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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: EB-2024-0111 Enbridge Gas Inc. (EGI) 2024 Cost of Service Application Phase 2

Please find enclosed the interrogatories of the Ontario Greenhouse Vegetable Growers in the above noted proceeding.

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

Yours very truly,

Michael R. Buonaguro
Encl.

1.10-OGVG-1

REFERENCE: Exhibit 1, Tab 10, schedule 7, page 4 paragraphs 10-11

PREAMBLE:

The ETTF will be used to advance and accelerate research, development, demonstration, and commercialization of low-carbon technologies in line with Canada and Ontario's Energy Transition and GHG emissions reduction goals.

Enbridge Gas plans to use the fund to accelerate low-carbon technology development in the following ways:

- Accelerate technology development and deployment: Enbridge Gas will lead and support Research & Development (R&D) initiatives, field trials and technology demonstration projects to evaluate and improve product performance in Ontario, and to provide training opportunities for contractors to ensure quality installation of equipment;

- Drive market adoption and transformation: Enbridge Gas will engage with manufacturers, end-use customers, contractors, policy makers and other stakeholders to improve the availability, awareness, accessibility, affordability, and acceptance of low-carbon technologies; and

- Drive economies of scale by collaborating with other utilities, manufacturers, industry associations and research organizations.

a) Is it EGI's proposal that the OEB will pre-approve the scope of ETTF funding such that clearance of the associated variance account will be largely mechanical assuming that EGI's spending falls within the pre-approved scope, or is it EGI's proposal that clearance of the associated variance account will include an *ex post facto* examination of the spending such that EGI will risk non-recovery for amounts related to spending that the OEB does not agree was appropriate?

b) Please provide the definition of "Low-Carbon Technology" that is intended to define the scope of the ETTF. For example, is it EGI's intent that the ETTF will only focus on technology that continues to use the EGI system, either through more efficient use of natural gas, the use of RNG and hydrogen in the EGI system, carbon capture in relation to the use the EGI system, etc.?

1.17-OGVG-2

REFERENCE: Exhibit 1, Tab 17, Schedule 1 page 15 paragraph 36

PREAMBLE:

With respect to ALE alternatives for which ICM treatment is requested, Enbridge Gas proposes that the need criteria be modified to exclude the requirement that a project be discrete and that a project will have an in-service capital addition of at least $10 million. Rather, for ALE alternatives, Enbridge Gas proposes that it be allowed to "group" ALE alternatives together for the purpose of requesting ICM treatment. Further, Enbridge Gas proposes that the in-service capital addition threshold does not apply (i.e., it should be zero dollars) when requesting ICM treatment for ALE alternatives. Other ICM eligibility criteria would remain as is in respect of ALE alternatives.

a) Is it EGI's proposal that it should receive ICM funding for ALE alternatives to capital projects including instances where the displaced capital project would not have been eligible for ICM funding had it been pursued in the normal course? If so, please explain why EGI believes that would be appropriate.

9.1-OGVG-3

REFERENCE: Exhibit 9, Tab 1, Schedule 3, page 6 paragraph 13

PREAMBLE:

Enbridge Gas's budget underpinning the 2024 Forecast Revenue Requirement included $9.4 million for OEB cost assessment amounts. This budget amount was developed in Q1 2022 and reflected a moderate inflationary increase over the OEB's 2021/2022 fiscal year (ending March 31, 2022) actual assessed amount of $9.2 million. The OEB's 2021/2022 fiscal year assessed amount was the most current available at the time of budget preparation. A moderate inflationary increase to the 2021/2022 assessed amount was reasonable and appeared aligned with the OEB's then current 2021 to 2024 Business Plan, which forecast an average annual growth of approximately 1.8% in budgeted Total Assessment amounts between its fiscal 2021/2022 and fiscal 2023/2024 years.

a) Please provide the details of the actual assessed amount of $9.2M for the 2021/2022 fiscal year, including the split between costs directly allocated to EGI and costs indirectly allocated to EGI under the OEB Cost Assessment Model.

10.1-OGVG-4

Reference: Exhibit 10, Tab 1, Schedule 1, Attachment 1, Page 4 of 39

Preamble:

Our study estimates a long-run TFP trend for U.S. gas distributors of -1.52 % per annum. This value is in line with productivity offsets proposed by, and approved for, U.S. gas distributors in recent regulatory proceedings.

a) Please provide the decisions approving productivity offsets in the "recent regulatory proceedings" referred to in the citation above.

b) Please forecast EGI's annual ROE in the 2025 to 2029 period relative to the deemed ROE under the following scenarios:

    i) Assuming the incentive mechanism structure as requested in the application;
    ii) Assuming the incentive mechanism structure as requested in the application except using a productivity factor of 0%;
    iii) Assuming the incentive mechanism structure as requested in the application except with no access to an Incremental Capital Module; and
    iv) Assuming the incentive mechanism structure as requested in the application except with a 0% productivity factor and no access to an incremental capital module.

When providing the forecasts please express the forecast ROE both as a percentage and in dollars. When providing the forecast please perform the calculation as if there were no proposed Earnings Sharing Mechanism. Please explain any adjustments made to the forecasts that underpin the calculation that were made to reflect the impact of the Phase 1 Decision.