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BY EMAIL

June 14, 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 interrogatories from OEB staff to Enbridge Gas Inc. on its evidence filed in the above proceeding. This document has been sent to all registered parties to this proceeding.

Yours truly,

Ritchie Murray
Senior Advisor, Applications – Natural Gas

Encl.

EGI-Staff-1

Ref.: EGI Evidence, Page 2, Paragraphs 7-9

Preamble

Enbridge Gas summarizes its understanding of OPI's concerns with Enbridge Gas's process for connecting Ontario gas producers to the distribution system. OPI's impression is that the process is not a robust, prescriptive one, but rather an ad hoc process with no firm timelines or standardized information exchange procedures. OPI believes that greater transparency about available market/capacity in the Enbridge Gas distribution system is needed. OPI submits that Ontario producers are frequently "shut-in" (i.e., curtailed) for extended periods of time with insufficient notice and little or no effort to maintain flows.

Question

How could Enbridge Gas improve its customer service and communications with local producers to address the issues raised in OPI's evidence? In the response, please address:

- a) How could Enbridge Gas improve transparency regarding intake pressure requirements and shut-in dates at connecting stations?
- b) Whether Enbridge Gas would be amendable to information sharing on a collaborative basis with producers in a mutually acceptable format? For example, would Enbridge Gas share a daily snapshot with producers to assist them in making timely decisions? If not, why not?

EGI-Staff-2

Ref.: EGI Evidence, Pages 3-4, Paragraphs 11-13
EGI Evidence, Page 7, Paragraph 26

Preamble

Enbridge Gas Inc. (Enbridge Gas) states that:

- 1) "The detailed process for determining design hour demand (the highest expected firm demand in an hour for natural gas within a day) is contained within evidence submitted as part of Enbridge Gas' 2024 rebasing application.¹ The assessment of local injection into the distribution system is

¹ EB-2022-0200 at Exhibit 4, Tab 2, Schedule 3

done using the same process, however, consideration must be given to both the highest design hour demand experienced in winter along with the lowest hour demand. The lowest hour demand typically occurs during the summer months on weekends and is where demand for natural gas on the system is the lowest due to lack of space and water heating, and limited process demands. For the acceptance of local injection, the summer condition (i.e., not requiring additional gas in the system) often becomes the primary design constraint due to insufficient demands on the system.”

- 2) Distribution station set points can be adjusted to help prioritize injection from connecting stations, but this is highly dependent on specific system configurations and locations of demands. Overall system safety and reliability must be considered and will supersede any such adjustments.
- 3) “The local producer’s ability to access local markets is dependent on their ability to meet specific system pressure needs such that their supply feeds the Enbridge Gas system and not supplies from other sources (other producers or transmission stations).”

Questions

- a) Please explain the relationship between the “lowest hour demand” and the “summer condition”.
- b) Does the phrase “not requiring additional gas in the system” mean that there is no flow into the system during the summer condition and that demand is entirely met by line pack? If not, please explain.
- c) Please comment on whether a local producer could always supply its natural gas into Enbridge Gas’s system provided that the local natural gas is compressed to a pressure higher than the pressure in Enbridge Gas’s system at that time (including the pressure drop across the connecting station) provided that the connecting station is set to allow the local natural gas to flow into Enbridge Gas’s system. Otherwise, please explain. In the response, please comment on how the the summer condition and lowest hour demand may be determining factors.
- d) Is the maximum amount of Ontario produced natural gas that Enbridge Gas could accept into its system if all the gas was sold on the open market and subject to Rate M13 (i.e., none of the gas was sold to Enbridge Gas under Gas Supply Agreements) equivalent to the maximum amount of Ontario produced natural gas Enbridge Gas could accept into its system if all the gas was subject to Gas Supply Agreements (i.e., all of the gas was sold to

- Enbridge Gas and none of the gas was sold on the open market)? If not, then please explain.
- e) In table form, please list and describe the main system safety and reliability threats posed to Enbridge Gas's system from, at all times, allowing local producers to supply their natural gas into Enbridge Gas's system. For each threat, please provide:
- i. An estimate of the probability of an occurrence
 - ii. The consequence(s) of an occurrence
 - iii. Any possible mitigants
 - iv. Whether the mitigants currently exist or would need to be implemented
 - v. An indication of the capital and OM&A costs to implement the mitigants
 - vi. Any additional information that may be useful to understanding these threats and their possible consequences
- f) Please confirm that Enbridge Gas does not offer to any local producers the compression services required to flow local natural gas into Enbridge Gas's system (i.e., all local producers are responsible for their own compression). Otherwise, please explain.
- g) Please explain the current process, method of communication, and timing by which Enbridge Gas notifies local producers as to what pressure their local natural gas must be compressed for it to flow into Enbridge Gas's system.

EGI-Staff-3

Ref.: EGI Evidence, Pages 3-4, Paragraph 13

Preamble

Enbridge Gas states that if its natural gas system does not have capacity to meet the injection volume requested by a local producer, then other options are considered including the adjustment of distribution station set points and the construction of additional pipeline facilities.

