

ENERGY PROBE INTERROGATORY #3

INTERROGATORY

Issue 1 – New Business Activities

Ref: Exhibit B / Tab 1 / Schedule 1

Preamble: Under the RNG Injection Service, EGD will build a pipeline to attach a producer to its distribution system, odourize the bio-methane, measure the gas volumes and energy content of the gas, manage pressures and ensure that the gas meets required specifications. Energy Probe wishes to understand and compare this proposed RNG injection service relative that provided to Ontario Gas Producers.

- a) Does EGD provide a similar service for Ontario natural gas production?
- b) Please provide details of how the non-commodity Ontario gas production costs are allocated to the producer and the utility.
- c) Are Ontario gas producers required to use EGD's assets and injection service, or can they self-provide these?
- d) Does EGD have a specific rate for Ontario gas production injection/upgrading service? If so please provide details and how this rate is calculated?
- e) Does EGD have specific quality specifications/requirements for Ontario gas production? If so, please provide a copy of these.
- f) Comment on the major differences between Ontario gas production and RNG.

RESPONSE

- a) Enbridge does not currently purchase any Ontario natural gas production. Enbridge currently owns and operates one gas custody transfer station where natural gas produced in Ontario is injected into the Company's gas distribution system for transportation to Dawn.
- b) Enbridge does not currently purchase any Ontario natural gas production.

- c) Yes, Ontario gas producers are required to use Enbridge's assets to inject natural gas into the Company's gas distribution system.
- d) Enbridge does not currently acquire Ontario natural gas production volumes as part of its system supply portfolio, and does not have a specific injection rate for such production. Ontario production is currently transported to Dawn for one counterparty subject to gas exchange agreements with the fees being based on the transportation cost differential between Dawn and the Delivery Area (CDA or EDA) where the gas volumes were received by the Company.
- e) Enbridge does not have any current Ontario gas production. However, all parties that inject volumes of natural gas into the North American natural gas transmission and distribution system must provide documentation confirming that such gas meets minimum standards in terms of its chemical composition and heating value.
- f) Natural gas is a naturally occurring gas mixture, consisting mainly of methane. The gas supplied to Enbridge comes from western Canada and the United States (and could include Ontario producers). While the gas from these sources has a similar composition, it is not necessarily entirely the same. However, all parties that inject volumes of natural gas into the North American natural gas transmission and distribution system must provide documentation confirming that such gas meets minimum standards in terms of its chemical composition and heating value.

Biogas, the feedstock for the production of biomethane or RNG like natural gas consists mainly of methane, which is the substance that provides both gases with their heating value. Raw biogas, however, has a lower heat content than natural gas because its methane content is lower. Natural gas has between 90% to 99% methane content where most raw biogas will typically have a methane content of 50% to 80%. To make biogas more comparable to natural gas, the impurities such as CO₂, H₂S, siloxanes etc. need to be removed. Given that biogas can be produced from several different sources (landfills, waste water, source sorted organics, agricultural waste etc.) different processes are used to clean and upgrade biogas into RNG. Given the degree of variation of biogas sources the risk of substandard RNG entering the Company's gas distribution system is higher relative to traditional natural gas supply sources. Enbridge has developed a standard for RNG entering its distribution system. Please see attachment 1 to this response.