

RÉGIE DE L'ÉNERGIE

FILE : R-3867-2013, Phase 2B

**DEMANDE RELATIVE AU DOSSIER GÉNÉRIQUE PORTANT SUR L'ALLOCATION DES
COÛTS ET LA STRUCTURE TARIFAIRE DE GAZ MÉTRO**

**INFORMATION REQUEST N° 1
FROM INDUSTRIAL GAS USERS ASSOCIATION
(« IGUA ») TO ELENCHUS**

Montréal, February 12th, 2021

**INFORMATION REQUEST N° 1
FROM INDUSTRIAL GAS USERS ASSOCIATION (« IGUA »)
RELATED TO THE « DEMANDE RELATIVE AU DOSSIER GÉNÉRIQUE PORTANT SUR
L'ALLOCATION DES COÛTS ET LA STRUCTURE TARIFAIRE DE GAZ MÉTRO »**

1. **References (i): Elenchus, (A-0219), p 42, (Adobe p,53), l 13 à l 16**
 (ii) : Elenchus, (A-0219), p 42, (Adobe p,53), l 18 à l 22

Preamble :

- (i) *« Recognizing the extent to which class variances in demand (sic) from the annual average, which is analogous to the use of the beta factor for investment portfolios, may be worth considering. To the extent that variances are diversified, it is only the transaction costs for diversification that need to be recovered from customers ».*
- (ii) *« Using the customers' load factors as the allocator will not recognize this feature of load balancing and operational flexibility requirements fully. LF captures the issue only if it is calculated using average demand /coincident peak demand. A refinement to Énergir's proposed methodology could examine this issue as an option for refining the method in the future ».*

Questions :

- 1.1 In relation to reference (i), please explain: *class variances in demand [departs] from the annual average, which is analogous to the use of the beta factor.*
- 1.2 How could this beta factor be applied and what would be the implications?
- 1.3 In relation to reference (ii), please confirm IGUA's understanding that the use of clients' load factors as the sole allocation factor could lead to creating a distortion in the calculation of load balancing requirements.
- 1.4 In relation to reference (ii), please confirm that Énergir's model does not take into account the consumption that occurs outside of the winter period and its impact on general balance of the supply system.
- 1.5 How could Énergir's methodology be refined to reflect the contribution of consumption during off-heating period?