Shepherd Rubenstein

BY EMAIL and RESS

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2300 Yonge Street
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June 5, 2025
Our File: EB20250064

Attn: Ritchie Murray, Acting Registrar

Dear Mr. Murray:

Re: EB-2025-0064 – Enbridge Gas Inc. 2024-28 Phase 3 – SEC Interrogatories

We are counsel to the School Energy Coalition ("SEC"). Enclosed, please find SEC's Phase 3 interrogatories in this matter.

Yours very truly,
Shepherd Rubenstein P.C.

Mark Rubenstein

cc: Brian McKay, SEC (by email)
Applicant and intervenors (by email)

EB-2025-0064

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule. B);

AND IN THE MATTER OF an Application by Enbridge Gas Inc., pursuant to section 36(1) of the *Ontario Energy Board Act, 1998,* for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2024.

PHASE 3 INTERROGATORIES TO

ENBRIDGE GAS INC. ("ENBRIDGE")

ON BEHALF OF THE

SCHOOL ENERGY COALITION

1.6-SEC-1
[Phase 3, 1-6-1] Please provide a copy of the survey scripts and workbooks that were provided to General Service customers as part of the customer engagement, relevant to cost allocation and rate design.

1.6-SEC-2
[Phase 3, 1-6-1, Attachment 1, p.6] With respect to the Summary of Rate Design Topics – General Service Customers:

a. [p.6, p.26] How does Innovative define "small" versus "medium-large" businesses, and how does it further define "low" and "high" consumption for medium-large businesses?
b. [p.41-44] The report provides a selection of quotes from customer responses. Please provide a copy of all responses to any open-ended questions, along with the customer type (residential, small business, medium-large business) and their respective rate zone.

1.6-SEC-3
[Phase 3, 1-6-1] Please provide specific references to all customer engagement that was undertaken regarding the proposal to move to a SFVD rate design, including the methodology used to determine a customer's design day demand.

2.5-SEC-4
[Phase 3, 2-5-5, p.7] With respect to Figure 7:

a. Please provide a version of the figure in tabular format.
b. Please provide a similar figure, using the same categories, based on the Phase 1 Capital Update planned spending through the end of the rate term. Please provide in tabula format.

2.5-SEC-5
[Phase 3, 2-5-5, p.12] Please explain the variance between the Phase 1 DRO 2024 amount and the 2024 actuals.

2.5-SEC-6
[Phase 3, 2-5-5, Attachment 1] Using the same asset class categories, please provide a table that shows most recent forecast of capital spending for each year between 2025 and 2028.

2.7-SEC-7
[Phase 3, 2-7-2, p.9] With respect to AMI, Enbridge states: "Once the necessary preparatory investigations and analysis are complete as part of the POC, Enbridge Gas will consider all results and findings in developing a plan for large scale AMI implementation in Ontario."

a. Is Enbridge saying that it will (or at least highly likely) to develop a plan for large scale AMI implementation?
b. When does Enbridge believe the earliest it would reasonably be in a position to begin deployment of large-scale AMI metering in Ontario?

7.0-SEC-8
[Phase 3, 7-0-1; 8-2-9, Attachment 10, p.6] Under Enbridge's proposed rate harmonization approach, Union South general service customers will face a significant increase in delivery charges due to the move to a single rate zone which is being implemented as a result of the amalgamation of EGD and Union. Please explain how these customers have not been harmed by the amalgamation.

7.0-SEC-9
[Phase 3, 7-0-1, p.52] Please expand Table 11 to include all rate classes.

7.1-SEC-10
[Phase 3, 7-0-1, p.52; Phase 1 7.1-SEC-209] Please provide further explanation regarding what specifically are the third-party transportation contracts that are held by Enbridge that serve all customers.

7.1-SEC-11
[Phase 3, 7-3-1, Attachment 11, p.11-14; P3.7.3.1_2024_Cost Study_Live_2025_20250228, Tab 'Allocation Factors'] Please provide the underlying calculations used to derive the allocation factors.

