Joel Denomy
Technical Manager
Strategic Applications – Rate Rebasing

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Enbridge Gas Inc.
500 Consumers Road
North York, Ontario M2J 1P8

January 17, 2025

VIA RESS AND EMAIL

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

Dear Nancy Marconi:

Re: Enbridge Gas Inc. (Enbridge Gas, or the Company)
EB-2024-0111 - 2024 Rebasing – Phase 2 Oral Hearing Undertaking Responses

Enbridge Gas filed Phase 2 of its 2024 Rates Application on April 26, 2024. In this Application, Enbridge Gas requested approval of an incentive rate-setting mechanism (IRM) for the years from 2025 to 2028 and updated 2024 rates effective January 1, 2024. On June 12, 2024, Enbridge Gas filed further evidence regarding Enbridge Sustain.

In Procedural Order No. 8, the OEB ordered an Oral Hearing for December 17th and 18th and a due date for undertaking responses of January 17th. In Procedural Order No. 9, the OEB provided for an additional day for the Oral Hearing.

In accordance with Procedural Order No. 8, enclosed please find Enbridge Gas's undertaking responses. Enbridge Gas will post the responses on its website at www.enbridgegas.com/about-enbridge-gas/regulatory. Enbridge Gas will send a copy of this letter, and a link to the website page, to all parties to the proceeding.

Enbridge Gas would like to note it has provided clarification of an exchange between an Enbridge Gas witness and SEC at the Oral Hearing. This clarification is set out at Exhibit J2.4.

Should you have any questions, please let us know.

Sincerely,

Joel Denomy

Joel Denomy
Technical Manager, Strategic Applications – Rate Rebasing

ENBRIDGE GAS INC.

Answer to Undertaking from
Federation of Rental-housing Providers of Ontario (FRPO)

Undertaking:

Tr: 18

To produce any audits of billing data for accuracy between 2021 and 2023, as stipulated by GDAR.

Response:

Section 7.3.2 of GDAR sets out the Billing Performance service quality requirements, for Enbridge Gas to have a quality assurance program (QAP) in place. Further, subsection 7.3.2.1 requires Enbridge Gas to audit its billing data for accuracy; completing manual checks to validate data when meter reads fall outside criteria, as set out in the QAP, for excessively high or low usage. In addition, the QAP must include random audits of data quality and billing accuracy.

Please see Attachment 1 for the QAP audit results for 2021 to 2023 which show the total number of manual checks completed monthly including high or low usage, high or low bills and random checks and the total number of manual checks done solely for excessively high or low usage. Enbridge Gas is also required to file the QAP criteria on an annual basis with the OEB Chief Regulatory Auditor. Those letters detailing the processes and criteria followed in the QAP are provided at Attachment 2.

G.2.1.9.B - Billing Performance
G.2.1.9.B.1 Audits
2021 Results

Line No.	Month	Total Number of Billings	Total Number of Manual Checks Done as per QAP	Total Number of Manual Checks Done When Meter Reads Show Excessively High/Low Usage as per QAP Criteria
		(a)	(b)	(c)
1	January	3,812,354	40,451	30,897
2	February	3,812,935	38,666	27,545
3	March	3,805,571	35,903	27,537
4	April	3,827,048	23,845	29,665
5	May	3,829,399	37,889	32,592
6	June	3,829,984	49,899	43,317
7	July	3,880,470	111,876	23,535
8	August	3,797,435	48,726	22,768
9	September	3,733,822	43,924	18,329
10	October	3,726,025	43,545	23,508
11	November	3,875,411	82,844	56,979
12	December	3,842,719	77,759	48,186
13	Total	45,773,173	635,327	384,858

G.2.1.9.B - Billing Performance
G.2.1.9.B.1 Audits
2022 Results

Line No.	Month	Total Number of Billings	Total Number of Manual Checks Done as per QAP	Total Number of Manual Checks Done When Meter Reads Show Excessively High/Low Usage as per QAP Criteria
		(a)	(b)	(c)
1	January	3,825,798	83,948	42,915
2	February	3,826,619	82,498	37,208
3	March	3,841,133	69,070	28,644
4	April	3,857,052	48,775	20,399
5	May	3,857,763	45,653	21,715
6	June	3,830,724	96,589	42,575
7	July	3,849,671	45,458	28,367
8	August	3,860,503	54,686	32,428
9	September	3,843,143	50,735	32,013
10	October	3,854,035	58,260	33,982
11	November	3,835,540	60,616	36,050
12	December	3,858,599	65,200	33,950
13	Total	46,140,580	761,488	390,246

G.2.1.9.B - Billing Performance
G.2.1.9.B.1 Audits
2023 Results

Line No.	Month	Total Number of Billings	Total Number of Manual Checks Done as per QAP	Total Number of Manual Checks Done When Meter Reads Show Excessively High/Low Usage as per QAP Criteria
		(a)	(b)	(c)
1	January	3,879,098	77,071	33,562
2	February	3,913,078	71,117	25,798
3	March	3,906,298	55,421	19,838
4	April	3,907,309	56,200	19,702
5	May	3,919,164	65,522	28,185
6	June	3,902,343	61,208	33,110
7	July	3,921,842	48,178	34,960
8	August	3,950,936	53,332	36,412
9	September	3,936,163	69,805	28,989
10	October	3,931,990	66,585	27,090
11	November	3,939,028	59,560	25,998
12	December	3,932,501	51,007	17,845
13	Total	47,039,750	735,006	331,489

Tracy Lynch
Director
Customer Care Operations

tel 416 496 5210
mob 416 873 9322
tracy.lynch@enbridge.com

Enbridge Gas Inc.
500 Consumers Road
North York, Ontario M2J 1P8
Canada

May 2, 2022

VIA EMAIL

Brian Hewson
Vice President, Consumers Protection & Industry Performance
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Hewson

Re: Section 7.3.2 of Gas Distribution Access Rule ("GDAR")
Enbridge Gas Inc. (Enbridge Gas) – 2021 Quality Assurance Program

As per the 2007 SQR requirements, Enbridge Gas is forwarding to you the processes followed in our current Quality Assurance Program, which are used to validate billing charges when large changes in customer's consumption appear.

- A random set of production bills is manually reviewed, based on a predefined set of billing data (i.e. Accounts on budget billing, accounts on pay-per-use, accounts on pre-authorized payment, etc.), every billing day to ensure accuracy. The set of production bills consists of residential and commercial customer bills

- At the meter reading stage, all accounts where the meter reading falls outside High/Low parameter limits (based on the previous reading), are automatically reported each billing day and reviewed manually for accuracy prior to being released to the gas charge calculation stage. The difference in consumption between the current and previous reads is calculated and two high tolerances and two low tolerances are calculated. High tolerances can be 500, 750 or 1000% of the consumption. At the 500 and 750% tolerance stages, there is a warning message displayed when entering the read. At the 1000% tolerance stage, the reading is deemed "implausible" and cannot proceed to the gas calculation stage until it has been manually verified. Low tolerances can be between 30 & 100% of the consumption. At the 30 to 90% tolerance stages, there is a warning message displayed when entering the read. At the 99-100% tolerance stage, the reading is deemed "implausible" and cannot proceed to the gas calculation stage until it has been manually verified.

- At the gas charge calculation stage, all bills whose total gas charges (excluding all other charges), exceed the following limits – 1) Residential $1,300, 2) Commercial $6,500, and 3) Large Volume/Industrial $75,000, are automatically reported each billing day and review manually for accuracy prior to being released to the invoicing stage.

- All bills whose total current charges (including gas and other charges), exceed the following limits – 1) Residential $1,650, 2) Commercial $7,500, and 3) Large Volume/Industrial $100,000, are automatically reported each billing day and reviewed manually for accuracy prior to being released to invoice.

- Accounts where complex adjustments have been necessary are returned from the bill print process and manually reviewed prior to being mailed to the customer.

- Random audits of billing functions are performed to monitor billing performance quality

Should you have any questions regarding our Quality Assurance Program, please do not hesitate to contact me.

