

**ELENCHUS'S DDR TO ENERGIR : DOSSIER GÉNÉRIQUE PORTANT SUR L'ALLOCATION
DES COÛTS ET LA STRUCTURE TARIFAIRE D'ÉNERGIR (R-3867-2013)**

Cost driver, real vs. projected profile

1. References : [Gaz Métro-5, Document 12, B-0557](#), sections 1.1, 2.1.2 and 2.1.5

Preamble :

Section 2.1.2 concludes on page 22 that:

In conclusion, the allocation of costs based on actual used and unused transportation units allows us to properly split the total costs of natural gas transportation between the stable equivalent consumption profile and a seasonal consumption profile. The real profile must be used, because it is the only one that reflects the effect of temperature on the client's consumption.

Clarification is sought on whether the actual total transportation costs incurred by Énergir are more directly caused by the real, or by the projected, load profile of customers.

Questions :

- 1.1 Given that Énergir contracts for transportation in advance of the gas year, please confirm that quantum of contracted transportation is based on projected requirements and not actual requirement. If this is not confirmed, please explain.
- 1.2 Given the response to 1.1, please comment on the consistency with the principle of cost causality of (i) an allocator based on real demand (load profile) and (ii) an allocator based on the projected demand that is used for purposes of contracting for transportation.
- 1.3 Please clarify how the objective of designing a methodology that reflects cost causation, as discussed in section 1.1, is better achieved by using an “allocation of costs based on actual used and unused transportation units” rather than by using an allocation based on the projected transportation requirements that underpin Énergir's contracting to the projected requirements of its customers.
- 1.4 Énergir's evidence discusses “use of the real vs. projected profile” in section 2.1.2 at pages 19-22 and it discusses the “difference between real ... and projected demand”

in section 2.1.5 at pages 42-45. The “profile” discussion appears to be based on variances in actual from forecasted temperature whereas the “demand” discussion appears to be related to changes in forecasted demand that result from changes that occur with the passage of time that are not related to in-year temperature variances. Please confirm that use of the terms “real” and “projected” are different in these sections and clarify the relationship between real and projected load profiles and demand in sections 2.1.2 and 2.1.5. In particular, please explain the relevance of each discussion to the determination of causal costs.

Supply costs caused by customers that provide their own supply

2. References : [Gaz Métro-5, Document 12, B-0557](#), sections 2.2 and 2.3

Preamble :

Embedded in the discussion of Causation of Supply Costs in Section 2.2 is the allocation of a portion of supply costs to customers that provide their own supply.

Clarification is sought on the practicality of tracking and directly allocating the incremental supply costs that are caused by customers that provide their own supply.

Questions :

- 2.1 Please describe a methodology that Énergir could adopt to identify and track the incremental supply costs that are caused by customers that provide their own supply and identify any practical difficulties with implementing the approach described. Please include each cost factor related to customers that provide their own supply identified in section 2.2 and 2.3.
- 2.2 Please comment on whether directly allocating the incremental cost caused by customers that provide their own supply to those customers using the method described in the response to 2.1 above would adhere more closely to the principle of cost causality than the allocation methodology proposed in Énergir’s evidence.