Question

Please identify and explain any additional options or factors (e.g., seasonal demand) that could affect available capacity and comment on the magnitude and timing of them.

EGI-Staff-4

Ref.: EGI Evidence, Page 5, Paragraph 20

Preamble

Enbridge Gas states that it treats an Ontario producer connection request similar to other requests that it receives from customers. The first step in the process involves the producer requesting to connect to the Enbridge Gas system and providing the location and estimated volumes of production. The request is assigned to an Account Manager and forwarded to engineering to assess the request and determine the facilities required to connect to Enbridge Gas's system.

Question

Please explain the role of Enbridge Gas's Account Manager, including:

- a) Frequency of contact with Ontario natural gas producers
- b) Typical channels of communication with Ontario natural gas producers
- c) Ontario natural gas producers' preferred channel for receiving important information
- d) Availability of the Account Manager and their response time to queries from Ontario natural gas producers

EGI-Staff-5

Ref.: EGI Evidence, Pages 7-8, Paragraph 27

Preamble

EGI states that, "OPI's assertion that locally produced gas is displacing gas that is purchased upstream of Dawn in areas such as Western Canada is not valid. Should Ontario production be removed from Enbridge Gas' portfolio, that production would be replaced with purchases at Dawn. While Enbridge Gas acknowledges that since Dawn is not a production basin the supply located at Dawn is imported from various production basins across North America, it is not reasonable to suggest that all or even a majority of Ontario production results in avoidance of transportation fuel at rates applicable to long-haul transportation from across the continent."

Questions

- a) Please confirm that for every unit of natural gas not procured by Enbridge Gas from an Ontario producer under a Gas Purchase Agreement, an equivalent unit of natural gas must be procured by Enbridge Gas at Dawn. If not, please explain.
- b) Please confirm that the natural gas supplies available at Dawn are transported there through transmission pipelines that most often use natural gas fueled compressors and that originate from various production basins across North America. If confirmed, then please explain why it is not reasonable to suggest that all or even a majority of Ontario natural gas production results in avoidance of transportation fuel at rates applicable to long-haul transportation. If not confirmed, then please explain why not.
- c) Please elaborate on the basis for Enbridge Gas's assertion that locally produced gas does not displace natural gas purchased upstream of Dawn in areas such as Western Canada.

EGI-Staff-6

Ref.: EGI Evidence, Pages 8-9, Paragraphs 30-31

Preamble

Enbridge Gas states that:

- 1) "OPI explained that the principles set out in section 3.2.15A of the Distribution System Code ("Work that requires physical contact with the distributor's existing distribution system is not eligible for alternative bid unless the distributor decides in any given case to allow such work to be eligible for alternative bid") would only apply to the final tie-in to Enbridge Gas's pipeline."
- 2) "OPI members construct their facilitates with a final above ground flange to which Enbridge Gas installs an isolation valve and then the station which connects to Enbridge Gas' underground pipeline [connecting station]."
- 3) "Enbridge Gas' [connecting] station includes several components including measurement, pressure control, gas quality, and odorization."
- 4) It considers "the final connection much broader than just the final tie-in connection to an underground pipeline."

Question(s)

- a) Please confirm Enbridge Gas's view that the entire connecting station

constitutes the final tie-in to Enbridge Gas's pipeline system. Otherwise, please explain.

- b) Does Enbridge Gas consider its view in part a) of this question to be consistent with the Distribution System Code? Please explain, using specific references to the relevant sections of the Distribution System Code.
- c) If Enbridge Gas does not consider its view in part a) of this question to be consistent with the Distribution System Code, then please provide an explanation for why Enbridge Gas believes it is appropriate for there to be an inconsistency between the contestability rules for electricity and natural gas.
- d) Please explain what Enbridge Gas would require for the connecting station work to be contestable.

EGI-Staff-7

Ref.: EGI Evidence, Page 9, Paragraph 31

Preamble

Enbridge Gas states that its connecting stations include several components including measurement, pressure control, gas quality, and odorization. As part of its procedures, Enbridge Gas must ensure that each of the components have material traceability and that its approved installation contractors have welders approved to Enbridge Gas's standards, traceability of fabrication, and quality control records.

Questions

- a) Do Enbridge Gas employees construct the connecting stations, or is the work performed by contractors? If the work is performed by contractors, please explain how Enbridge Gas ensures that applicable standards are met and that fabrication and quality control records are traceable.
- b) If the construction of connecting stations is contracted out by Enbridge Gas, could local natural gas producers hire the same contractors to construct the connecting stations? If not, please explain why not.
- c) Does Enbridge Gas contract out other types of pipeline and station construction work? If so, how does Enbridge Gas ensure that applicable standards are met and that fabrication and quality control records are traceable for this work?

- d) Is it Enbridge Gas's view that local producers are not capable of ensuring material and fabrication traceability, employing welders capable of producing work to Enbridge Gas's standards, or producing and maintaining quality control records? If so, please explain why not.