Sincerely,

Tracy Lynch
Director Customer Care Operations
Enbridge Gas Inc.

cc: Nancy Marconi, Registrar, Ontario Energy Board

ENBRIDGE

Tracy Lynch
Director
Customer Care Operations

tel 416 496 5210
mob 416 873 9322
tracy.lynch@enbridge.com

Enbridge Gas Inc.
500 Consumers Road
North York, Ontario M2J 1P8
Canada

May 1, 2023

VIA EMAIL

Brian Hewson
Vice President, Consumers Protection & Industry Performance
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Hewson

Re: Section 7.3.2 of Gas Distribution Access Rule ("GDAR")
Enbridge Gas Inc. (Enbridge Gas) – 2021 Quality Assurance Program

As per the 2007 SQR requirements, Enbridge Gas is forwarding to you the processes followed in our current Quality Assurance Program, which are used to validate billing charges when large changes in customer's consumption appear.

- A random set of production bills are manually reviewed, based on a predefined set of billing data (i.e. Accounts on budget billing, accounts on pay-per-use, accounts on pre-authorized payment, etc.), every billing day to ensure accuracy. The set of production bills consists of residential and commercial customer bills.

- At the meter reading stage, all accounts where the meter reading falls outside High/Low parameter limits (based on the previous reading), are automatically reported each billing day and reviewed manually for accuracy prior to being released to the gas charge calculation stage. The difference in consumption between the current and previous reads is calculated with two high tolerances and two low tolerances depending on the expected consumption level for the customer. High tolerances can range between 100 to 200% for higher usage customers and 750 to 1000% for lower usage customers. Within these tolerance stages, there is a warning message displayed when entering the read. Reads exceeding the high tolerance are deemed "implausible" and cannot proceed to the gas calculation stage until it has been manually verified. Low tolerances can be between 30 to 100% of the consumption. At the 30 to 90% tolerance stages, there is a warning message displayed when entering the read. At the 91 to 100% tolerance stage, the reading is deemed "implausible" and cannot proceed to the gas calculation stage until it has been manually verified.

- At the gas charge calculation stage, all bills whose total gas charges (excluding all other charges), exceed the following limits – 1) Residential $1,800, 2) Commercial $7,500, and 3) Large Volume/Industrial $75,000, are automatically reported each billing day and reviewed manually for accuracy prior to being released to the invoicing stage.

- All bills whose total current charges (including gas and other charges), exceed the following limits – 1) Residential $2,100, 2) Commercial $8,600, and 3) Large Volume/Industrial $100,000, are automatically reported each billing day and reviewed manually for accuracy prior to being released to invoice.

- Accounts where complex adjustments have been necessary are returned from the bill print process and manually reviewed prior to being mailed to the customer.
- Random audits of billing functions are performed to monitor billing performance quality

Should you have any questions regarding our Quality Assurance Program, please do not hesitate to contact me.

Sincerely,

Tracy Lynch
Director Customer Care Operations
Enbridge Gas Inc.

cc: Nancy Marconi, Registrar, Ontario Energy Board

Ricardo Medeiros
Director
Customer Care Operations

mobile 416 662 7233
ricardo.medeiros@enbridge.com

Enbridge Gas Inc.
500 Consumers Road
North York, Ontario M2J 1P8
Canada

April 30, 2024

VIA EMAIL

Brian Hewson
Vice President, Consumers Protection & Industry Performance
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Hewson

Re: Section 7.3.2 of Gas Distribution Access Rule ("GDAR")
Enbridge Gas Inc. (Enbridge Gas) – 2023 Quality Assurance Program

As per the 2007 SQR requirements, Enbridge Gas is forwarding to you the processes followed in our current Quality Assurance Program, which are used to validate billing charges when large changes in customer's consumption appear.

- A random set of production bills are manually reviewed, based on a predefined set of billing data (i.e. Accounts on budget billing, accounts on pay-per-use, accounts on pre-authorized payment, etc.), every billing day to ensure accuracy. The set of production bills consists of residential and commercial customer bills.

- At the meter reading stage, all accounts where the meter reading falls outside High/Low parameter limits (based on the previous reading), are automatically reported each billing day and reviewed manually for accuracy prior to being released to the gas charge calculation stage. The difference in consumption between the current and previous reads is calculated with two high tolerances and two low tolerances depending on the expected consumption level for the customer. High tolerances can range between 100 to 200% for higher usage customers and 750 to 1000% for lower usage customers. Within these tolerance stages, there is a warning message displayed when entering the read. Reads exceeding the high tolerance are deemed "implausible" and cannot proceed to the gas calculation stage until it has been manually verified. Low tolerances can be between 30 to 100% of the consumption. At the 30 to 90% tolerance stages, there is a warning message displayed when entering the read. At the 91 to 100% tolerance stage, the reading is deemed "implausible" and cannot proceed to the gas calculation stage until it has been manually verified.

- At the gas charge calculation stage, all bills[1] whose total gas charges (excluding all other charges), exceed the following limits – 1) Residential $1,800, 2) Commercial $7,500, and 3) Large Volume/Industrial $75,000, are automatically reported each billing day and reviewed manually for accuracy prior to being released to the invoicing stage.

- All bills[2] whose total current charges (including gas and other charges), exceed the following limits – 1) Residential $2,100, 2) Commercial $8,600, and 3) Large

[1] There are four Union rate zone rate classes that have different limits as they are mass market rate classes but have larger volume customers. These limits are LUG Rate 1 & M1 - 1) Residential $1,800, 2) Commercial $2,250, and 3) Large Volume/Industrial $2,250 and for LUG Rate 10 & M2 - 1) Residential $6,500, 2) Commercial $8,500, and 3) Large Volume/Industrial $8,500.
[2] For Union rate zones customers with consumption under 50,000 m3 the limits are 1) Residential $2,100, 2) Commercial $7,500, and 3) Large Volume/Industrial $7,500. For Union rate zone customers with consumption over 50,000 m3 the limits are 1) Residential $8,600, 2) Commercial $10,000, and 3) Large Volume/Industrial $10,000.

Volume/Industrial $100,000, are automatically reported each billing day and reviewed manually for accuracy prior to being released to invoice.

- Accounts where complex adjustments have been necessary are returned from the bill print process and manually reviewed prior to being mailed to the customer.

- Random audits of billing functions are performed to monitor billing performance quality

Should you have any questions regarding our Quality Assurance Program, please do not hesitate to contact me.

Sincerely,

Rico Medeiros
Director Customer Care Operations
Enbridge Gas Inc.

cc: Nancy Marconi, Registrar, Ontario Energy Board

ENBRIDGE GAS INC.

Answer to Undertaking from
Federation of Rental-housing Providers of Ontario (FRPO)

Undertaking:

Tr: 25

To advise the incremental cost of an ERT-enabled meter versus a conventional meter; to advise the incremental cost of an AMI-enabled meter versus a conventional meter.

Response:

The incremental cost between a standard (diaphragm) meter, an ERT enabled meter and an AMI capable meter is listed in Table 1. An AMI capable meter can also be deployed AMR-ready (mobile mode) which allows the meter to be read through a remote means like ERTs. It is important to note that Table 1 is reflective of meter costs only and does not include meter reading costs associated with reading ERTs or the significant infrastructure, system enhancement or deployment costs required to implement a full AMI solution.

Table 1
General Service Typical Meters (200 series and 400 series)

Meter Type	200 Series Meter	400 Series Meter
Diaphragm Meter (no meter reading technology) - Cost Per Unit	$120 - $145	$278-$340
ERT Meter (AMR enabled or ready) - Cost Per Unit	$216-$241	$374-$436
AMI Meter (AMI enabled or ready, does not include network infrastructure) - Cost Per Unit	$254	Not available

Note: 2024 Meter Pricing only, does not include installation.

Ultrasonic meters (200 series AMI meters) pricing is expected to be more competitive, as more manufacturers get their meters approved by Measurement Canada and as production ramps up (i.e. economy of scale) to fulfill meter demand from Canadian utilities.

ENBRIDGE GAS INC.

Answer to Undertaking from
Commissioner Moran

Undertaking:

Tr: 92

To advise, for the replacement program involving ERTs, what percentage of the class Enbridge wants to exclude that have received ERTs.

Response:

Enbridge Gas, through the replacement program, has exchanged 350 inaccessible meters with ERTs, representing approximately 1.5% of the total number of inaccessible meters. These meters are removed from the inaccessible report once replaced as the meter is able to be read remotely. With approximately 46,000 inaccessible meters bi-monthly and approximately 277,000 inaccessible meters annually, and due to the lack of response to communication attempts, Enbridge Gas cannot target enough inaccessible meters to exchange with ERTs and resolve the inaccessible meter issue.

ENBRIDGE GAS INC.

