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BY EMAIL

March 17, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Interrogatories
System Access Proceeding
OEB File Number: EB-2022-0094**

In accordance with Procedural Order No. 6, please find attached OEB staff's interrogatories on the Ontario Petroleum Institute's (OPI) intervenor evidence filed in the above proceeding. This document has been sent to all registered parties to this proceeding.

OPI is reminded that its responses to interrogatories are due by April 14, 2023.

Yours truly,

Ritchie Murray
Senior Advisor, Applications – Natural Gas

Encl.

OPI-Staff-1

Ref.: OPI Evidence, Page 1

Preamble

OPI stated that the scope of this proceeding has evolved since it was first initiated by the OEB in February 2022. Based on OPI's interpretation of the OEB's decisions in this proceeding, OPI's evidence is to address the following four system access issues:

1. Connection Process
2. Available Market/Capacity
3. Station/Connection Costs
4. Shut-in Practices

Questions

OEB staff would like to confirm its understanding of the terms used by OPI.

- a) Please describe OPI's view of the Connection Process using a chronological list of key activities or a process flow diagram. Please indicate the entity(ies) responsible for completing each step in the process.
- b) Please confirm that Available Market/Capacity refers to the maximum volume of locally produced natural gas that Enbridge Gas can accept into its system at a given receipt point at any given time. If OPI prefers a different definition for Available Market/Capacity, please provide it.
- c) Please provide a concise definition for Station/Connection Costs that includes a list of applicable costs (e.g., professional services, materials, equipment, labour).
- d) Please confirm that the term Shut-in Practices refers to the communications between Enbridge Gas and local producers regarding the need for Enbridge Gas to stop taking supply from a local producer, the timing of the communications, and Enbridge Gas's rationale for the stoppage. If OPI prefers a different definition for Shut-in Practices, please provide it.

OPI-Staff-2

Ref.: OPI Evidence, Page 2

Preamble

OPI stated that its members need to connect to the Enbridge Gas system to: (a) bring their gas supply to market pursuant to Enbridge Gas's M13 transportation service; or (b) sell to Enbridge Gas pursuant to the terms of a Gas Purchase Agreement.

Questions

- a) Do Gas Purchase Agreements provide for variability in Available Market/Capacity? Please explain.
- b) Does rate M13 provide for variability in Available Market/Capacity? Please explain.

OPI-Staff-3

Ref.: OPI Evidence, Pages 4-5

Preamble

OPI stated that it understands that electricity distributors have prescriptive procedures for connecting electricity generators to their distribution systems, which include timelines for responding to connection requests (via a detailed cost estimate and an offer to connect) and standard form connection cost recovery agreements and connection agreements. OPI also understands that to some extent the procedures and timelines for connecting electricity generators have been tailored based on the size of the generation facility (with, for example, a simpler and quicker process for smaller generation facilities).

OPI stated that, in its view, establishing a prescriptive connection policy/process would be helpful to Ontario producers and helpful to Enbridge Gas in meeting its obligations under section 42 of the *Ontario Energy Board Act, 1998* (OEB Act). Section 42 deals with the duties of gas transmitters and distributors.

Question

Please provide a detailed list of the prescriptive measures that OPI believes are appropriate with respect to connecting local natural gas producers.

OPI-Staff-4

Ref.: OPI Evidence, Pages 6-7

Preamble

OPI stated that it believes that EGI is foregoing the opportunity to use locally produced gas which would displace gas delivered through upstream systems to Ontario and through transmission systems from Dawn using fuel gas. That fuel gas is paid for by Enbridge Gas ratepayers, including the carbon cost and environmental cost associated with these alternative supplies.

OPI says it believes that Enbridge Gas's actions "artificially inhibit ratepayers enjoying more environmentally-friendly and economic service (since the GPA price paid to Ontario producers on average tracks consistently less than the Total Gas Supply Commodity Charge in Ontario)."

Questions

- a) Please confirm that when OPI refers to the Total Gas Supply Commodity Charge, OPI is specifically referring to the Total Gas Supply Commodity Charge in Enbridge Gas's Union South rate zone.
- b) Please define the GPA price and the relevant Total Gas Supply Commodity Charge and explain the differences between them.

OPI-Staff-5

Ref.: OPI Evidence, Pages 7-8

Preamble

OPI stated that Clearbeach Resources Inc., through the acquisition of two local producer systems, operates a number of gas production wells in Norfolk County. One of the acquired production systems supplied gas to a legacy Union Gas station at Mabees Corners while the other supplied gas to Union Gas pipeline near Tillsonburg. OPI understands that the former owner of the two local producer systems had been producing volumes up to 773 GJ/d through the Mabees Corners Station. When operated by Clearbeach, two local producer systems produce 220 to 330 GJ/d.

OPI stated, "... Union Gas advised they could take only a nominal quantity with virtually nothing in the summer months" through the Mabees Corners Station.

OEB staff interprets the previous statements to mean that, although OPI believes up to 773 GJ/d once flowed through the Mabees Corners Station, Union Gas said it could not even take up to 220 to 330 GJ/d through that station.

Questions

- a) Please confirm that the OEB staff's interpretation in the preamble is correct. If not, please explain.
- b) On what basis does OPI base its belief that the former owner of the two local producer systems produced volumes up to 773 GJ/d through the Mabees Corners Station?

OPI-Staff-6

Ref.: OPI Evidence, Page 10

Preamble

OPI stated that greater transparency about available market/capacity in the EGI distribution system is needed, and that such market / capacity analysis should incorporate the environmental and economic benefits of local production.

Question

In OPI's view, how should a market / capacity analysis incorporate the environmental and economic benefits of local production?

OPI-Staff-7

Ref.: OPI Evidence, Page 11

Preamble

OPI stated that it has directly raised with Enbridge Gas the possibility of OPI's members constructing the customer stations that connect a local producer's pipeline system to Enbridge Gas's pipeline system. The customer station would then be transferred to Enbridge Gas, after Enbridge Gas completed an inspection. OPI's members would ensure the customer stations met all requisite technical and safety standards.

OPI stated that it understands that one way that electricity generators (and load customers) are able to mitigate the cost of connecting to the electricity distribution system is via a contestability procedure that enables the generator or load customer to construct connection assets to applicable legal standards and

then transfer those assets to the electric utility. OPI understands that all connection work can be undertaken in this manner by a connecting customer other than: (a) preliminary planning, design and engineering specifications for the connection work, and (b) construction work on the incumbent utility's existing facilities and equipment.

Questions

- a) Please confirm that OPI's members are not interested performing the preliminary planning, design and engineering specifications for the customer stations, and that those activities ought to remain with Enbridge Gas. If not, please explain.
- b) Please confirm that OPI's members are not interested performing the final tie-in of the customer stations to Enbridge Gas's system nor the energization and commissioning work. If not, please explain.
- c) Please confirm that OPI's members are only interested in constructing the customer station according to Enbridge Gas's design and engineering specifications. If not, please explain.
- d) Please confirm whether OPI's members are interested in procuring the materials for the station (e.g., pipe, fittings, controls, instrumentation) or whether they would rely on Enbridge Gas to supply the materials.
- e) Please provide any additional information that OPI thinks would help OEB staff better understand the proposed division of roles and responsibilities between OPI members and Enbridge Gas as they relate to customer stations.