

ENBRIDGE GAS INC.
Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Reference: Exhibit A1, Tab 5, Schedule 2, Conditions of Service Section 6.4.1: Exhibit A1, Tab 5, Schedule 4.

Preamble:

“Federal Carbon Charge

Pursuant to the Greenhouse Gas Pollution Pricing Act (GGPPA), gas distributors are required to pay to the federal government a fixed carbon charge for use and deliveries of natural gas to customers. This charge is billed based on the amount of natural gas consumed by customers other than industrial emitters who are registered under the GGPPA Output-Based Pricing System (OBPS). For any fixed carbon and OBPS charges that Enbridge must pay to the federal government for its transmission and storage facilities, these charges are included in the “Delivery to You” item on the bill.

Question:

- a) Please confirm (with reference) the Decision/Directive to include the Federal Carbon Charge in the “Delivery to You” item of the Customer Bill.
- b) Clarify if/how this Directive differs to the presentation of the prior Cap and Trade GHG item.
- c) Please provide an estimate of the amounts of the charge (monthly/yearly) for Residential Customers in EGD and Union Rate Zones and compare to the 2017/2018 Cap and Trade charge.

Response

- a) On January 11, 2019 Enbridge Gas filled an application with the Board related to the Federal Carbon Pricing Program.¹ Enbridge has requested approval from the Board to add Federal Carbon Charge as a separate line item on customer bills, which will reflect the charge on the customers natural gas use / consumption. Enbridge has also requested approval from the Board to add a Facility Carbon Charge, which will

¹ EB-2018-0187/EB-2018-0205

reflect the charge on company use volumes and costs related to the Output Based Pricing System (“OBPS”) for the Company’s transmission and storage facilities. Enbridge Gas has proposed that the Facility Carbon Charge would be included in the “Delivery to You” item on the customer bill. At this time, there is no Decision/Directive related to how the federal carbon charge would be shown on the bill. However, the Minister of Energy, Northern Development and Mines encouraged the Board in a letter issued on February 20, 2019 to ensure a transparent process around the implementation of the federal carbon charge on natural gas bills that provided opportunity to consider stakeholder input. Subsequently, on April 3, 2019, the Board issued its procedural order on the federal carbon charge which includes the opportunity for stakeholder comment around the bill presentment matter.

- b) See response to a). For clarity, the Board made a decision in Cap and Trade that the customer and facility related costs associated with that program would be included within the “Delivery to You” line item.²
- c) Please see Attachment 1.

² EB-2015-0363 OEB Determination regarding Billing of Cap and Trade Related Costs and Customer Outreach, July 28, 2016, page 5.