7.1-SEC-12
[EB-2024-0200, JT 3.6] With respect to the allocation of costs of the St. Laurent pipeline:

a. Please confirm that Gazifère, an Enbridge affiliate distributor that serves the Gatineau area in Quebec, makes up 28.1% of the peak-hour design day demand on the St. Laurent Pipeline.
b. What current rate class and proposed harmonized harmonized rate class is Gazifère served.
c. For each rate class listed in part (b), what is the respective allocation of St. Laurent pipeline costs (both the existing asset and after the construction of project approved in EB-2024-0200 when it is included in dates) both allocated to the class as a whole and specifically to Gazifère.
d. Please explain why the allocation set out in part (c) to Gazifère is fair considering its share of peak-hour design day.

8.1-SEC-13
[Phase 3, 8-1-4, p.5] How did each of EGD and Union previously set its monthly customer charge for its general service rate classes? Using that methodology/approach, what would the E01 and E02 monthly customer charges be? Please provide all supporting calculations.

8.2-SEC-14
[Phase 3, 8-2-3, p.7] Please provide the retainer and all other written instructions provided to Christensen Associates.

8.2-SEC-15
[Phase 3, 8-2-3, p.24] Please explain why Enbridge did not consider as part of its traditional volumetric rate structure option, delivery rates set on a block basis, as is currently done. If it had, what would the rates be? Please provide all supporting calculations.

8.2-SEC-16
[Phase 3, 8-2-3] With respect to a customer's design day demand:

a. Please provide step-by-step instructions on how Enbridge will calculate a customer's specific design day demand for the purposes of SFVD. Please include all steps, rules, and protocols Enbridge intends to apply in calculating demand for new customers and to address anomalous results.
b. Please provide where in the Rate Handbook or Conditions of Service Enbridge sets out how it plans to calculate a customer's design day demand.
c. Does a customer have the opportunity to challenge Enbridge's calculated design day demand if they believe it results in an anomalous outcome and does not reasonably reflect their actual design day demand? If so, please provide details.
d. [p.30-31] Enbridge states it will update a customer's design day demand annually. Please explain the exact timing of the implementation of the annual update and what the most recent billing information it will be based on.

8.2-SEC-17
[Phase 3, 8-2-3] Please provide a live Excel spreadsheet that would allow someone to input historic monthly consumption over a required period of time, and based on each of the specific geographic areas in which Enbridge has a design day HDD, will calculate that customer's design day demand.

8.2-SEC-18
[Phase 3, 8-2-3] For each weather zone that Enbridge proposes to use to calculate a specific design day HDD for the purposes of setting a customer's design day demand, please provide:

a. The design day HDD
b. Gas HDD for each day for the past 4 years. Please provide in Excel format.

8.2-SEC-19
[Phase 3, 8-2-3] Please confirm that as part of Enbridge's calculation for a customer's design day demand it will use as an input historic monthly consumption over a period time, and that monthly consumption figures will be based on a combination of, a) estimated bills, and b) bills where consumption is the difference between the last meter read and the sum of subsequent estimated bills.

8.2-SEC-20
[Phase 3, 8-2-3, Attach 1, p.39] For each existing rate zone, please provide the 10th, 25th, 50th (median), 75th, and 90th percentile load factor based on design day demand as forecasted using the proposed method, for customer account type included in Table 16.

8.2-SEC-21
[Phase 2, 8-2-3, Attach 5, p.29] With respect to Christensen Associates jurisdictional scan, for each company/utility and rate/class, please identify how the billing demand was determined (e.g. by way of an estimation process of design day, actual peak demand, estimated peak demand, by way of contractual agreement on available peak capacity, etc.).

8.2-SEC-22
[Phase 3, 8-2-3, Attachment 5, p.43; Attachment 7, p.17] Christensen Associates has identified problems with the regression approach used to estimate design day demand for certain customers, such as those with high average summer consumption (e.g., customers with pools or seasonal non-residential use). In such cases, they say that the regression model may understate the customer's design day demand and it has indicated that alternative regression models can be developed to address these situations.

a. Please identify what these alternative regression models are and whether Enbridge intends to adopt them. If so, please provide details.
b. Please confirm whether another issue can arise in the accuracy of the customer's design day demand forecast, when where a customer has low summer consumption that is not reflective of typical facility use absent heating load (e.g. a customer's facility not being used in the summer, winter seasonal property, etc.).

