3.2 PJ/d of M12 contracting between EGD and Union that was previously used to serve the Enbridge CDA and Enbridge EDA required the use of Parkway Station, Dawn Station, and the Dawn Parkway System. If not confirmed, please explain why not.
  - b) After rebasing for 2024, will there still be a physical requirement, regardless of contracting structure, for EGI to transport approximately 3.2 PJ/d along the Dawn Parkway System to serve the Enbridge CDA and Enbridge EDA, and will this physical requirement continue to use Parkway Station, Dawn Station, and the Dawn Parkway System? Please explain.
  - c) Please itemize and quantify the costs relating to the transportation capacity used by EGI to transport supply from Dawn to serve the Enbridge CDA and Enbridge EDA that will no longer be gas supply costs as shown in Reference 3) but will instead become part of rate base after rebasing, as

discussed in References 1) and 2). Please provide a rate base schedule showing how these specific costs will be included in the rate base.

- d) Please explain specifically how the costs in c) that are discussed in References 1) and 2) will be recovered within delivery rates.
- e) Please provide a schedule quantifying the cost recovery impact discussed in d) in \$/GJ for each delivery rate. Please explain and provide all assumptions relied on in calculating the impacts.
- f) Will the impact of EGI's proposed Parkway Station, Dawn Station, and Dawn Parkway cost allocation methodology changes in this proceeding be factored into the total costs in c) that will be part of rate base and recovered within delivery rates? If so, please quantify and explain how each of the Parkway Station, Dawn Station, and Dawn Parkway System cost allocation methodology impacts will be factored into these costs. If not, please explain why these cost allocation methodology changes will not factor into these costs.



**IR Number:** 8.2-TCPL-5

**Reference:** 1) Exhibit 8, Tab 2, Schedule 5, Paragraph 9, Page 3 of 30.  
2) Exhibit 8, Tab 2, Schedule 5, Table 2, Page 6 of 30.

**Preamble:** Reference 1) states that the Dawn Parkway rate design proposal will correct an identified pricing anomaly that exists in the currently approved rate design regarding transportation rates from Kirkwall to Dawn relative to the transportation rates from Kirkwall to Parkway and then from Parkway to Dawn.

Reference 2) is a table that illustrates with a yes or no (Y/N) the recovery of applicable station costs for each M12/C1 service option.

**Request:**

- a) In EGI's view, what characteristics define a "pricing anomaly"?
- b) When was the Kirkwall pricing anomaly described in Reference 1) first identified? By whom was it identified, Enbridge, or a third party?
- c) When was the Kirkwall pricing anomaly first created?
- d) Was the Kirkwall pricing anomaly known when applied for and approved, or was it an oversight? Please explain.
- e) To EGI's knowledge, are there any other pricing anomalies that exist in either the current or proposed rate design? If so, please explain what these anomalies are and how EGI intends to address them.
- f) For Reference 2), please explain why the C1 Parkway to Kirkwall service option (Line 5) shows an "N" for Kirkwall Station and a "Y" for Dawn Station.

**IR Number:** 8.2-TCPL-6

**Reference:** 1) Exhibit 8, Tab 2, Schedule 8, Attachment 13, Page 1 of 1.  
2) EB-2019-0194, Exhibit B, Tab 1, Appendix C, Working Papers, Schedule 7.

**Preamble:** Reference 1) shows the derivation of the Rate C1 - Dawn to Dawn-TCPL Demand Charge under the 2024 proposed methodology. The Dawn Compression Revenue Requirement on Line 10 is listed at \$1.227 million, and the Maximum Day Demand on Line 11 is 1,056 TJ with a footnote to the Panhandle and St. Clair System maximum design capacity.

Reference 2) shows the derivation of the Rate C1 - Dawn to Dawn-TCPL Demand Charge from EGI's EB-2019-0194 Application under Union's 2013 approved cost allocation study (EB-2011-0210) in column (a) and the 2019 Cost Allocation Study in column (b). The Dawn Compression Revenue Requirement on Line 1 is listed at \$1.198 million for 2013 and \$1.843 million for 2019. The Maximum Day Demand on Line 2 for the allocation of Dawn Compression Revenue Requirement is listed as 573 TJ for 2013 and 807 TJ for 2019.

