

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act,
1998, S.O. 1998, c. 15, Sch. B;

AND IN THE MATTER OF an application by
Enbridge Gas Inc. pursuant to Section 36(1) of the
Ontario Energy Board Act, 1998, S.O. 1998, for an
order or orders approving its Demand Side
Management Plan for 2026-2030.

**INTERROGATORIES OF
CANADIAN MANUFACTURERS & EXPORTERS (“CME”)
TO ENBRIDGE GAS INC. (“EGI”)**

1.6 CME-1

Ref: Phase 3, Exhibit 1, Tab 6, Schedule 1, Attachment 1, pp. 42-43, 46-47, 48-49

At pages 42, 43, 46-49, *inter alia*, EGI provides data from customer survey EGI provides breakdowns of the answers received both by type of business (like manufacturing) and by rate zone. In this regard:

- (a) Does EGI or its consultant have data split out by rate zone and by business type? For instance, what manufacturers in the EGD rate zone answered in respect of the question? If so, please provide the responses percentages broken down by rate zone for manufacturing customers.
- (b) How many manufacturing customers were surveyed?

1.6 CME-2

Ref: Phase 3, Exhibit 1, Tab 6, Schedule 1, Attachment 1, p. 44

At page 44 and elsewhere, EGI's evidence includes reference to comments provided by the customers surveyed.

- (a) Is the text of the customer comments available in the filed evidence? If not, could EGI please file the text of the customer comments received as part of the survey?

1.6 CME-3

Ref: N/A

- (a) Please confirm whether EGI has updated any of the customer engagement that it completed since 2022.

2.5 CME-4

Ref: Phase 3, Exhibit 2, Tab 5, Schedule 5, p. 4.

At page 4, EGI stated that reduced overall spending in core capital by \$307 million. In EGI's evidence in the phase 1 proceeding, EGI stated that its requested capital spending was the lowest possible for safe and reliable service. [See EB-2022-0200, Oral Hearing Transcript, Volume 11, pp. 143-144]

- (a) Please confirm that EGI's capital reduction has not compromised the safe and reliable delivery of natural gas.

2.5 CME-5**Ref: Phase 3, Exhibit 2, Tab 5, Schedule 5, pp. 9-10.**

At pages 9-10, EGI explains that it has spent approximately \$37 million more on its utilization asset class program mainly due to the increased costs of meters.

- (a) Please explain the drivers of the increase to meter costs.
- (b) What percentage increase in the total costs of the utilization asset class program does the \$37 million represent?

2.5 CME-6**Ref: Phase 3, Exhibit 2, Tab 5, Schedule 5, pp. 10-11.**

At pages 10-11, EGI sets out drivers for how it achieved the ordered capital reduction.

- (a) To the extent possible, please set out the cost savings (measured in dollars) caused by each of the enumerated factors.
- (b) At subparagraph d), EGI stated that it is "continuing" to replace pipe at a modest pace. If this activity is a continuation of EGI's previous practice, please describe how it contributed to a reduction in EGI's capital budget. To the extent that it represents a decrease in the pace of replacements, please describe the amount of the decrease.

2.7-CME-7**Ref: Phase 3, Exhibit 2, Tab 7, Schedule 2, pp. 4, 5, and 8 of 9.**

At page 4, EGI was describing the nature of the AMI proof of concept. EGI stated that one of the goals of the POC was to assess the reliability of communication. On page 5, EGI stated that the installation locations were strategically picked to ensure good network connectivity. Despite that,

EGI stated that meters would occasionally not connect to the network and not transmit a reading.

- (a) Has EGI identified how much of its system is in locations with less reliable network connectivity than the POC area? If so, please provide the amount.
- (b) Is EGI considering how the decreased performance in less connected areas, or alternatively the increased cost of improving the connectivity will impact any cost/benefit analysis or business case?
- (c) If the answer to b) is no, please describe why not.
- (d) If the answer to b) is yes, please describe how EGI plans to address that issue.
- (e) Has EGI contacted other Ontario utilities to draw on previous experiences or lessons learned. For instance, from Hydro One. If yes, please describe what lessons EGI would leverage in its AML rollout. If not, please describe why not.

8.2-CME-8

Ref: Phase 3, Exhibit 8, Tab 2, Schedule 3, Attachment 1, p. 30 of 65.