8.2-SEC-23
[Phase 3, 8-2-3, Attach 5, p.27-33] Christensen Associates notes: "Atlanta Gas Light (AGL), applies a Design Day Demand Charge (DDDC) to all of its residential and commercial customers. In contrast, other utilities' demand charges, are limited to commercial (and typically large commercial) customers and tend to be based on actual, rather than design day demands."

a. Please provide a chart that compares the daily HDD over a recent 12-month period between that of AGL's service territory and that of the various weather zones in Enbridge's service territory.
b. Please provide a copy of the initial regulatory decision approving AGL's DDDC.
c. Is Christensen Associates aware of any research that as been undertaken regarding the accuracy, fairness, or any other aspect of the AGL's DDDC? If so, please provide it.
d. [p.35] Christensen Associates states that "AGL is required by the Georgia PSC to manually review several categories of "exceptions" mainly involving relatively large year-over-year demand changes." Please provide details regarding the categories of exceptions and provide a copy of the source document from the Georgia PSC.
e. Does Enbridge plan to similarly implement a manual review for certain categories of customers and/or situations? If so, please provide details.

8.2-SEC-24
[Phase 3, 8-2-3, Attachment 5, p.27-33] Has either Enbridge or Christensen Associates undertaken any analysis regarding the specific relationship between weather and non-space heating loads, for example hot-water load, and how it compared to spacing heating loads? If so, please provide details.

8.2-SEC-25
[Phase 3, 8-2-3, Attach 7] If Enbridge was able to measure individuals' customers peak day or peak hour demand, would Christensen Associates have recommended a different methodology for determining a demand-based rate component to its rate design? Please explain your answer.

8.2-SEC-26
[Phase 3, 8-2-3] Please provide details regarding which Enbridge DSM programs are specifically tailored to reducing a customer's design day demand.

8.2-SEC-27
[Phase 3, 8-2-3, Attachment 7, p.18-19] With respect to setting the monthly customer charge for E02 customers, Christensen Associates states: "In order to recognize this variation in fixed costs within E02, we decided to propose an approach analogous to the use of a minimum system methodology to recover these customer-related costs as partly customer-related (the minimum size equipment similar to that used by E01 customers) with the remainder as demand-related."

a. Please explain how the E01 monthly customer charge was determined.
b. Please provide the analysis undertaken to reach the view that the E02 minimum sized equipment would be the same as the E01 customers.
c. Please explain how the minimum system methodology described above, is similar or differs from the OEB's minimum system with PLCC adjustment calculation and approach used by the OEB in setting the monthly charge for electricity distributors.
d. What would the harmonized volumetric rate option be if the monthly customer charge for E02 customers was set at each of 125%, 150%, 175%, 200%, 300%, and the proposed level?
e. Based on the proposed harmonization proposal, what would the monthly customer charge, delivery demand charge, and volumetric charge (under the volumetric rate design option) be for class E02, if the revenue-to-cost ratio for the monthly customer charge was set at 1?

8.2-SEC-28
[Phase 3 7-1-2, p.13] As part of the cost allocation model, Enbridge classifies certain costs using a zero-intercept methodology to allocate certain costs between demand and customer costs. If this methodology was used to determine the monthly service charge, what would be the amount for each rate class.

8.2-SEC-29
[Phase 3, 8-2-3, Attach 7, p.23-28] With respect to each of Figures 5 to 10:

a. Please provide the information in tabular format and in Excel.
b. For each scenario/class, please breakdown the bill impact analysis into two separate analysis, a) bill impact of rate harmonization, b) bill impact in the change in the methodology in setting the E02 monthly service charge, and c) bill impact of change in rate structure (i.e. SFVD, SPV etc).
c. Please provide the information provided in part (b) also in tabular format and Excel.

8.2-SEC-30
[Phase 3, 8-2-3, Attachment 7, p.40-52] Please provide a live model used to calculate the bill impacts.

