Response to Staff Interrogatory

Reference: FRPO Evidence, pp. 7-9

In its evidence, North Side Energy discusses pipeline capacity into downstate New York and New England from the gas production and storage areas in the Gulf Coast and Appalachia. The evidence refers to certain projects in the above-mentioned areas that did not proceed but goes on to mention other projects to expand pipeline capacity into New York and New England that did go forward.

a) The evidence mentions the Dominion Transmission New Market project, the TGP East 300 Upgrade project, the Algonquin Incremental Market project and the Atlantic Bridge project that add capacity into New York and New England. Please confirm if these expansion projects are underpinned by contracts and if any of the contracts are held by LDCs that have existing contracts on the Dawn Parkway system.
b) Please confirm if the expansion projects mentioned in (a) have excess available capacity.

Response:

a) Yes, all four pipeline expansion projects were supported by long-term contracts. Most of these contracts are with New York and New England LDCs that also have contracts for transportation service on the Dawn Parkway system. The table shows the expansion project capacity under contract to each shipper, and whether the shipper has also contracted for Dawn Parkway transportation service.

Project	Shipper	Contract Quantity (Dth)	Dawn-Pkwy Contract?
DTI New Market	National Grid – Downstate NY	82,000	Yes
	National Grid – Upstate NY	30,000	Yes
TGP East 300 Line	Con Edison	115,000	Yes
AGT AIM	Boston Gas	100,000	Yes
	Yankee Gas	100,000	Yes
	Connecticut Natural Gas	33,000	Yes
	So. Connecticut Gas	32,000	Yes
	Eversource Gas	30,000	Yes
	NSTAR Gas	25,000	No
	Rhode Island Energy	18,000	Yes
	Norwich Public Utilities	3,000	No
	Middleborough Gas	1,000	No

AGT Atlantic Bridge	Eastward Energy	10,160	Yes
	Irving Oil	30,487	No
	Maine Natural Gas	6,586	No
	Exelon Generation	3,039	No
	NSTAR Gas	50,000	No
	Boston Gas	21,833	Yes
	Northern Utilities	7,599	Yes
	Norwich Public Utilities	3,000	No

b) North Side Energy understands that no excess capacity associated with these expansion projects is currently available.

Response to Staff Interrogatory

Reference: FRPO Evidence, pp. 12-13

The evidence notes that the Massachusetts Department of Public Utilities initiated a proceeding in 2020 to examine the future role of gas utilities in meeting the state's Greenhouse Gas reduction objectives. The evidence states, "in cases where the LDC forecasts of future gas use are high relative to the results of the longer-term planning studies, this may be intentional. Because the timing and impact of building electrification and new energy efficiency programs on future gas use is uncertain, some LDCs have chosen not to factor these into their current forecasts."

a) Please confirm if the regulator accepted the forecasts of utilities that did not consider electrification and new energy efficiency programs or if the regulator made certain adjustments to the forecast.
b) If it was a generic proceeding, please indicate if the regulator provided guidance to the utilities with respect to the development of their natural gas forecast.

Response:

a) Yes, in recent decisions the Massachusetts Department of Public Utilities (MDPU) has accepted LDC forecasts that do not consider electrification or new energy efficiency programs. See, for example, the MDPU's October 31, 2022 Order on the Eversource Gas 2021 Forecast and Supply Plan in Docket No. DPU 21-118.

b) The MDPU has not yet issued an order in the generic "Future of Gas" case in Docket No. 20-80, but has acknowledged that the planning standards for LDC forecasts may be modified as a result of that proceeding. ("…if the Department determines a need to revise forecast and supply plan filings and standards as a result of decisions made in D.P.U. 20-80, we will address that in an appropriate proceeding following the final Order in D.P.U. 20-80", DPU 21-118 Order at pp. 16-17.)

Response to Staff Interrogatory

Reference: Exhibit M4, p. 15

North Side Energy recommends that the OEB allow buy-out payments in reverse open seasons and that this be explicitly addressed in the Storage and Transportation Access Rule, as this may allow Enbridge Gas to meet its projected capacity requirement at a lower total cost than building new capacity, consistent with the IRP Framework.

