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June 14, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Marconi,

RE: Board File No. EB-2022-0094: System Access Proceeding

Please find enclosed the interrogatories submitted on behalf of the Canadian Biogas Association (CBA).

If any further information is required, please do not hesitate to contact the undersigned.

Yours very truly,



Michael R. Buonaguro
Encl.

Enbridge Gas Inc.
System Access Proceeding
CANADIAN BIOGAS ASSOCIATION INTERROGATORIES
June 14, 2023

CBA IR-1

REF: Enbridge Gas Evidence, page 3, paragraph 12

PREAMBLE:

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. The assessment of local injection into the distribution system is 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.

- a) Please provide the number of “local” producers currently injecting natural gas in the EGI distribution, broken down into the following categories:
 - i) producers of conventional natural gas that sell their gas to Enbridge Gas Inc.,
 - ii) producers of conventional natural gas that do not sell their gas to Enbridge Gas Inc.,
 - iii) producers of renewable natural gas that sell their gas to Enbridge Gas Inc.,
 - iv) producers of renewable natural gas that do not sell their gas to Enbridge Gas Inc.

- b) Please provide the number of times producers in each category provided in the answer to question a) were “shut in” or “curtailed” by EGI over the last 5 years. Please provide detail as to the number of producers affected by each “shut in” or “curtailment”, the date (or dates if lasting beyond one day) of each “shut in” or “curtailment”, the circumstances requiring the “shut in” or “curtailment”, and, in the event a “shut in” or “curtailment” did not affect all of the producers accessing the EGI system to inject natural gas, an explanation as to why some but not all producers were affected by the “shut in” or “curtailment”.

- c) Under what conditions, if any, would a “shut in” or “curtailment” be required of any producer during the winter months?

CBA IR-2

REF: Enbridge Gas Evidence, page 3, paragraph 13.

PREAMBLE:

If the local gas system does not have capacity to meet the injection volume requested, other options are considered:

- **Distribution Station Set Points:** Adjusting station outlet pressure set points on one or more distribution system stations to allow for injection through the customer injection station into the local system. These adjustments can help prioritize injection from customer station but is highly dependent of specific system configurations and locations of demands. Overall system safety and reliability must be considered and will supersede adjustments.
- **Reinforcement:** New facilities to allow for injection to reach another network and or pressure system to expand the demand. Access to more system demand can sometimes be achieved through new facilities to interconnect systems and or gain access to more significant pipelines not in the immediate area of the customer facility. Reinforcements are subject to a project profitability index (PI) calculation and may result in a required contribution in aid of construction (CIAC).
 - a) Please confirm that the “other options” are only required during periods of low demand i.e. the summer months. If not confirmed please describe the conditions that would require the consideration of “other options”.
 - b) Please explain whether EGI’s willingness to adjust the station outlet pressure set points on one or more distribution system stations to allow for injection through the customer injection station into the local system is impacted by whether the producer is selling its natural gas to EGI or shipping its gas outside the EGI franchise area.

CBA IR-3

REF: Enbridge Gas Evidence, page 4, paragraphs 15 and 16.

PREAMBLE:

To clarify, when Enbridge Gas establishes a maximum daily volume in a Gas Purchase Agreement, this volume is determined by the capabilities of the injection station to accept gas and often exceeds what the producer is able to provide or what the local market is able to accept.

The Gas Purchase Agreement allows for full variability up to the maximum daily volume whereas the M13 contract has a Maximum Daily Quantity (MDQ) and a firm daily variability amount. The MDQ is based on the producer's estimated production amount and is set for the duration of the contract and there is no winter/summer difference. A Firm Daily Variability (FDVD) amount is calculated based on the producer's actual production volumes (if they are established) or estimated production (if they are new). The calculation compares the average daily production for the year less the average daily production for the lowest month during the year. The producer can opt for a higher FDVD if they choose to and want to pay for it.

- a) Please confirm that producers with a Gas Purchase Agreement with EGI are able to inject gas up to their maximum daily volume regardless of system conditions. If not confirmed, under what conditions would a producer with a Gas Purchase Agreement with EGI be "shut in" or "curtailed" despite their maximum daily volume.
- b) Please confirm that producers with a Gas Purchase Agreement with EGI are able to negotiate a maximum daily volume based on their capacity to produce natural gas; if not confirmed, please explain under what conditions EGI would limit the maximum daily volume in a Gas Purchase Agreement below the producer's production capacity.
- c) Please confirm that renewable natural gas producers who sell their gas to EGI are/will be treated the same as conventional natural gas producers with a Gas Purchase Agreement with EGI with respect to access to EGI's system throughout the year. If not confirmed, please explain how renewable natural gas producers who sell their gas to EGI are/will be treated differently than conventional natural gas producers with respect to access to EGI's system throughout the year.
- d) Please confirm that producers that do not sell their gas to EGI can establish a Maximum Daily Quantity equal to their maximum daily production if they so choose; if not please describe the circumstances where a producer's Maximum Daily Quantity would be limited by EGI.
- e) Please provide details as to how the FDVD impacts a producer's ability to inject gas up to their Maximum Daily Quantity throughout the year.
- f) Please explain under what conditions a producer would elect to pay for a higher FDVD than the FDVD calculated based on their actual daily production. Please explain how the incremental price for a higher FDVD is determined using an example.

CBA IR-4

REF: Enbridge Gas Evidence, page 6, paragraph 20 subsection 6

PREAMBLE:

The Account Manager works with the Producer to sign the applicable contract and agree to the costs. As identified in the M13 contract's general terms and conditions, once the producer has agreed to the CIAC payment, the first prepayment is required at the time of execution of the agreement. The second prepayment is required prior to installation of the meter station. These prepayments are based on the estimate and there is a true-up process that happens after commissioning of the station.

- a) Please confirm that a producer has the option of paying their CIAC over time as part of their contract with EGI. If not confirmed, please explain the circumstances, if any, under which the CIAC for a producer station can be paid for over time by a producer.

CBA IR-5

REF: Enbridge Gas Evidence, page 7 paragraph 26

PREAMBLE:

Enbridge Gas does not design the operation of its system around non-firm supply sources. 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).

Natural gas purchased from Ontario producers amounts to approximately 0.8 PJs annually, or an average of 2100 GJ/day. This amounts to less than 1% of Enbridge Gas' system gas portfolio.

- a) Please confirm that EGI has the capability to adjust its system pressure to accommodate the injection of local production by adjusting the flow of gas into the relevant system if necessary. If not confirmed, please explain why EGI does not have that capability, particularly given the relatively small amount of local production relative to EGI's total natural gas portfolio, and please explain what measures would be required to create that flexibility.
- b) If and when locally injected gas production is stable but local demand for gas fluctuates, how can EGI respond without impacting local injection, i.e. if local demand is significantly below forecast? To the extent there are options that EGI can employ does it do so?