8.2-SEC-31
[Phase 3, 8-2-3, Attachment 7, p.53-61] Appendix III provides bill impacts across rate zone alternatives. Please provide a revised analysis that includes the following:

a. The EGD rate zone customer characteristics applied to each of the Union North and Union South rate zone analyses.
b. A separate analysis that looks at the bill impact for each rate harmonization scenario, and rate structure type (SPV, SPFV and Volume).
c. Distribution as opposed to total bill.

Please provide all supporting calculations in a live spreadsheet.

8.2-SEC-32
[Phase 3, 8-2-6] With respect to rate mitigation for general service customers:

a. What other mitigation and/or phase-in options did Enbridge consider and why were they not selected?
b. Did Enbridge consider any mitigation and/or phase-in approaches for individual customers who face significant bill impacts as a result of the proposed move to SFVD rates, regardless of rate class? If so, please discuss.
c. If the OEB were to require a rate mitigation approach that was tailored to the bill impacts of individual customers, as opposed to class average, as a result any of the cost allocation and rate design methodological changes, what type of options does Enbridge believe would be available?

8.2-SEC-33
[Phase 3, 8-2-6, p.12] Please expand Table 4 to show the Rider R unit rate in each year it is to be implemented.

8.2-SEC-34
[Phase 3, 8-2-6, p.13] With respect to the Rider R bill impacts (Table 5), please provide a revised version that includes:

a. Delivery as opposed to total bill basis.
b. Annual delivery bill impact in years 2 through 5, assuming annual PCI adjustment of 2%.

8.2-SEC-35
[Phase 2, 8-2-7, Attachment 1, p.8-9; 8-2-9, Attachment 2, p.1] Please explain why the monthly customer charge and delivery charges in the proposed Rate Handbook do not match those included in the rate design working papers.

8.2-SEC-36
[Phase 3, 8-2-9, Attachment 2] With respect to the 2024 forecast demand used to calculate the delivery demand charge:

a. Please explain how Enbridge derived the 2024 delivery demand for E01 and E02 used as the billing determinants for the purpose of calculating the delivery demand charge. Please include all supporting calculations and working papers.
b. If the answer to part (a) is that it was not calculated based on an aggregation of each forecast 2024 customers individual estimated design day demand, please undertake such a calculation for each of E01 and E02 rate classes. Please provide supporting information including the methodology and assumptions used.

8.2-SEC-37
[Phase 3, 8-2-9, Attachment 10] Enbridge's bill impact tables reflect combined impact of rate harmonization, change in monthly charge, change in rate design structure (i.e. SFVD) as compared to the 2024 'legacy rate'. SEC would like to understand the impacts of these changes separately. Please provide a live Excel spreadsheet version of its bill impact table that shows separately, a) bill impact of rate harmonization, and b) bill impact in the change in the methodology in setting the E02 monthly service charge, and c) bill impact of the moving to the SFVD rate design. Please ensure the spreadsheet includes all underlying calculations and rate information.

9.1-SEC-38
[Phase 3, 9-1-3, p.5; Attachment 1] With respect to the Rate Harmonization Variance Account:

a. Enbridge states: "To determine the possible impacts, Enbridge Gas applied judgement to estimate if a customer may change rate classes based on their current service parameters and the new harmonized rates and rate class service parameters. For example, assumptions were made as to how many general service customers may elect to move to contract service or how many bundled customers may elect to move to semi-unbundled. Enbridge Gas estimates that rate class switching could result in revenue variances of up to $10 million in any given year." Please provide all supporting calculations and explanation regarding all assumptions made.
b. The draft Accounting Order states: This account records the annual revenue variance, exclusive of gas costs, attributable to customers switching rate classes as a result of the implementation of the Rate Harmonization Plan." Please explain how Enbridge plans to identify which customers are switching rate classes as a result of the rate harmonization as opposed to any other reason.
c. Please provide a step-by-step explanation of how balances will be recorded.
d. Please provide a step-by-step explanation regarding how balances will be disposed of.

Respectfully, submitted on behalf of the School Energy Coalition this June 5, 2025.

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Mark Rubenstein
Counsel for the School Energy Coalition