Does North Side Energy believe that any other OEB rules, codes, or policies would need to be revised to permit Enbridge Gas to pay buy-out payments in reverse open seasons that are recoverable from ratepayers? If so, please provide additional details.

Response:

North Side Energy does not believe that the OEB would need to revise the Storage and Transportation Access Rule (STAR) or any other of its rules, codes or policies. The STAR requires a transmitter offering new transportation capacity to hold a reverse open season to allow existing firm transportation service shippers to permanently turn back existing firm transportation capacity. EGI determines how reverse open seasons will be conducted to comply with the principles set out in the STAR. EGI files the reverse open season materials in its Leave to Construct application, which allows the terms of the reverse open season to be reviewed at that time. For example, the reverse open season procedure that EGI used for its most recent Dawn Parkway System expansion proposal was filed in EB-2019-0159, Exhibit A, Tab 6, Schedule 2.

The OEB issued the STAR in 2009. In 2021 the OEB issued the Integrated Resource Planning (IRP) Framework in EB-2020-0091 to provide guidance as to how EGI should consider demand-side management options as alternatives to constructing new gas infrastructure. North Side Energy believes that modifying reverse open seasons to allow existing shippers to include a buy-out price with an offer to permanently turn back existing firm transportation capacity falls within the definition of a targeted demand-side IRP Alternative, since it would reduce or eliminate the need for new facilities to address design day constraints on the Dawn Parkway System by lowering ex-franchise customer contract demands. As such, North Side Energy believes that the proposal to give existing shippers the option to include a buy-out payment in reverse open seasons would be consistent with the STAR, and would be consistent with, if not required by, the IRP Framework.

Response to Environmental Defence Interrogatory

Reference: Report, p. 13

"Even if the near-term risk is low, it would be prudent for EGI to implement measures to … (2) reduce exposure to capacity turnback by making it less likely that the Dawn Parkway System will become overbuilt."

a) Please discuss any measures to "reduce exposure to capacity turnback by making it less likely that the Dawn Parkway System will become overbuilt" other than those referred to in your report.
b) If a short-term increase in demand from in-franchise customers was expected to drive the need for a capacity upgrade, but the capacity-deficit was expected to be short-lived (e.g. five years), please discuss what changes would be needed to the STAR to allow Enbridge to address the needs by declining to renew or grant new ex-franchise contract requests.
c) Please discuss any other rules that would prevent Enbridge from giving priority to its in-franchise customers to avoid building out the Dawn Parkway system for short-term demand increases that are likely to disappear within a five-to-ten-year range.

Response:

a) North Side Energy did not try to identify all potential measures to reduce capacity turnback risk for this report. One possible measure, which the Federal Energy Regulatory Commission requires for interstate pipelines in the United States, is to require that gas transportation services that require a pipeline expansion will be priced at the higher of the standard tariff rate or an incremental rate that is based on the cost of the expansion facilities. Pricing ex-franchise transportation services that use expansion capacity at a higher incremental rate would discourage overbuilding by preventing existing customers from subsidizing new transportation services.

b) North Side Energy does not believe that the STAR requires EGI to construct facilities to satisfy requests for ex-franchise service. The purpose of the STAR is to ensure that when existing or new transportation capacity is offered, it is made available on a non-discriminatory basis. North Side Energy understands that the question of how best to evaluate proposals to expand gas transmission capacity to account for the risk that these facilities will become stranded is within the scope of the IRP Framework process (EB-2020-0091).

c) North Side Energy is not aware of any such rules.

Response to Energy Probe Interrogatory

Reference: Exhibit M4, Page 9

"TransCanada entered into long-term contracts with LDCs and end users for 670,343 GJ/d of long-haul transportation service from Alberta. This includes new service to Iroquois (35,720 GJ/d), East Hereford (111,723 GJ/d), and Energir EDA (157,000 GJ/d)."

a) Please confirm the recent reduction in Energir volumes on Dawn-Parkway.
b) Please confirm Energir is also storing Gas from TCPL in Intragas storage instead of at Dawn. How much is the reduction GJ and %
c) How material is this change in the Energir Gas Supply Plan to Dawn annual volumes and Peak demand GJ and %?