Answer to Undertaking from
Environmental Defence (ED)

Undertaking:

Tr: 12

To provide an updated version of the 2024 customer connections budget.

Response:

Please see Table 1.

Table 1
2024 Customer Connections

Particulars ($ millions)	2024 Test Year	2024 11+1 Forecast
	(a)	(b)
Customer Connections	304.1	282.2

The Customer Connections 11+1 Forecast includes YTD November 2024 actuals and forecast data for the month of December 2024. The forecast of $282.2 million includes direct capital and overheads, consistent with the presentation for the 2024 Test Year Forecast of $304.1 million.

ENBRIDGE GAS INC.

Answer to Undertaking from
Environmental Defence (ED)

Undertaking:

Tr: 21

To provide the forecast customer additions by sector, both most current and as of July 2023; to the extent that through reasonable efforts Enbridge can come up with a reliable restatement of that by rate class, then we will do so, but, if it is not possible to do that with reasonable efforts and producing something that is reasonably reliable, we will decline to add the rate class information.

Response:

Please see Attachment 1, Table 1 for the most recent customer additions forecast as of March 2024. In the Attachment the customer additions forecast is presented before and after energy transition adjustments. Table 2 sets out the customer additions forecast as of July 2023 which was presented before energy transition adjustments. Table 1 and Table 2 are organized by rate zone (EGD, Union South, and Union North) and sector (Residential, Commercial, and Industrial), with each category aligned with the corresponding rate classes.

Table 1
Forecast Customer Additions - Most Recent (1)

Line No.	EGD Rate Zone Customer Additions (1) Group Description	Residential Rate 1	Commercial Rate 6	Industrial Rate 6	Total
	(a)	(b)	(c)	(d)	(e)
1	2025	25,410	1,267	5	26,682
2	2026	25,087	1,205	5	26,297
3	2027	24,546	1,147	5	25,698
4	2028	24,022	1,091	4	25,117
5	2029	23,534	1,039	4	24,577
6	2030	22,632	984	4	23,620
7	2031	21,756	938	4	22,698
8	2032	20,850	894	3	21,747
9	2033	19,964	851	4	20,819
10	2034	19,140	811	4	19,955

	Union South Rate Zone Customer Additions (1) Group Description	Residential Rate M1, M2	Commercial M1, M2	Industrial M1, M2	Total
	(a)	(b)	(c)	(d)	(e)
11	2025	11,318	703	18	12,039
12	2026	11,080	685	17	11,782
13	2027	10,896	652	18	11,566
14	2028	10,742	615	18	11,375
15	2029	10,591	582	18	11,191
16	2030	10,342	522	16	10,880
17	2031	10,082	494	16	10,592
18	2032	9,758	472	16	10,246
19	2033	9,402	449	15	9,866
20	2034	9,072	447	15	9,534

Table 1
Forecast Customer Additions - Most Recent After Energy Transition Adj. (2)

Line No.	EGD Rate Zone Customer Additions (2) Group Description	Residential Rate 1	Commercial Rate 6	Industrial Rate 6	Total
	(a)	(b)	(c)	(d)	(e)
1	2025	24,511	1,218	5	25,734
2	2026	23,653	1,107	5	24,765
3	2027	22,550	1,006	5	23,561
4	2028	21,471	903	4	22,378
5	2029	20,329	788	4	21,121
6	2030	18,922	684	4	19,610
7	2031	17,646	603	4	18,253
8	2032	16,396	527	3	16,926
9	2033	15,210	455	4	15,669
10	2034	14,122	388	4	14,514

	Union South Rate Zone Customer Additions (2) Group Description	Residential Rate M1, M2	Commercial M1, M2	Industrial M1, M2	Total
	(a)	(b)	(c)	(d)	(e)
11	2025	10,912	674	18	11,604
12	2026	10,477	618	17	11,112
13	2027	10,069	551	18	10,638
14	2028	9,704	484	18	10,206
15	2029	9,358	424	18	9,800
16	2030	8,935	351	16	9,302
17	2031	8,515	306	16	8,837
18	2032	8,057	264	16	8,337
19	2033	7,586	228	15	7,829
20	2034	7,149	200	15	7,364

Union North Rate Zone Customer Additions (1)

	Group Description	Residential Rate 01	Commercial Rate 01, Rate 10	Industrial Rate 10	Total
	(a)	(b)	(c)	(d)	(e)
21	2025	3,133	186	4	3,323
22	2026	3,044	179	4	3,227
23	2027	2,942	169	2	3,113
24	2028	2,847	158	2	3,007
25	2029	2,763	151	2	2,916
26	2030	2,646	134	2	2,782
27	2031	2,537	125	2	2,664
28	2032	2,430	119	2	2,551
29	2033	2,328	113	2	2,443
30	2034	2,234	113	2	2,349

EGI Customer Additions (1)

	Group Description	Residential	Commercial	Industrial	Total
	(a)	(b)	(c)	(d)	(e)
31	2025	39,861	2,156	27	42,044
32	2026	39,211	2,069	26	41,306
33	2027	38,384	1,968	25	40,377
34	2028	37,611	1,864	24	39,499
35	2029	36,888	1,772	24	38,684
36	2030	35,620	1,640	22	37,282
37	2031	34,375	1,557	22	35,954
38	2032	33,038	1,485	21	34,544
39	2033	31,694	1,413	21	33,128
40	2034	30,446	1,371	21	31,838

Note:
(1) Before Energy Transition adjustment (excludes Community Expansion).

Union North Rate Zone Customer Additions (2)

	Group Description	Residential Rate 01	Commercial Rate 01, Rate 10	Industrial Rate 10	Total
	(a)	(b)	(c)	(d)	(e)
21	2025	3,014	177	4	3,195
22	2026	2,840	158	4	3,002
23	2027	2,661	138	2	2,801
24	2028	2,496	118	2	2,616
25	2029	2,357	102	2	2,461
26	2030	2,194	82	2	2,278
27	2031	2,050	67	2	2,119
28	2032	1,914	55	2	1,971
29	2033	1,786	44	2	1,832
30	2034	1,673	37	2	1,712

EGI Customer Additions (2)

	Group Description	Residential	Commercial	Industrial	Total
	(a)	(b)	(c)	(d)	(e)
31	2025	38,437	2,069	27	40,533
32	2026	36,970	1,883	26	38,879
33	2027	35,280	1,695	25	37,000
34	2028	33,671	1,505	24	35,200
35	2029	32,044	1,314	24	33,382
36	2030	30,051	1,117	22	31,190
37	2031	28,211	976	22	29,209
38	2032	26,367	846	21	27,234
39	2033	24,582	727	21	25,330
40	2034	22,944	625	21	23,590

Note:
(2) After Energy Transition adjustment (excludes Community Expansion).

Table 2

Forecast Customer Additions - July 2023

Line No.	EGD Rate Zone Customer Additions (1)				
	Group Description	Residential Rate 1	Commercial Rate 6	Industrial Rate 6	Total
	(a)	(b)	(c)	(d)	(e)
1	2024	24,462	1,256	4	25,722
2	2025	24,669	1,187	4	25,860
3	2026	24,877	1,122	4	26,003
4	2027	25,081	1,064	4	26,149
5	2028	24,775	1,006	3	25,784
6	2029	23,956	954	3	24,913
7	2030	23,068	900	3	23,971
8	2031	22,144	854	3	23,001
9	2032	21,148	810	3	21,961
10	2033	20,270	768	4	21,042
	Union South Rate Zone Customer Additions (1)				
	Group Description	Residential Rate M1, M2	Commercial M1, M2	Industrial M1, M2	Total
	(a)	(b)	(c)	(d)	(e)
11	2024	10,718	989	17	11,724
12	2025	10,688	930	17	11,635
13	2026	10,693	913	16	11,622
14	2027	10,745	878	15	11,638
15	2028	10,629	835	15	11,479
16	2029	10,239	809	15	11,063
17	2030	9,987	744	13	10,744
18	2031	9,492	718	16	10,226
19	2032	9,235	701	16	9,952
20	2033	8,964	687	15	9,666

Union North Rate Zone Customer Additions (1)

	Group Description	Residential Rate 01	Commercial Rate 01, Rate 10	Industrial Rate 10	Total
	(a)	(b)	(c)	(d)	(e)
21	2024	2,875	301	5	3,181
22	2025	2,816	289	5	3,110
23	2026	2,765	278	5	3,048
24	2027	2,737	266	5	3,008
25	2028	2,665	256	5	2,926
26	2029	2,554	244	5	2,803
27	2030	2,428	232	5	2,665
28	2031	2,304	221	2	2,527
29	2032	2,206	210	2	2,418
30	2033	2,116	197	2	2,315

EGI Customer Additions (1)

	Group Description	Residential Rate 1	Commercial Rate 6	Industrial Rate 6	Total
	(a)	(b)	(c)	(d)	(e)
31	2024	38,055	2,546	26	40,627
32	2025	38,173	2,406	26	40,605
33	2026	38,335	2,313	25	40,673
34	2027	38,563	2,208	24	40,795
35	2028	38,069	2,097	23	40,189
36	2029	36,749	2,007	23	38,779
37	2030	35,483	1,876	21	37,380
38	2031	33,940	1,793	21	35,754
39	2032	32,589	1,721	21	34,331
40	2033	31,350	1,652	21	33,023

Note:

(1) Before Energy Transition adjustment (excludes Community Expansion).