**Request:** a) Please explain the changes in Dawn Compression Revenue Requirement between the three cost studies (2013, 2019 and 2024). Why did the revenue requirement increase between 2013 and 2019 and then subsequently decrease between 2019 and 2024? Please tabulate and quantify all components that make up the Dawn Compression Revenue Requirement in each of these years (e.g., return, depreciation, tax, etc.).

b) Please explain the increase in Maximum Day Demand between the three cost studies (2013, 2019 and 2024). Please tabulate and quantify all applicable changes that contribute to the total Maximum Day Demand in each of these years.

**IR Number:** 4.2-TCPL-7

- Reference:**
- 1) Exhibit 4, Tab 2, Schedule 1, Pages 1-2 of 28, Paragraphs 2 and 3.
  - 2) Exhibit 4, Tab 2, Schedule 1, Page 11 of 28, Table 2.
  - 3) Exhibit 4, Tab 2, Schedule 1, Attachment 3, Page 5 of 6.
  - 4) Exhibit 4, Tab 2, Schedule 1, Attachment 4.

**Preamble:** Reference 1) states that “For purposes of developing the 2024 Gas Supply Plan, Enbridge Gas has used the most recent information available at the time of filing this Application, including the existing transportation and storage contracts provided in Section 1.4. To capture the costs of uncontracted assets, Enbridge Gas has included an estimate of costs associated with incremental 2024 transportation and storage requirements... Enbridge Gas will not contract for these uncontracted assets until OEB approval is received. Pending OEB approval, Enbridge Gas will continue to monitor any shortfalls and will use the best available information at that time to make contracting decisions.”

Reference 2) is a table showing the design day position from various supply sources. Column (a) shows volumes in the 2023 Bridge Year, column (b) shows volumes in the 2024 Test Year, and column (c) shows the difference between those two years. Line 4 shows supply from NEXUS with an increase of 53 TJ/d in column (c), and Line 9 shows supply from Vector with an increase of 206 TJ/d in column (c).

Reference 3) is a table titled “November 1, 2022 Upstream Transportation Contract Summary” showing EGI contracts on Vector Pipelines L.P., NEXUS Gas Transmission LLC, Great Lakes Gas Transmission, and Great Lakes Pipeline Canada Ltd. The contract volumes for Nexus and Vector Canada appear to add up to 158.3 TJ/d for Nexus and 311.2 TJ/d for Vector Canada.

Reference 4) has two tables, the first showing the 2023 Design Day Position by rate zone and the second showing the 2024 Design Day Position by rate zone. Lines 4 and 9 show the Nexus and Vector design day positions respectively in each table. Nexus shows a 105.5 TJ/d position in 2023, and a 158.3 TJ/d position in 2024. Vector shows a 105.5 TJ/d position in 2023, and a 311.2 TJ/d position in 2024.

- Request:**
- a) Please provide a specific reference in evidence to the “estimate of costs associated with incremental 2024 transportation and storage requirements” that are intended to capture the costs of uncontracted assets, as stated in Reference 1).

- b) Please clarify which uncontracted assets EGI will not contract for until OEB approval is received, as stated in Reference 1). Are the incremental volumes shown in Reference 2) between the 2023 Bridge Year and 2024 Test Year a part of the “uncontracted assets”? If not, please provide a reference in evidence to the volumes that constitute the “uncontracted assets”.
- c) In what proceeding(s) will EGI seek OEB approval for the uncontracted assets and associated cost recovery identified in b), and when will EGI apply for approval?
- d) Please reconcile the 2023 and 2024 design day positions shown in References 2) and 4) with the 2022 contract quantities shown in Reference 3). Specifically, Nexus and Vector contracts for 2022 appear to match the 2024 Design Day Positions but not the 2023 Design Day Positions. Please include a rationale for any contracting changes, supply reclassifications, or any other reasons for the change between the 2023 Bridge Year and 2024 Test Year.
- e) If there were, or are to be, any contracting changes for these NEXUS and Vector volumes between 2023 and 2024, please provide a contract decision analysis, including a landed cost and pricing analysis assessing these contracting decisions against relevant alternatives.