Response:

a) Based on the Index of Customers reports from Exhibit I.1.11-FRPO-13, Energir's Dawn-to-Parkway transportation capacity decreased by 20 percent (144,749 GJ/d) from January 2019 to January 2023.

Energir Dawn-Parkway Contracts

January 2019			January 2023		
Contract	**Quantity**	**Expires**	**Contract**	**Quantity**	**Expires**
M12007D	21,021	10/31/2019			
M12092	35,000	10/31/2019			
M12109	65,000	10/31/2027	M12109	65,000	10/31/2027
M12132	52,343	3/31/2021	M12132	52,343	3/31/2025
M12172	22,908	3/31/2021	M12172	22,908	3/31/2025
M12176	88,728	3/31/2021			
M12222	257,784	10/31/2025	M12222	257,784	10/31/2025
M12232	39,507	10/31/2031	M12232	39,507	10/31/2031
M12233	19,754	10/31/2031	M12233	19,754	10/31/2031
M12237	85,680	10/31/2031	M12237	85,680	10/31/2031
M12244	36,670	10/31/2032	M12244	36,670	10/31/2032
	724,395			**579,646**	

b) North Side Energy does not have this information.

c) The 144,749 GJ/d reduction in Energir Dawn-to-Parkway transportation contracts from 2019 to 2023 is approximately 2% of the winter 2023-24 Dawn Parkway System design day demand forecast of 7,892 TJ/d that EGI reports at Exhibit 2, Tab 7, Schedule 1, page 22. This reduction is twice as large as the 74.2 TJ/d of capacity that would be added by the $246 million Kirkwall-Hamilton NPS 48 expansion project that EGI plans to place in service by the end of 2026, which is described at page 7 of the North Side Energy report. By this measure the impact of the change in the Energir supply plan on the ex-franchise demand for Dawn Parkway System capacity would be material.

Response to Energy Probe Interrogatory

Reference: Exhibit M4, Pages 14 and 15

To reduce the risk of undue cost shifting, EGI should put limits on the ex-franchise demands that will be used to allocate Dawn Parkway System costs at the next rate rebasing, based the requirements forecast that EGI uses to obtain Board approval for a Dawn Parkway System expansion. The objective would be to allocate Dawn Parkway System costs based on the demands for which the transmission facilities were constructed, not just the actual demands in effect at the time of rebasing.

Please comment on the following:

a) Under reduced demand, transportation rates would need to increase for all D-P customers (in-franchise and ex-franchise)
b) If unit in-franchise unit rates were maintained ex-franchise customer rates would need to increase
c) De-contracting of ex-franchise customers would only occur at end of term.

Response:

a) Yes, under the EGI cost allocation methodology, a reduction in demand for Dawn Parkway System capacity would cause rates to be higher for both in-franchise and ex-franchise customers. Putting a floor on the ex-franchise billing units used to allocate Dawn Parkway System costs at the next rebasing would keep in-franchise rates from increasing in a situation where the ex-franchise billing units that EGI would otherwise use to allocate Dawn Parkway System costs between in-franchise and ex-franchise services are lower than the projected ex-franchise billing units (for the rebasing year) that EGI uses to support the need for a Dawn Parkway System expansion.

b) Yes, under the circumstances where this proposal would kick in, the billing units used to allocate total Dawn Parkway System costs between in-franchise and ex-franchise services would be higher than the billing units used to calculate ex-franchise rates. This would cause the rates for ex-franchise services to be higher.

c) Yes, unless EGI offers earlier turnback in a reverse open season, ex-franchise contracts would only terminate at the end of the contract term. However, because ex-franchise customers must give notice to extend service, EGI has advance knowledge of terminations that will occur within the next one or two years.

Response to Energy Probe Interrogatory

Reference: Exhibit M4, General

Energy Probe would like Dr. Rosencrantz's opinion on the Parkway delivery Option PDO and PDCI payment given changes in supply sources and transportation.

a) Should the PDO and PDCI be continued based on the gas transportation outlook?
b) Should the PDCI be reassessed?