ENBRIDGE GAS INC.

Answer to Undertaking from
Environmental Defence (ED)

Undertaking:

Tr: 36

Enbridge to advise of any stakeholdering or information gathering associated with the CCI heat exchange report filed in this proceeding as Exhibit K2.2

Response:

No, Enbridge Gas did not participate in stakeholdering or information gathering for the Canadian Climate Institute (CCI) Heat Exchange Report, which is filed in this proceeding as Exhibit K2.2. Enbridge Gas did participate in a stakeholder session for the CCI project “The Future of Building Heat and the Natural Gas Network on the Path to Net Zero” in April of 2023.

ENBRIDGE GAS INC.

Answer to Undertaking from
School Energy Coalition (SEC)

Undertaking:

Tr: 104

Enbridge to provide metrics within the 2024 Enbridge Gas Inc. corporate scorecard.

Response:

Please see Attachment 1.

At Tr. Vol. 2 103, Mr. Rubenstein asked if customer connections were part of Enbridge Gas's growth capital metric on the 2022 GDS scorecard. Enbridge Gas would like to clarify that the growth capital metric measures EBITDA generated by securing organic growth projects and Mergers & Acquisitions and did not include customer connection growth.

2024 scorecard

		Year-end target		
		Doesn't meet	Meets	Exceeds
Enterprise Measures	**Weight**	**0x**	**1x**	**2x**
Enterprise Financial DCF/Share	**40%**	$5.40	$5.60	$5.80
Safety	**17.5%**			
Serious injury frequency (SIF) Total number of actual or potential people injury severity of 3+ per 200,000 employee and contractor hours worked.	5%	0.17	0.13	0.11
People not getting hurt (TRIF) Weighted sum of all workforce events with an actual or potential people injury severity of 3 or greater per 200,000 hours worked.	5%	0.39	0.33	0.30
Process Safety Performance (PSEF) The number of system safety events, based on the incident impact, divided by the length of operating pipelines.	7.5%	0.46	0.26	0.13
Project Performance	**10%**			
Cost vs. Budget Measures forecast/actual cost performance against approved budget at the start of the year on a total project cost at completion basis.	5%	+10%	On budget	-10%
Return Measures forecast portfolio return (weighted avg) of Board approved projects >$50M against Board approved return.	5%	-10%	Target	+10%
Emissions Represents progressive emissions reductions towards achieving our target of 35% before 2030.	**2.5%**	539 tCO_2e/PJ or 30%	516 tCO_2e/PJ or 33%	493 tCO_2e/PJ or 36%
Cyber Percent click rate (that fell victim to) in phishing compliance simulations.	**2.5%**	2.6%	2.4%	2.2%
DEI Increase in diverse employee representation as a % of our workforce.*	**2.5%**	1.5%	2%	2.5%
Business Unit Measure				
BU EBITDA	**25%**	-3%	2024 Budget	+3%
Total	**100%**			**2024 multiplier: XXx**

*All percentages or specific goals regarding inclusion, diversity, equity and accessibility are aspirational goals, which we intend to achieve in a manner compliant with state, local, provincial and federal law, including, but not limited to, U.S. federal regulations and Equal Employment Opportunity Commission, Department of Labor and Office of Federal Contract Programs guidance.

ENBRIDGE
Life Takes Energy

ENBRIDGE GAS INC.

Answer to Undertaking from
Canadian Manufacturers & Exporters (CME)

Undertaking:

Tr: 156

To advise as to whether in the event it was found that Enbridge Gas was benefitting financially in or a broad sense from the Lower-Carbon Voluntary Program, whether it should bear some of the incremental costs.

Response:

The proposed lower-carbon energy program (RNG Program), inclusive of the Lower-Carbon Voluntary Program (LCVP) for large volume sales service customers, will result in Enbridge Gas procuring renewable natural gas (RNG) as part of the gas supply portfolio. Under the proposed RNG Program, the RNG commodity costs will be passed through to customers consistent with OEB policy for natural gas commodity costs, and Enbridge Gas will not directly benefit financially from the program.

In the near term, RNG purchases proposed as part of the RNG Program will only account for up to 0.13% of total forecast throughput in 2026, and up to 1.0% of total forecast throughput in 2029. The RNG purchases are relatively small in scale and are aimed at facilitating customer choice and gaining initial experience with an access to the RNG market. The proposed RNG Program is not likely to lead to indirect benefits (as referenced in the hearing transcript) in the initial term. Benefit or energy transition risk reduction would appropriately be addressed through the assessment of overall business and financial risk of the Company, not on an individual proposal and accordingly, Enbridge Gas should not bear (or share) any of the incremental costs of RNG purchases under the RNG Program.

ENBRIDGE GAS INC.

Answer to Undertaking from
Pollution Probe (PP)

Undertaking:

Tr: 167

To provide information around the "Renewable Thermal Certificates" program.

Response:

The Midwest Renewable Energy Tracking Systems (M-RETS) are the creators and operators of the M-RETS Environmental Attribute Certificate (EACs) tracking platform, that tracks and manages the activity of a diverse variety of environmental attributes and other energy commodities, which includes Renewable Thermal Certificates (RTCs). M-RETS describes RTCs as a unique representation of the Environmental Attributes associated with the production and use of one dekatherm (Dth) of renewable thermal energy. RTCs can be generated from a variety of activities, including but not limited to biogas that is self-consumed on-site, RNG injected into a gas network, or geothermal or waste heat recovery systems. An engineering report prepared by a licensed Professional Engineer must be submitted for the creation of an RTC on the M-RETS RTC platform. For further information please see Attachment 1 “A Guide to M-RETS Renewable Thermal” published by M-RETS.

As provided at Tr. Vol. 2 167, lines 1 to 3, the specific federal and provincial regulations that Enbridge Gas’s use of RNG is covered by, include the federal Greenhouse Gas Pollution Pricing Act, Ontario’s Emissions Performance Standards Program and voluntary participation in the federal Clean Fuel Regulation, which do not require specific certifications, such as M-RETS, for the RNG to meet the provided definitions or be eligible for program participation. As noted on Tr. Vol. 2 165, lines 20 to 23, Enbridge Gas may purchase RNG where related certificates (e.g., RTCs) have been created, and should this occur, Enbridge Gas will retire the RNG-related certificates on behalf of its customers and will specify their inclusion in contract documents.

For further clarity, Enbridge Gas does not intend to separate (unbundle) RNG-related certificates from RNG purchases where they may exist. Also, Enbridge Gas does not intend to purchase unbundled RNG-related certificates only or RNG supply which has been unbundled or separated from RNG-related certificates. Enbridge Gas will consider RNG supplies that have not been registered on an environmental attribute platform, such as M-RETS (and therefore has not created RNG certificates which can be

separated), as including all environmental attributes (i.e. a bundled product) which Enbridge Gas will have rights to as specified in contract documents.

M-RETS
Renewable Thermal

A GUIDE TO M-RETS RENEWABLE THERMAL

In the realm of environmental attribute tracking, a Renewable Thermal Certificate (RTC) stands as a distinctive representation of the environmental attributes entwined with the generation and utilization of one dekatherm (Dth) of renewable thermal energy. At the forefront of facilitating this representation is the M-RETS platform, which champions the utilization of rigorously validated carbon intensity pathways. These pathways are meticulously calculated through the application of the following models: Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) (available in California Air Resources Board/Low Carbon Fuel Standard, OR, and WA versions), Greenhouse Gas Genius, and the International Sustainability and Carbon Certification (ISCC).

