

ENBRIDGE GAS INC.
Answer to Interrogatory from
Board Staff (STAFF)

Reference: AMP – Exhibit C1/Tab 3/Schedule 1/Pg. 161

Question:

In its AMP, Union Gas has identified a Compressed Natural Gas (CNG) project along Highway 401. The objective of the project is to provide the reliability and attractive pricing that is critical for the many fleets that regularly use the Highway 401 corridor to make long-term CNG adoption decisions for their operations. In addition, construction and operation of new CNG fueling stations by third parties is also expected to occur and Union Gas will need to provide the gas distribution facilities (e.g. mains, service and meter stations). Union Gas intends to build three stations at an estimated cost of \$9 million in 2018.

- a) Please list the benefits that distribution customers will receive as a result of Union Gas' CNG initiatives for transportation services.
- b) Has Union Gas considered operating the CNG services as a non-utility business?

Response

As described at Exhibit C1, Tab 3, Schedule 1, page 161, the investment in the three Highway 401 CNG refueling stations is a non-utility initiative.

Investment in gas distribution facilities to support the CNG refueling stations will benefit distribution customers to the extent they contribute to earning sharing during the deferred rebasing period. On rebasing the revenues associated with these facilities will be built into rates. Customers will indirectly benefit through reduced transportation costs and reductions in greenhouse gas emissions. Further, these initiatives are consistent with and supported by the provincial governments "A Made-in-Ontario Environment Plan" (pages 33 and 34).