Response:

Mr. Rosenkranz does not have an opinion on whether the PDO and PDCI should be continued. If the PDO is continued, Mr. Rosenkranz agrees that EGI's proposal that would allow Dawn Parkway System capacity that is currently ear-marked for ex-franchise Dawn-to-Parkway transportation services to be used to reduce PDO requirements when these contracts expire is reasonable.

Mr. Rosenkranz does not have an opinion on whether the PDCI should be reassessed in this proceeding. However, because the PDO is an alternative to constructing Dawn Parkway System facilities, it could be beneficial for EGI solicit offers from customers who would be willing "opt in" to the PDO in exchange for a payment that may be different from the PDCI. This would be similar to the expanded reverse open season proposal described in the North Side Energy report. Mr. Rosenkranz understands that in the Settlement Proposal that the Board approved in EB-2021-0147 the parties acknowledged that the IRP Framework requires EGI to seek offers from customers to move their delivery point from Dawn to either Parkway or Kirkwall before advancing a proposal to build new Dawn Parkway System capacity (Exhibit N7, Tab 1, Schedule 1, page 12). It is not clear whether EGI will accept offers that would involve a payment to the customer in exchange for moving their delivery to Parkway or Kirkwall.

Response to School Energy Coalition Interrogatory

Reference: Exhibit M4, page 15. Mr. Rosenkranz recommends that Enbridge offer a buyout option as part of the reverse open season that are required to be held before undertaking expansion projects. Please provide further details regarding how this process would work and provide an illustrative example with calculations.

Response:

The first step in the process would be simple. EGI would modify the reverse open season bid form that customers are required to use to submit offers to turn back capacity to include a blank for a buyout payment amount. As to how these turn-back proosals would be evaluated, North Side Energy believes expanding the scope of reverse open seasons to allow existing shippers to add a buy-out price to an offer to permanently turn back existing firm transportation capacity falls within the definition of a targeted demand-side IRP Alternative, since it would reduce or eliminate the need for new facilities to address design day constraints on the Dawn Parkway System by lowering ex-franchise customer contract demands. A buy-out offer would therefore need to be evaluated within the context of the full range of alternatives using the methods adopted under IRP Framework. For this reason, North Side Energy is not able to provide a simple illustrative example.

Response to EGI Interrogatory

Reference: Exhibit M4, page 14

At page 14, North Side Energy states: "To reduce the risk of undue cost shifting, EGI should put limits on the ex-franchise demands that will be used to allocate Dawn Parkway System costs at the next rate rebasing, based the requirements forecast that EGI uses to obtain Board approval for a Dawn Parkway System expansion."

Please confirm this recommendation is applicable to the next Rebasing proceeding, post 2028, and not the 2024 to 2028 timeframe of this Application. If not confirmed, please explain what is being sought in this Application. Please also explain if the proposal would only apply if a subsequent expansion of the Dawn Parkway System was approved during the IR Term.

Response:

Not confirmed. Because this proposal would modify EGI's cost allocation mechanism, which is under review in this proceeding, and the impact on rates at the next rebasing would be tied to facilities expansion decisions that occur during the upcoming incentive rate-making (IRM) period, North Side Energy believes that the current rate proceeding is an appropriate time for the Board to direct EGI to implement a proposal of this type. EGI is correct that this proposal would not affect rates until the next rebasing, and that it would only cause rates to be different if an expansion of the Dawn Parkway System is approved during the IRM term.

Response to EGI Interrogatory

Reference: Exhibit M4, page 15

At page 15, North Side Energy states: "Including a buyout option in reverse open seasons would be consistent with the Integrated Resource Planning (IRP) framework, which requires EGI to consider demand side IRP Alternatives to meet system needs."

Please confirm this recommendation is applicable to the next Rebasing proceeding, post 2028, and not the 2024 to 2028 timeframe of this Application. If not confirmed, please explain what is being sought in this Application.

Response:

Confirmed. For a further explanation, please see the response to M4.EGI-24.