As set out on page 30, figure 9 shows monthly profiles by revenue class categories. Figure 9 shows that Industrial heating category is included. However, it does not include an industrial heating load, but no industrial non-heating, or general load.

- (a) Please explain why there is no separate industrial general load category.
- (b) To the extent possible, please provide a load profile for that category of customers in the same way as set out in Figure 9.

8.2-CME-9

Ref: Phase 3, Exhibit 8, Tab 2, Schedule 3, Attachment 5, p. 10 of 47.

At page 10, EGI's evidence states that The DDD boundary for the Small Demand class, for use with the SFVD rate design, was chosen to be 150 m³/day. This boundary reflects the fact that small residential and commercial customers are almost exclusively served through ½-inch pipe connections sets out the differences between SFVD and SFV bill impacts on legacy Union Gas M2 by size of customer.

- (a) What percentage of small commercial customers (or both commercial and residential if just commercial is unknown) are not served through ½ inch pipe connections.
- (b) To the extent that a ratepayer were not to be served through a ½ inch pipe connection, please describe the impact of EGI's proposals on those ratepayers.

8.2-CME-10

Ref: Phase 3, Exhibit 8, Tab 2, Schedule 3, Attachment 5, p. 14 of 47.

At Table 4, EGI sets out the differences between SFVD and SFV bill impacts on legacy Union Gas M2 by size of customer.

- (c) For the SFVD proposed rate, it shows that all customers, regardless of size, will pay more under SFVD than the existing rate structure. Please describe EGI's position as to the fairness of having all members of a single rate class paying more as a result of a move to straight/fixed variable with demand as compared to the status quo?

8.2-CME-11

Ref: Phase 3, Exhibit 8, tab 2, Schedule 3, Attachment 9, p. 2 of 9.

At page 2 of 9, EGI describes its proposed a variance account to record the revenue impact, exclusive of gas costs, of the volumetric forecast variance resulting from actual average use per customer and weather experienced during the year for the general service rate classes if a form of Straight Fixed Variable rate design is not approved

- (a) Please describe all facts that EGI is relying on to justify the creation of this variance account which have changed or are incremental to those that were put forward in Phase 1 of this proceeding where the Board denied the proposed VOLUVAR account.

8.2-CME-12

Ref: Phase 3, Exhibit 8, Tab 2, Schedule 3, Attachment 9, p. 6 of 9.

At page 6, EGI provided the figures for the variance in revenue due to weather as compared to forecast.

- (a) Please confirm whether the winter of 2024/2025 was colder or warmer than EGI's forecast?
- (b) Can EGI calculate the revenue variance to forecast for 2024/2025 to date? If so, please provide that calculation.

8.2-CME-13

Ref: Phase 3, Exhibit 8, Tab 2, Schedule 3, Attachment 9, p. 7 of 9.

At page 7, EGI stated "In any given year, it is important to highlight that when the Company experiences a net revenue increase, it is recovering more than its fixed costs, which are subject

to the Earnings Sharing Mechanism (ESM). Conversely, during a net revenue decrease, the Company is not recovering its fixed costs.

- (a) Please confirm whether the ESM contains a deadband, and what the amount of the deadband is.
- (b) Please indicate how many years EGI has exceed any applicable deadband over the previous 5 years.
- (c) Please indicate in how many years EGI expects to exceed any applicable deadline for the remainder of the rate term.

8.2-CME-14

Ref: Phase 3, Exhibit 8, Tab 2, Schedule 3, Attachment 9, p. 9 of 9.

At page 9, EGI stated that the equity thickness set by the Board in Phase 1 of this proceeding did not take into consideration the increased business risk associated with revenue variances due to weather volatility.

- (a) Please confirm that if EGI is granted the VOLUVAR as proposed, it would actually decrease its risk relative to the status quo which existed prior to the equity thickness being set in the Phase 1 decision.
- (b) If (a) is not confirmed, please explain why.

8.2-CME-15

Ref: Phase 3, Exhibit 8, Tab 2, Schedule 4, page 7 of 33.

At page 7, EGI stated that it reviewed an alternative approach to firm bundled contract service, but dismissed it because the differences were not material enough to justify the additional administrative burden.

- (a) Please provide the rates and rate classes for EGI's initial proposal and the alternative approach.
 - (b) Please describe the level of additional complexity and administrative burden that it would have on EGI's operations.
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