What sets M-RETS apart is its commitment to providing users with the ability to tailor their RTC claims with precision. Through the utilization of these established models, individuals and organizations can handpick carbon intensities that align precisely with their unique environmental goals and considerations. This personalized approach ensures that the retirement process of RTCs accurately reflects the distinctive attributes of each thermal energy source.

In a world increasingly focused on sustainability and environmental responsibility, the utilization of RTCs and the sophisticated models supporting them mark a significant step forward in promoting the use of renewable thermal energy sources. It not only acknowledges the diverse nature of renewable thermal energy but also empowers stakeholders to make environmentally informed choices, contributing to a greener, more sustainable future.

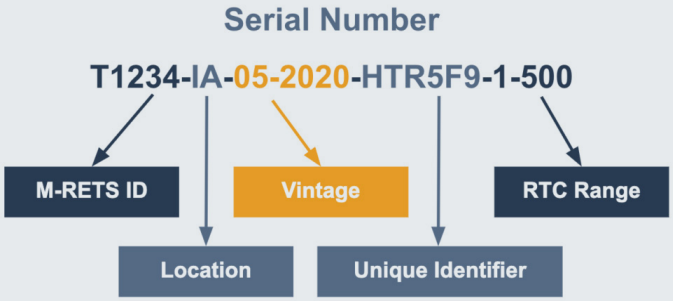
Anatomy of an RTC

Certificate details include:

- Serial number
- Account
- Project
- Thermal resource
- Feedstock
- Vintage
- Location
- Quantity

If applicable:

- Eligibilities
- Carbon pathways
- IRE verification



Why use the M-RETS Renewable Thermal (RTC) System?

The RTC Tracking System is a web-based tracking platform that supports existing markets by providing:

- Higher level of integrity through a verification and certification process for every dekatherm (Dth)
- Increased market transparency for counter parties and regulators
- Increase liquidity (both exchange-based and over-the-counter bilateral transactions)
- Scientifically validated carbon values to facilitate GHG reduction claims

M-RETS is a proven platform that has a long track record in commodity tracking among clean energy stakeholders. The State of WA and OR have designated M-RETS the compliance tracking system for their state clean fuel programs.

M-RETS RTC System Subscription Types

I'm looking to...

Upload RTC Generation	● ● ●
Hold RTCs	● ●
Transfer RTCs	● ●
Accept RTC Transfers	●
Withdraw RTCs	● ●
Retire RTCs	● ●
Retire RTCs for State RPS Compliance	
Create Accounts for my RTCs	● ●
Create Programs	●
Participate in Programs	● ●

● Generator Only | ● General Subscribers | ● Independent Reporting Entity

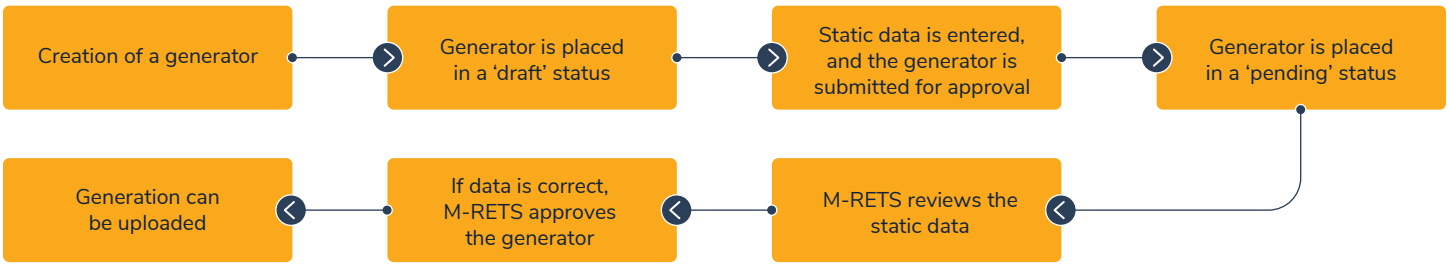
For a full list of **subscription options** and **prices**, please refer to the fees section of the M-RETS website.

Generator Registration

To register a Generator, users must complete the following:

1. A completed online generator registration form containing information related to the characteristics of the generating unit.
2. If applicable: A completed Schedule A from the M-RETS Terms of Use outlining the Generator Owner's Designation of Responsible Party.
3. M-RETS requires an Engineering Report, performed by a licensed PE. M-RETS may require additional documentation to verify the information submitted in the generator registration.
4. Determine if the generator will use an independent reporting entity (IRE).

Step-by-Step Generator Registration Process



Reporting Generation

To ensure that double counting does not occur M-RETS requires that 100% of generation is reported.

M-RETS facilitates the reporting of RTC qualified generation to issue RTCs not sold into a regulatory program (e.g., a state Low Carbon Fuel Standard ("LCFS") or the EPA Renewable Fuel Standard ("RFS") that may not use M-RETS).

Independent Reporting Entity (IRE)

Based off the California LCFS program, we require the use of an IRE if you want to register and sell RTCs into the LCFS or RFS program.

Self-Reporting

M-RETS allows generators to self-report generation data. Generation is reported via the user interface and M-RETS requires documentation to validate the quantity of generation reported.

Fuel Sources

M-RETS issues RTCs from a diverse array of fuel sources, including but not restricted to green hydrogen, renewable natural gas (RNG), and biogas. For a comprehensive list of feedstock resources, please refer to Appendix B: Resource Type & Feedstock Source within the M-RETS Renewable Thermal Operating Procedures.

Programs

Organizations can leverage certificates within vehicle fuels programs such as LCFS or RFS, contingent upon the official designation of M-RETS by the state program as an approved compliance tracking tool with the allowance for stacking. Additionally, M-RETS extends its eligibility to facilitate the establishment of state compliance programs using the M-RETS program feature.

What is M-RETS?

M-RETS is a nonprofit, mission-driven organization that aims to grow renewable energy and renewable gas generation markets through digital infrastructure. The central objective behind M-RETS' online platform is to enhance market transparency, elevate the credibility of transactions beyond traditional paper attestations, and deliver the intrinsic value and liquidity required to bolster renewable thermal projects.

ENBRIDGE GAS INC.

Answer to Undertaking from
Energy Probe Research Foundation (EP)

Undertaking:

Tr: 181

Enbridge to explain how customer engagement survey participants were selected and whether they were specifically asked a question about the $2 per month target.

Response:

In the third phase of the customer engagement process, Enbridge Gas invited residential and general service business customers to complete a workbook-style survey. Customer lists were pulled from the Enbridge Gas database of all customers. For residential customers, a random selection of customers with an email address in the database were invited by email to participate in the survey. For general service business customers, all those with an email address in the database were invited by email to participate in the survey. A description of the overall sample design is provided at EB-2022-0200 Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 225 to 226 for residential customers, and pages 306 to 307 for general service business customers.

The survey does not specifically ask about the maximum residential bill impact of $2 per month per target percentage of RNG as proposed with the program. However, the customer engagement measured customer interest in increasing the amount of RNG in the gas supply portfolio and the associated incremental bill impacts. The bill impacts, expressed in annual impacts in the customer engagement survey, range from $2.83/month for the option of 2% of RNG by 2030 to $11.31/month for the option of 8% of RNG by 2030. The survey tested the proportion of customers willing to pay a premium as part of their gas supply at varying levels. The premium built into the customer engagement survey equated to $1.41/month per target percentage of RNG. Enbridge Gas put forward the higher proposal of $2/month per target percentage of RNG partly based on the customer engagement survey results and partly based on the uncertainty of the net cost of RNG expected at the time of contracting. The customer engagement survey results are provided at EB-2022-0200 Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 293 to 295 for residential results, and pages 382 to 383 for general service business results.

ENBRIDGE GAS INC.

Answer to Undertaking from
London Property Management Association (LPMA)

Undertaking:

Tr: 186

To provide a breakout of the volume and customer numbers of small and large volume customers for (1) system gas customers and (2) direct purchase customers.

Response:

Please see Table 1.