Response to EGI Interrogatory

Reference: Exhibit M4, pages 8-9

At pages 8 to 9, North Side Energy states:

“Despite these high-profile failures, other projects to expand pipeline capacity into New York and New England did go forward:

- The Dominion Transmission New Market project added 112,000 Dth/d from Leidy Hub in Pennsylvania to Upstate New York for two National Grid LDCs. The project, which was completed in 2017, included new gas compression facilities to inject up to 85,000 Dth/d into IGTS at Canajoharie, NY.
- The TGP East 300 Upgrade project is another compression-only project that will transport up to 115,000 Dth/d from the Susquehanna Co., PA to Westchester Co., NY for Con Edison. The project is currently in construction and service is expected to start in late 2023.
- The Algonquin Incremental Market (AIM) project expanded the Algonquin Gas Transmission (AGT) pipeline to provide 342,000 Dth/d from New Jersey and New York for New England LDCs. The AIM facilities were placed into service in 2016 and 2017.
- The Atlantic Bridge (AB) project expanded the AGT pipeline by 132,705 Dth/d from New York to Massachusetts and added 92,226 Dth/d of transportation service on M&N from Massachusetts into Maine. The AB facilities were placed into service in 2017, 2019, and 2021.”

With respect to the Dominion, TGP, Algonquin and Atlantic Bridge projects listed on page 8 along with any unidentified projects, how much uncontracted capacity, by project, is currently available for U.S. Northeast shippers?

Response:

North Side Energy understands that no excess capacity associated with these expansion projects is currently available.

Response to EGI Interrogatory

Reference: Exhibit M4, pages 9-10

At pages 9 and 10, North Side Energy states:

"Our review of the Index of Customers reports of EGI, TransCanada, IGTS and PNGTS identified examples of LDCs contracting for pipeline transportation services on shorter paths and buying gas at trading points that are closer to the ultimate market. This includes instances where companies contracted for TransCanada transportation services from Parkway, or IGTS transportation services from the Canadian border, but did not contract with EGI for Dawn Parkway System capacity.

For example:

- Vermont Gas has contracts for 84,799 GJ/d of TransCanada FT service from Parkway to the Phillipsburg export point, but has long-term transportation contracts from Dawn to Parkway for 28,600 GJ/d."

How do these customers deliver gas to markets downstream of the Dawn Parkway System?

Response:

In the examples cited in the North Side Energy report the LDC, marketer, or end user holds firm transportation capacity on the IGTS Path, PNGTS Path, or TCPL Direct Path to deliver gas to the market, but does not hold the same amount of firm transportation capacity on the Dawn Parkway System upstream of Parkway. The contract details are presented in Attachment 2 of the North Side Energy report. North Side Energy understands that these companies are able to buy natural gas delivered into TCPL at Parkway or delivered into IGTS from TCPL at the Canadian border as an alternative to buying gas at the Dawn Hub.

Response to EGI Interrogatory

Reference: Exhibit M4, page 12, and page 13 footnote 28

At page 12, North Side Energy states:

"In the near term, the forecasts that New York and New England LDCs have filed with state regulators continue to show moderate growth in gas demand. Table 6 shows the 2022-23 design day planning load forecasts and average annual demand growth rates for 13 New England LDCs for a five-year forecast period. The weighted average growth rate for these New England LDCs is 1.4 percent."

At page 13, footnote 28, North Side Energy states:

"For example, Berkshire Gas states that its most recent five-year forecast does not include new decarbonization measures ("…at this time, the Company's forecasts do not include any adjustments for any decarbonization measures that may affect gas demand, other than the existing energy efficiency measures already approved by the Department). The Berkshire Gas Company, "Long Range Forecast and Supply Plan", Docket DPU 22-148, November 2022, page 7."

Please identify any U.S. Northeast LDCs that have included adjustments for any decarbonization measures that may affect gas demand in their forecast.

Response:

North Side Energy has not examined all Northeast LDC demand forecasts, but is aware of instances where LDCs have adjusted their forecasts to include the expected impact of electrification and new energy efficiency programs. For example, in its most recent Forecast and Supply Plan filed with the Massachusetts Department of Public Utilities, Boston Gas adjusted its projected customer count to take out projected heat pump installations. (See November 1, 2022 Initial Filing in MDPU Docket No. 22-149.) The downstate New York LDCs (Con Edison and National Grid) have also adjusted their long-term demand forecasts to reflect state and local policies to reduce greenhouse gas emissions.