

STAFF INTERROGATORY #5

INTERROGATORY

**Issue 2 – Cost Consequences**

Topic: Introduction

Ref: Exhibit B / Tab 1 / Schedule 1 / p. 3, # 10

Preamble:

Enbridge Gas used its Abatement Construct to evaluate multi-year abatement programs.

In Enbridge Gas' 2017 Compliance Plan<sup>1</sup>, the forecasts for its 2017 administrative costs was \$2,917,100 where consulting is \$561,000 and staffing is \$1,120,000.

In Enbridge Gas' 2018 Compliance Plan<sup>2</sup>, the forecasts for its 2018 administrative costs is \$5,251,000 where consulting is \$400,000 and staffing is \$1,500,000.

In Enbridge Gas' 2018 Compliance Plan<sup>3</sup>, it outlines its 2016 Greenhouse Gas Emissions Impact Deferral Account (GGEIDA) balance of \$840,336.

Questions:

- a) For 2016, please explain whether any of the administrative costs (\$840,336) were used to develop its RNG Enabling Program – Upgrading Service?
  - i) If yes, please outline the actual costs (including the cost elements) and actual FTEs that were used to develop its Upgrading Service? Please explain.
- b) For 2017, please explain in detail whether any of the administrative costs (\$2,917,100) were used to develop its RNG Enabling Program – Upgrading Service?
  - i) If yes, please outline the actual costs by cost elements and actual FTEs that were used to develop its Upgrading Service?
- c) For 2018, please explain in detail whether any of the administrative costs (\$5,251,000) were or are intended to be used to develop its RNG Enabling Program – Upgrading Service?

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<sup>1</sup> EB-2017-0224, Exhibit I. 1.EGDI.STAFF. 12, p 4

<sup>2</sup> EB-2017-0224, Exhibit D / Tab 1 / Schedule 1 / p. 2-3

<sup>3</sup> EB-2017-0224, Exhibit D / Tab 1 Schedule 1 / p. 2, Table 1

- i) If yes, please outline the estimated costs (including the cost elements) and estimated FTEs that were used to develop its Upgrading Service? Please explain.
- d) For 2016, please explain whether any of the administrative costs (\$840,336) were used to develop its RNG Enabling Program – Injection Service?
  - i) If yes, please outline the actual costs (including the cost elements) and actual FTEs that were used to develop its Injection Service? Please explain.
- e) For 2017, please explain in detail whether any of the administrative costs (\$2,917,100) were used to develop its RNG Enabling Program – Injection Service?
  - i) If yes, please outline the actual costs by cost elements and actual FTEs that were used to develop its Injection Service?
- f) For 2018, please explain in detail whether any of the administrative costs (\$5,251,000) were or are intended to be used to develop its RNG Enabling Program – Injection Service?
  - i) If yes, please outline the estimated costs (including the cost elements) and estimated FTEs that were used to develop its Injection Service? Please explain.
- g) For 2016, please explain whether any of the administrative costs (\$840,336) were used to develop its Geothermal Energy Service (GES) Program?
  - i) If yes, please outline the actual costs (including the cost elements) and actual FTEs that were used to develop its GES Program? Please explain.
- h) For 2017, please explain in detail whether any of the administrative costs (\$2,917,100) were used to develop its GES Program?
  - i) If yes, please outline the actual costs (including the cost elements) and actual FTEs in each year that were used to develop its GES Program? Please explain.
- i) For 2018, please explain in detail whether any of the administrative costs (\$5,251,000) were or are intended to be used to develop its GES Program?
  - i) If yes, please outline the estimated costs (including the cost elements) and estimated FTEs that were used to develop its RNG Enabling Program? Please explain.

## RESPONSE

- a) to i) As outlined in the Company's EB-2017-0224 evidence at Exhibit C, Tab 5, Schedule 1, paragraph 22 the Company proposes that the cost associated with

projects in the first three stages of the Initiative Funnel be included as an administrative cost in the GGEIDA. For initiatives that have progressed out of Stage 3 and into the Implementation phase, costs would be identified and incorporated into that approved abatement activity.

Since the Low Carbon Initiative Fund and abatement resourcing requirement model outlined in the Company's EB-2017-0224 evidence have not yet been approved by the OEB the costs of developing the RNG Enabling Program – Upgrading Service, RNG Enabling Program – Injection Service, and Geothermal Energy Service were all absorbed within the Company's Customer IRM budget in 2016 and 2017. With respect to 2018 the RNG Enabling Program – Upgrading Service and Injection Service and the Geothermal Energy Service are both at the implementation phase and as such their 2018 costs will be absorbed within the programs themselves.