Table 1
Annual Customer Count and Volumes for Large and Small Volume Customers

Line No.	Particulars	2025 Forecast[1] Average Customers	2025 Forecast[1] Volumes (10^3m^3)
		(a)	(b)
	Large Volume		
1	Sales Service	74,611	4,517,606
2	Direct Purchase	11,464	14,288,229
3	Total Large Volume	86,075	18,805,835
	Small Volume		
4	Sales Service	3,756,256	8,653,350
5	Direct Purchase	78,790	487,030
6	Total Small Volume	3,835,046	9,140,380
7	Total	3,921,121	27,946,215

[1] EB-2024-0111, Decision and Interim Rate Order for 2025 Rates, November 29, 2024.

ENBRIDGE GAS INC.

Answer to Undertaking from
Federation of Rental-housing Providers of Ontario (FRPO)

Undertaking:

Tr: 195

Enbridge to provide a process by which it would leave the RNG market if required to discontinue its participation with contracted RNG producers.

Response:

Enbridge Gas plans to enter into long-term contracts of varying term lengths for the procurement of renewable natural gas (RNG). The long-term nature of the contracts will commit the Company to RNG purchases for the duration of the contract term. Contract term length is one procurement consideration when negotiating an RNG contract. A shorter-term contract length will have preference over a longer-term contract length in the evaluation of RNG bids if all other contract terms are the same.

Should the Lower-Carbon Voluntary Program (LCVP) be discontinued, the RNG volumes associated with contracts with remaining term would be included in the gas supply commodity portfolio until the end of the contract terms or until other arrangements are made to end the contract.

Enbridge Gas will seek to negotiate contract terms that would 1) permit the Company to assign the contract to an acceptable third-party, and 2) allow for termination of the contract prior to the end of the contract term upon mutually acceptable terms. Enbridge Gas acknowledges that further OEB approval may be required for the Company to assign an RNG supply contract to a third-party.

To minimize the impact on customers in the event Enbridge Gas were required to discontinue the RNG supply option for customers, Enbridge Gas would make reasonable efforts to mitigate the cost to customers through the negotiated contract terms.

ENBRIDGE GAS INC.

Answer to Undertaking from
Federation of Rental-housing Providers of Ontario (FRPO)

Undertaking:

Tr: 199

Enbridge to confirm whether non-utility storage would have those costs streamed also for company use gas for non-utility storage.

Response:

Enbridge Gas confirms that the allocation of company use gas (UFG, compressor fuel and own use gas) to the utility and non-utility business is priced using the utility reference price. Therefore, the non-utility business will contribute to the recovery of RNG costs.

ENBRIDGE GAS INC.

Answer to Undertaking from
Commissioner Moran

Undertaking:

Tr: 37

Enbridge to provide further explanation as to the environmental and decarbonization attributes that can be achieved through the acquisition and use of RNG, both in terms of emissions reduction and in terms of CFR credits, explain how these are not inconsistent, and to provide an illustrative example; or, to describe how many ways the decarbonization attribute can be used to reduce greenhouse gas emissions.

Response:

Enbridge Gas conducts its business, and more specifically its treatment of RNG, in accordance with the rules, regulations and policies as set out by the government and other regulating agencies. An overview of the provincial and federal regulations that apply to the environmental attributes and decarbonization claims of RNG in Ontario is provided below, which includes Canada's Clean Fuel Regulation (CFR), Canada's Greenhouse Gas Pollution Pricing Act (GGPPA), and Ontario's Emission Performance Standards (EPS) Regulation.

Canada's Clean Fuel Regulation

The purpose of the CFR is to reduce the carbon intensity of liquid fuels used in Canada. This goal is achieved by requiring liquid fuel primary suppliers (defined in the CFR as producers or importers of liquid fuels) to reduce the carbon intensity (CI) of the gasoline and diesel they produce in or import into Canada according to CI reduction targets set in regulation beginning in 2023 and out to 2030.[1] As enacted, the CFR does not directly regulate GHG emissions (quantified on a tonnes of CO2e/year basis) from facilities located within Canada, but rather the carbon intensity of gasoline and diesel consumed within Canada.

Primary suppliers of gasoline and diesel achieve compliance with the CFR through the acquisition and submission of compliance credits to Environment and Climate Change Canada (ECCC). CFR compliance credits may be generated directly by a primary supplier where they take actions within the gasoline or diesel lifecycle; however, to

[1] The Government of Canada. July 6, 2022. Clean Fuel Regulations. Regulatory Impact Analysis Statement. Canada Gazette, Part II, Vol. 156, No. 14, p. 2859.

increase compliance options and flexibility, ECCC has allowed CFR compliance credits to also be generated voluntarily by entities who are outside of the gasoline and diesel lifecycle and not subjected to the CFR (defined in the CFR as registered creators), which are then sold to a primary supplier.

As noted in the Regulatory Impact Analysis Statement for the CFR "The Regulations allow for credit creation opportunities, even if a given project generates credits in another program (e.g. federal or provincial offset programs)".[2]

In summary, low-CI fuels supplied to the Canadian market can generate CFR credits, including:

- Fuels that are used to comply with other federal and provincial programs.[3]
- Eligible low-CI fuels supplied for end uses outside of transportation, including RNG.[4]

Canada's Greenhouse Gas Pollution Pricing Act

The GGPPA came into force on June 21, 2018, and consists of Part 1 "Fuel Charge" and Part 2 "Industrial Greenhouse Gas Emissions". Pursuant to Part 1 of the GGPPA, Enbridge Gas applies the Federal Carbon Charge (FCC) on the natural gas it distributes to its customers and on an annual basis seeks approval for the application of the FCC rates.[5]

As provided at Phase 2, Exhibit 4, Tab 2, Schedule 7, page 31, para 76, the proportion of RNG contained in the natural gas supply is subtracted from the calculation of the fuel charge amount payable by Enbridge Gas, and therefore the FCC does not apply to RNG volumes. Enbridge Gas also notes that, unlike the CFR, the GGPPA does not differentiate between types of RNG or consider the CI of the RNG. The definition of RNG as provided in the GGPPA is "a substance that is derived entirely from biological matter available on a renewable or recurring basis and that is primarily methane". The GGPPA also does not identify environmental attributes that are required for RNG to be exempt from the FCC, nor does it prohibit the recognition of RNG to create environmental attributes or in providing decarbonization claims in other voluntary or government regulated programs. This means that a volume of RNG that avoids the FCC can also be used to generate compliance credits in the federal CFR. While it is unlikely that a facility would be regulated under Part 1 of the GGPPA and the federal CFR, compliance credits attached to a volume of RNG combusted at a facility that is not a

[2] The Government of Canada. July 6, 2022. Clean Fuel Regulations. Regulatory Impact Analysis Statement. Canada Gazette, Part II, Vol. 156, No. 14, p. 2979.
[3] Ibid.
[4] Ibid, p. 2735.
[5] EB-2024-0251, 2025 Federal Carbon Pricing Program (FCPP) Application https://www.rds.oeb.ca/CMWebDrawer/Record/866609/File/document

Primary Supplier under the CFR can be sold to a Primary Supplier, who would then retire the credits to meet their CFR compliance obligation.

Part 2 of the GGPPA was implemented on January 1, 2019, and established a carbon pricing system for industrial facilities, described under the Output-Based Pricing System Regulations (OBPS). The OBPS sets annual emissions limits that facilities must meet. Where facilities exceed the annual emissions limit, they are responsible for paying to cover the excess emissions. On September 1, 2021, the GGPPA was amended to remove Ontario from Part 2 of Schedule 1 of the GGPPA, enabling Ontario's EPS Regulation to replace the federal OBPS in Ontario, effective January 1, 2022. Fuels supplied to entities that are covered under the Ontario EPS Regulation are not subject to Part 1 of the GGPPA (i.e., fuels are delivered absent the FCC).

Ontario's Emissions Performance Standards

The purpose of Ontario's EPS Regulation (Ontario Regulation 241/19) is to reduce GHG emissions from large industrial facilities, defined as facilities emitting over 50,000 tonnes of CO2e/year. The EPS also allows for voluntary participation by facilities that emit over 10,000 tonnes of CO2e/year[6]. The EPS sets an emission limit that industrial facilities must meet each year starting with 2022, which becomes stricter over time and therefore requires facilities to reduce emissions or pay for excess emissions.

