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June 5, 2025

Ritchie Murray Acting Registrar Ontario Energy Board 2300 Yonge Street, P.O. Box 2319 Toronto ON, M4P 1E4

Dear Mr. Murray,

RE: EB-2025-0064 Enbridge Gas Inc. Rebasing Application Phase 3 Energy Probe Interrogatories

Attached are the interrogatories of Energy Probe Research Foundation (Energy Probe) to Enbridge Gas on its evidence in the EB-2025-0064 Enbridge Gas Inc. Rebasing Application Phase 3. Energy Probe wants to compliment Enbridge Gas on its well written and thorough evidence. As a result, Energy Probe has only a few interrogatories.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi TL Energy Regulatory Consultants Inc.

cc. Patricia Adams (Energy Probe)
Michael Millar (OEB Staff)
Khalil Viraney (OEB Staff)
Regulatory Proceedings (Enbridge Gas Inc.)
Intervenors of Record

# EB-2025-0064 Enbridge Gas Inc. Rebasing Application Phase 3

# **Energy Probe Interrogatories**

### 1.6 -Energy Probe-1

Reference: Exhibit 1, Tab 6, Schedule 1, Page 1, "Customer Engagement"

#### **Ouestion:**

How can Enbridge satisfy the OEB that survey participants were randomly selected and that survey results statistically significant. Please discuss.

## 1.6-Energy Probe-2

**Reference:** Exhibit 1, Tab 6, Schedule 1, Page 3, Table 2, "Customer Engagement Results of General Service Rate Design Choices"

**Preamble:** "Customer results varied by rate zone, with customers who benefitted from the changes generally supporting one rate zone, while those who did not benefit preferring to leave it as is."

#### **Ouestions:**

- a) Were survey participants informed of a potential increase of \$51.89 (or 4.5% of total bill) for a Rate M1 customer in the Union South rate zone?
- b) Please explain how Enbridge considered the preference of customers who did not benefit from the proposed changes and preferred to leave it as is.

### 7.0 -Energy Probe-3

**Reference:** Exhibit 7, Tab 0, Schedule 1, Page 1, Paragraph 2 **Preamble:** "The Rate Harmonization Plan will provide for a

consistent customer experience across the Company's franchise area while also minimizing administrative challenges of managing the complexities that exist in the Company's current state. Under one rate zone, customers will pay similar charges for similar services regardless of their location in the franchise area and ensures no one customer, industry or corporation has an advantage relative to others based on their location within the province."

**Question:** Does the quoted text list all the objectives of the Rate Harmonization Plan or are there any other objectives?

### 7.0 -Energy Probe-4

Reference: Exhibit 7, Tab 0, Schedule 1, Page 6, Paragraph 15

**Preamble:** "The gas supply charges, including gas supply commodity, transportation and load balancing, are separated based on how each rate zone is served, with the Union North West primarily served from Western Canada gas supply at Empress and the Union North East primarily served from gas supply at Dawn."

**Question:** Is there a possibility that how each rate zone is served may change in the future? Please discuss.

## 7.0-Energy Probe-5

Reference, Exhibit 7, Tab 0, Schedule 1, Page 19, Paragraph 44

**Preamble:** "A one rate zone approach based on postage stamp rate making solves these challenges and has significant additional benefits, such as providing a consistent experience for all customers as well as the administrative simplicity that results for the Company, the OEB, and other stakeholders. These benefits would come later in the IR term after the implementation of the new harmonized rate classes."

### **Questions:**

- a) Would "administrative simplicity" result in customer care including billing system cost savings?
- b) If the proposed one rate zone approach is approved by the OEB would Enbridge reduce its O&M expenses and by how much?

### 8.2-Energy Probe-6

Reference: Exhibit 8, Tab 2, Schedule 3, Page 16, Paragraph 37

**Preamble:** "Additionally, the SFVD rate design alternative provides a number of characteristics that could help manage changes in customer behaviour that may materialize over time as a result of energy transition."

**Question:** Over the last decade, many Enbridge residential customers have started using tankless water heaters. Would the SFVD rate design make tankless water heaters less attractive?

#### 8.2-Energy Probe-7

Reference: Exhibit 8, Tab 2, Schedule 3, Page 26, Paragraph 61

**Preamble:** "Individual customer total bill analysis further indicates that customers experiencing the largest bill increases are predominantly those with the lowest (individual) revenue to cost ratio at present, which refers to customers who under the current rate design recover the least amount of cost incurred to serve them (i.e. they pay less than what it costs to serve them)."

**Question:** "How will the customers with hybrid heating systems that only use gas heating on coldest days be affected by the SFVD rate design?

# 8.2-Energy Probe-8

Reference: Exhibit 8, Tab 2, Schedule 3, Page 30, Paragraph 74

**Preamble:** "In order to implement SFVD rate design, Enbridge Gas will need to accommodate changes to its billing system to introduce design demand billing determinant. Further, SFVD rate design requires a platform to derive design demand for each general service customer and to manage exceptions using automated protocols. The Company has determined it will utilize the Azure platform to derive design demands for its general service customers and to manage exceptions."

#### **Questions:**

- a) What is the cost estimate of the implementation of the SFVD rate design?
- b) Was the cost of implementation of SFVD rate design considered in the decision by Enbridge to propose it in this application? Please discuss.

# 9.1-Energy Probe-9

Reference: Exhibit 9, Tab 1, Schedule 3, Page 3, Paragraph 8

**Preamble:** "Rate harmonization is proposed to be implemented in 2027 as part of the Rate Harmonization Plan."

## **Questions:**

- a) Does the sentence quoted in the preamble indicate that the Rate Harmonization Plan will be implemented on January 1, 2027 or on some other date in that year?
- b) Is Enbridge requesting OEB approval in this proceeding to implement RHVA on the same day in 2027?

## 9.1-Energy Probe-10

Reference: Exhibit 9, Tab 1, Schedule 3, Page 4, Paragraph 9

**Preamble:** In lieu of adjusting the customer forecast, the Company is requesting the RHVA as a fair and equitable approach, as opposed to setting the forecast for the harmonized rate classes based on assumptions about customer choice.

#### **Questions:**

a) Please conform that RHVA will be symmetrical and that its disposition may result in a credit or a debit to customers.

b) Considering that the variance recorded in the account will be due to a customer switching from one rate to another rate, how will the balance in the RHVA be allocated to the two rate classes on disposition?

# 9.1-Energy Probe-11

Reference: Exhibit 9, Tab 1, Schedule 3, Page 4, Paragraph 10

**Preamble:** "Enbridge Gas will record differences in annual revenue, exclusive of gas costs, in the RHVA based on customers that switch rate classes as a result of the implementation of the Rate Harmonization Plan."

### **Ouestion:**

How will Enbridge differentiate between customers that have switched rate classes because of the implementation of the Rate Harmonization Plan and those that have switched rate classes for other reasons?