The EPS Regulation was amended in March 2024, subsequent to the enactment of the CFR in 2022, to allow facilities subject to or participating in the EPS (defined in the EPS Regulation as an EPS covered facility) to use RNG delivered by a non-dedicated pipeline to reduce facility GHG emissions.[7] Section ON.23.1 (a) (1) and (2) of the Guideline for the Quantification, Reporting and Verification of Greenhouse Gas Emissions[8] for the EPS provide the criteria that must be met for RNG to be used to reduce GHG emissions calculated in the EPS Regulation, which are: (1) RNG contracts must stipulate the final destination is the EPS facility, and (2) RNG transfer records must show that the source of RNG is in Ontario, and RNG transport with a contiguous record of custody transfer. Beyond meeting the definition of RNG as provided in the EPS[9], no further criteria or prohibitions govern the use of RNG for the purposes of reducing GHG emissions within the EPS. This means that a volume of RNG that is used

[6] The Government of Ontario. The Emissions Performance Standard Program. Emissions Performance Standards program | ontario.ca
[7] O. Reg. 390/18 GREENHOUSE GAS EMISSIONS: QUANTIFICATION, REPORTING AND VERIFICATION | ontario.ca, section 12(2) (see parameter F in the formula).
[8] The Government of Ontario. Guideline for the Quantification, Reporting and Verification of Greenhouse Gas Emissions. Guideline for QRV of GHG Emissions March 2024 (EN). p.74.
[9] The EPS defines RNG as follows: "renewable natural gas" means gas that has been produced from biomass and that has been added into a natural gas pipeline system in Ontario.

to reduce the GHG emissions of an EPS covered facility can also be used to generate compliance credits in the federal CFR.

It should be noted that the EPS calculates emissions, or the avoidance of emissions, based on end-use combustion of fuels and does not use lifecycle emissions or CI to calculate annual emissions. As such, the reduction in annual GHG emissions from the use of all types of RNG is equal under the EPS. Enbridge Gas does not consider it appropriate to apply a dollar per tonne lifecycle emission reduction as evaluation criteria on RNG purchases, since this approach to valuing RNG is likely to be misaligned with how customers subject to the EPS or other voluntary reporting programs may value or assess their RNG purchases.

Enbridge Gas notes that some facilities in Ontario may be regulated under both Ontario's EPS Regulation and the federal CFR, though the number of facilities is likely to be smaller than those only covered by the EPS Regulation. Compliance credits attached to a volume of RNG combusted at a facility that is not a Primary Supplier under the CFR can be sold to a Primary Supplier, who would then retire the credits to meet their CFR compliance obligation.

As demonstrated above, the same volume of RNG can be used concurrently under either Part 1 of the GGPPA or the EPS regulation and to generate a compliance credit in the federal CFR. Please see Exhibit J3.2 for examples from other jurisdictions on how RNG is recognized concurrently under multiple government regulated compliance programs.

Table 1 provides customer scenarios of how RNG may be used or recognized under the CFR, GGPPA and EPS programs.

Table 1
Customer RNG Procurement and Use Scenarios

Line No.	Gas Supply Arrangement	CFR Primary Supplier	EPS Covered Facility	Customer RNG Procurement and Use	Use of Environmental Attributes and Decarbonization Claims
1	Direct Purchase	Yes	Yes	• Purchases RNG directly from the RNG producer bundled with CFR credits. • Combusts RNG in a refinery facility located in Ontario.	• Customer reports end-use of RNG in EPS program, reducing direct GHG emissions. • Customer remits CFR credits to ECCC to satisfy compliance obligation under CFR. • FCC is not applied to natural gas deliveries (EPS covered facilities are exempt).

Line No.	Gas Supply Arrangement	CFR Primary Supplier	EPS Covered Facility	Customer RNG Procurement and Use	Use of Environmental Attributes and Decarbonization Claims
2	Direct Purchase	No	Yes	• Purchases RNG directly from the RNG producer bundled with CFR credits. • Combusts RNG in non-refinery facility in Ontario.	• Customer reports end-use of RNG in EPS program, reducing direct GHG emissions. • Customer sells the CFR credits to a primary supplier, who will remit them to ECCC to satisfy the primary supplier's compliance obligation under CFR. • FCC is not applied to natural gas deliveries (EPS covered facilities are exempt).
3	System Supply	No	Yes	• Purchases RNG without CFR credits through the LCVP[10] • Combusts RNG in a non-refinery facility in Ontario.	• Customer reports end-use of RNG in EPS program, reducing direct GHG emissions. • Enbridge Gas sells the CFR credits to a primary supplier, who will remit them to ECCC to satisfy the primary supplier's compliance obligation under CFR. • FCC is not applied to natural gas deliveries, (EPS covered facilities are exempt).
4	System Supply	No	No	• Purchases RNG without CFR credits through the LCVP • Combusts RNG in a facility not covered in the EPS in Ontario.	• Customers may report RNG use in voluntary emissions reporting programs • Enbridge Gas sells the CFR credits to a primary supplier, who will remit them to ECCC to satisfy the primary supplier's compliance obligation under CFR. • Natural gas deliveries to the customer will be subject to the FCC, with RNG volumes being exempt.

[10] LCVP means Enbridge Gas's proposed Lower-Carbon Voluntary Program.

For further clarity, under scenario 2 (Table 1, line 2), the primary supplier purchasing the CFR credit would not realize or claim a facility emission reduction (within the EPS or other provincial emissions reporting programs), as the CFR credit can only be used within the CFR as a compliance instrument to satisfy the primary supplier's obligation.

Under scenario 3 and 4 (Table 1, lines 3 and 4), Enbridge Gas will return the revenue from the CFR credit sales to customers proportionate to RNG consumption through the CFR Credits Deferral Account.

ENBRIDGE GAS INC.

Answer to Undertaking from
Commissioner Moran

Undertaking:

Tr: 40

Enbridge to provide an example of multiple credits for the same volume of RNG.

Response:

Similar to the ability to generate credits related to RNG production under the federal Clean Fuel Regulation (CFR) and use the same volume of RNG for compliance under Ontario's Emission Performance Regulation (EPS) as described at Exhibit J3.1, Enbridge Gas is aware of several other jurisdictions where the singular use of RNG is concurrently recognized under multiple government regulated compliance programs, which is often referred to as "stacking" of credits. Examples from California, British Columbia, and Québec are provided below.

1) California:

   The California Low-Carbon Fuel Standard Program (Ca LCFS) was approved in 2009 with the goal of reducing the carbon intensity of transportation fuels. RNG used in compressed natural gas (CNG) vehicles (described as bio-CNG) is eligible to create compliance instruments (LCFS credits) in the Ca LCFS Program.[1]

   In 2005, the U.S. Federal Renewable Fuel Standard (RFS) Program was created that requires specific annual volumes of renewable fuels to be used to replace fossil fuels used in transportation. RNG used in CNG vehicles is eligible to create compliance instruments, known as Renewable Identification Numbers (RINs) under the RFS Program.[2]

   The Ca LCFS and RFS regulations allow for RNG used in CNG vehicles in California to participate in both programs simultaneously. The U.S. Environmental Protection Agency has recognized that the eligibility of RNG in both the RFS and Ca LCFS programs has contributed to a significant increase in the usage of RNG in the transportation sector, stating "Since 2014 when

[1] LCFS Basics with Notes
[2] Approved Pathways for Renewable Fuel | US EPA

CNG/LNG derived from biogas was determined to qualify as cellulosic biofuel in the RFS Program, the quantity of this fuel used with the incentives of both programs (RFS and California's LCFS) has increased dramatically." [3]

2) British Columbia:

In 2021, the British Columbia (BC) government released the CleanBC Roadmap to 2030, which signals that natural gas utilities may be required to reduce GHG emissions from natural gas usage by approximately 47 percent by 2030 (from 2007 levels). RNG has been identified as an option for natural gas utilities to lower the GHG emissions from the use of the natural gas they distribute.[4] Additionally, The CleanBC Roadmap to 2030 seeks to increase the stringency of the BC Low Carbon Fuel Standard (BC LCFS) program, first introduced in 2008. Natural gas utilities in BC also have the opportunity to create compliance instruments in the BC LCFS program where they dispense RNG into CNG vehicles[5], as has been carried out by FortisBC[6]. As provided in Exhibit J3.1, RNG is also eligible to create compliance instruments (CFR credits) in the Canadian Federal Clean Fuel Regulation (CFR) that came into force in 2022. Credit market participants, such as Rewatt Power[7] and 3Degrees[8] have recognized the ability to create both CFR credits and BC LCFS credits from a singular activity occurring within BC and provide consulting services to assist project or asset owners to realize these opportunities. The following example is provided from Stillwater Associates: [9]

> **For the Canadian market specifically:** The BC-LCFS CI reduction targets are more aggressive than the Canadian CFR's, so the two programs should not experience conflict or onerous complications for fuel suppliers. The ability to stack credits between the BC-LCFS and the federal CFR program adds more value to fuels sold in the B.C. market. The additive value of the BC-LCFS should incentivize low-CI fuels to flow to B.C. if the BC-LCFS values exceed the logistics costs.

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[3] United States Environmental Protection Agency. 2022. Renewable Fuel Standard (RFS) Program: Standards for 2023–2025 and Other Changes. Page 46, https://www.epa.gov/system/files/documents/2022-12/rfs-set-rule-nprm-2022-11-30.pdf
[4] Government of British Columbia. 2021. cleanbc_roadmap_2030.pdf
[5] FortisBC. 2019. Renewable Natural Gas now part of the Low Carbon Fuels Standard. Website visited on January 10, 2025.
[6] Ministry of Energy, Mines and Low Carbon Innovation. 2024. Approved Carbon Intensities – Current.
[7] Rewatt Power. Credits to ignite explosion of public EV chargers across Canada. Website visited on January 10, 2025.
[8] Electric Autonomy Canada. Unlocking revenue from Canada's clean fuel regulation program. Website visited on January 10, 2025. Unlocking revenue from Canada's clean fuel regulations program
[9] Stillwater Associates. BC-LCFS 101. Website visited on January 10, 2025. BC-LCFS 101 | Stillwater Associates

3) Québec:

RNG consumed within Québec may be simultaneously recognized for three different purposes: to satisfy natural gas distributors' requirements to distribute renewable gas; to lower the cap-and-trade obligation for natural gas distributors; and for its ability to create CFR credits.

Within Québec, natural gas utilities are subject to the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances[10] (Cap and Trade Regulations) and Regulations respecting the quantity of renewable natural gas by a distributor[11] (i.e., Quebéc's renewable gas blend mandate). The Government of Québec has recognized that the obligation to provide for the distribution of RNG by natural gas utilities in Quebéc represents a potential opportunity to reduce 1.2 million tonnes of CO_2e per year by 2030.[12]

Enbridge Gas understands that natural gas utilities in Québec are also eligible to obtain and sell RNG related CFR credits, while simultaneously satisfying their obligation to distribute RNG, which then also reduces their GHG emissions under the Cap-and-Trade Regulations. Enbridge Gas's understanding is based on the following (machine translated) statements provided by Énergir (formerly Gaz Métro):

> The Regulation respecting cap-and-trade system for greenhouse gas emission allowances already provides for concept of "fuels and motive fuels", which excludes the portion of biofuels that make up these fuels. RNG is therefore not a fuel within the meaning of this regulation and no GHG emissions attributable to its use are reported to the Minister of Sustainable Development, the Environment and the Fight Against Climate Change.[13]
>
> 2.5 REGULATORY COHABITATION BETWEEN THE [CFR] AND THE [Cap and Trade System]
> On the one hand, the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (RDOCECA) recognizes that emissions related to RNG are tiny compared to those of traditional natural gas[51]. These avoided GHG emissions through the consumption of RNG instead of traditional natural gas are captured in the annual declaration of the

[10] Légis Québec. October 2024. Regulation respecting a cap-and-trade system for greenhouse gas emission allowances. Q-2, r. 46.1 - Regulation respecting a cap-and-trade system for greenhouse gas emission allowances
[11] Légis Québec. October 2024. Regulation respecting the quantity of gas from renewable sources to be delivered by a distributor.
[12] Government of Quebec. December 5, 2023. Assessment of the operating parameters of the Cap-and-Trade System, Pre-consultation. Joint webinar - Assessment of the operating parameters of the Cap-and-Trade System – December 5, 2023
[13] Gaz Métro. 2018. Mesures relatives à l'achat et la vente de gaz naturel renouvelable, R-4008-2017. Page 52. R-4008-2017-B-0022-DemAmend-PieceRev-2018_02_09.pdf

emitter subject to this regulation. Total actual emissions in Quebec are thus counted and are part of the Quebec inventory of greenhouse gas emissions published annually by the Government of Quebec.

On the other hand, the [CFR] allows for the creation of [compliance units] in the gaseous fuel category from RNG when it replaces traditional natural gas, in this case by Énergir, if it is registered as a registered creator, imports RNG into Canada or has signed a [compliance unit] creation agreement with RNG producers in Canada.

Énergir therefore questioned whether there was an issue attributable to a potential double counting of the same GHG emission reductions. Énergir had discussions with the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP) and with ECCC, in the fall of 2022, on this subject and the responses obtained allow it to confirm that there will be no issue of double counting of the same reductions from RNG. In return, there will be an additional valuation created from the [RNG] with the [CFR]. This monetary value will in fact be added to the avoided cost of the [Cap and Trade System] resulting from the use of [RNG] instead of traditional natural gas. [14]

[14] Energir. August 3, 2023. Mesures relatives à l'achat et à la vente de gaz naturel renouvelable, R-4008-2017. Pages 19 -20. R-4008-2017-B-0954-DemAmend-PieceRev-2023_08_03.pdf

ENBRIDGE GAS INC.

Answer to Undertaking from
Commissioner Moran

Undertaking:

Tr: 41

Using 2023 data, Enbridge to provide a bang-for-the-buck decarbonization comparison with other programs that reduce the consumption of natural gas to reduce GHG emissions, and efficiencies, showing the relative advantage of the programs.

Response:

Please see Table 1 for a comparison of the emission reduction costs using the low to high incremental cost of renewable natural gas (RNG) as estimated for the Lower-Carbon Voluntary Program (LCVP), as compared to the 2023 Demand Side Management (DSM) Program.

Table 1
Comparison of Emission Reduction Costs by Program

Line No.	Program	Year	Cost of Emission Reduction Low – High RNG Estimates ($/tCO$_2$e) (1)
1	LCVP	2026	140.40 – 420.80
2	LCVP	2027	125.60 – 406.00
3	LCVP	2028	111.00 – 391.40
4	LCVP	2029	96.40 – 376.80
			DSM Results ($/Net Cumulative tCO$_2$e) (2)
5	DSM Residential	2023	67.38
6	DSM Commercial	2023	32.40
7	DSM Industrial	2023	15.18
8	DSM Large Volume	2023	12.25
9	DSM Low-Income	2023	94.52

Notes:

(1) As provided in Exhibit I.4.2-ED-48, part a) Table 1, column (e), lines 1 to 8.
(2) As provided in Exhibit I.4.2-ED-48, part c) Table 2, column (d), lines 1 to 5.

As provided at Exhibit I.4.2-ED-48, part a), Table 1, the dollar per tonne of carbon dioxide equivalents ($/t$CO_2$e) cost of reducing GHG emissions through the use of RNG as part of the LCVP is based on the incremental unit cost of RNG divided by the GHG emission reductions from a unit of RNG.

As provided at Exhibit I.4.2-ED-48, part c), Table 2, the dollar per net cumulative tonne carbon dioxide equivalents cost of reducing GHG emissions from DSM programs is expressed as the 2023 DSM program spend divided by total cumulative (lifetime) avoided GHG emissions from DSM measures implemented in 2023.

While Table 1 outlines the cost of reducing GHG emissions via the LCVP and DSM programs, the costs are not directly comparable. This is because the DSM program spend represents the utility costs of delivering the DSM Program, but it does not include the DSM portfolio level costs or the costs and/or savings experienced by participating customers.

Enbridge Gas notes that the main objective of the Company's Demand Side Management (DSM) programs is to reduce natural gas throughput and aid customers in making their homes and businesses more efficient in order to help lower natural gas bills.[1] DSM also contributes to the broader policy objective of reducing GHG emissions as a secondary benefit.

The LCVP is being proposed specifically as a means for customers to reduce their GHG emissions. Enbridge Gas considers the advantages of using RNG to reduce GHG emissions as follows: it enables a reduction of GHG emissions without having to make capital investments for building or equipment changes; it can reduce natural gas related emissions by up to 99.5% on an end-use basis; and LCVP participants have the ability to select an amount of RNG supply in accordance with their budgets.

[1] EB-2021-0002, Decision and Order, Ontario Energy Board, November 15, 2022, Natural Gas Demand Side Management Framework, Schedule E, p.1.