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April 4, 2019

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Our File No. 185430

**VIA RESS, EMAIL AND COURIER**

Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, Ontario  
M4P 1E4

Attention: Kirsten Walli  
Board Secretary

Dear Ms. Walli:

**Re: EB-2018-0305: Enbridge Gas Inc., Application for 2019 natural gas rates and other charges effective January 1, 2019**

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Please find enclosed herewith BOMA's Interrogatories.

Yours truly,

**FOGLER, RUBINOFF LLP**

Thomas Brett

TB/dd

Encls.

cc: All Parties (*via email*)

**ONTARIO ENERGY BOARD**

**Enbridge Gas Inc.**

**Application for 2019 natural gas rates and other charges  
effective January 1, 2019**

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**Interrogatories of**

**Building Owners and Managers Association of Greater Toronto ("BOMA")**

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April 4, 2019

**Tom Brett**  
Fogler, Rubinoff LLP  
77 King Street West, Suite 3000  
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Toronto, ON M5K 1G8

**Counsel for BOMA**

**Interrogatories of BOMA**

1. ***Ref: Application Letter***

Please provide the annual rate increase for 2019 over 2018, with and without any proposed rate riders, for each rate class in the three rate zones. Assume a low, medium, and high consumption case for each rate class.

2. ***Ref: Ibid***

Please provide data when EGD/Union commenced work on their 2019 rates applications. Given that the companies have been under common ownership since February 27, 2017, how much of the application for the 2019 rates were they able to do prior to the certificate of amalgamation being issued?

3. ***Ref: Exhibit B1, Tab 1, Schedule 1, p14***

(a) Why should the Board establish a deferral account for capital projects which are funded from ICM funds when they do not do so for capital projects funded through existing rates (price cap index plus growth adjustments)?

(b) Open Bill Revenue Variance Account – On what basis should the ratepayers be responsible for all of the shortfall between revenue from the program and \$4,889M? Please provide the numerical analysis underpinning that feature of the account.

4. ***Ref: Exhibit B1, Tab 1, Schedule 1, Appendix A, p18***

Please explain the revised wording of the PTUVA Account.

5. **Ref: Report on 2019 Rates on "Unaccounted for Gas"; p63**

- (a) Please provide a copy of the Certificate of Amalgamation, together with any submissions to the OSC or the Ministry of Commercial and Corporation Affairs Ontario to support the Application for Amalgamation.
- (b) Please confirm that the Union and EGD rates are not being harmonized pursuant to this Application and, in effect, each of the existing 2018 rates of EGD and Union will be escalated by the formula authorized by the Board in the MAADs application.

6. **Ref: Exhibit A, Tab 2, p 3 of 6**

Please provide a table which shows for each of Union pass-through projects already approved by the Board, their proposed assets in service in 2019, their contribution to the 2019 revenue requirement, the actual expenditure in 2018, and the forecast 2018 expenditure.

7. **Ref: Exhibit A, Tab 3, Schedule 1, p3**

- (a) Please explain fully why there will be no 2019 rate impacts for potential rate riders associated with the Don River, Kingsville, and Stratford ICM Projects, and that will be dealt with the 2020 rates submission, not the 2019 rates submission (EB-2018-0305).

- (b) Why do the Union North zone proposed 2019 rate increases for the direct purchase customers include the ICM impacts, while the sales service customers' proposed 2019 rate increases exclude the ICM impacts?

8. **Ref:** *Exhibit A, Tab 3, Schedule 1, p4*

Please provide copies of the most recent three years of customer satisfaction surveys that EGD and Union have conducted.

9. **Ref:** *Conditions of Service; Exhibit A, Tab 3, Schedule 1*

The reference to the conditions of service state that they are meant to be guidelines, and not to override any item in any contract EGD has with the customers.

- (a) Do the guidelines have any legal effect, in EGD's view, either for contract customers or general service customers?
- (b) Have they ever been relied upon in any legal claim, launched against EGD?
- (c) Has the Board ever approved EGD's Conditions of Service? In what proceeding(s)?
- (d) Section 2.4 GS – "Depletion or shortage of gas supply" – What if EGD were judged to be imprudent in its gas purchase decisions? Is it still exonerated by this clause?

10. **Ref: *General Definition of Mains***

Please provide a definition of EGD's mains. What criteria are utilized, for example, pressure, diameter pipe, function or purpose, length, or other factors. Please specify what other factors come into play.

11. **Ref: *Union Gas Conditions of Service; Exhibit A, Tab 5, Schedule 3, p5***

Please provide a further definition of mains, or its equivalent, in addition to "The pipe that is used to carry gas to a service".

12. **Ref: *Exhibit B1, Tab 1, Schedule 1, p9***

- (a) Please provide details on which distribution related costs are recovered through EGD's commodity, transportation, and load balancing charges.
- (b) Please describe each of these costs, and indicate in which of the Company's commodity, transportation, and load balancing charges contain each of the described costs.
- (c) Please provide a breakdown of that number into the number for each of the pass-through projects which make it up. Please provide details of the treatment of each of the pass-through projects in the 2019 rates proposal.

13. **Ref: *Exhibit B1, Tab 1, Schedule 1, p15***

What are the accounting policy changes, if any, that result from the merger, and which will be entered in the Accounting Policy Changes Deferral Account in 2019?

14. **Ref:** *Exhibit B1, Tab 1, Schedule 1, p19*

Preamble:

*"The MAADs Decision directed Enbridge Gas to add rate base and depreciation associated with Union's capital pass-through projects to the 2013 Board-approved rate base and depreciation in determining the eligible incremental capital amount for the Union service territory. As a result, Enbridge Gas proposes to fix the capital pass-through revenue requirement in rates (as described in Section 4.2.1) and discontinue the use of the capital pass-through deferral accounts, except for the purposes of capturing utility tax timing variances".*

- (a) Please provide a further explanation for Union's decision to "fix" the capital pass-through revenue requirement in rates and how that follows from the first sentence in the quoted excerpt from its evidence.
- (b) Please provide the revenue requirement for each of 2014-2018, which underpin the amounts shown in Table 2.
- (c) Please provide the revenue requirement for 2019 which underpins the numbers in the 2019 column.
- (d) Please explain why the amount of \$36,415M is shown for each of 2019 through 2023 in line 7 of Table 7.
- (e) What are the actual utility tax timing differences for 2018?
- (f) Please provide an explanation for the link between the MAADs decision to include the rate base and depreciation for each of Union's six capital pass-through projects in the calculation to determine the eligible incremental capital capacity, and Union's decision to reverse the benefits in the years 2019-2023.

15. **Ref: *One-Time Adjustment of Capital Pass-Through Projects; Exhibit B1, Tab 1, Schedule 1, p26; Exhibit F1, Tab 2, Rate Order, Schedule 16, pp4-5***

Please provide the underlying calculation to support EGD's proposed one-time adjustment to rates "in lieu of continuing to make Y-factor adjustments to the revenue requirement of the Projects during the 2019-2023 deferral rebasing period". What would be the annual adjustments over the 2019-2023 period if the one-time payment approach were not used?

16. **Ref: *Exhibit B1, Tab 1, Schedule 1, p28; Exhibit F1, Tab 2, Rate Order, Schedule 16, p28***

Please expand on the explanation given for building into rates the surplus Dawn-Parkway capacity of 30,393 GJ/day. Please provide the excerpt from the 2017 Dawn-Parkway proceeding, cited at line 18, related to the crediting of revenue earned to Deferral Account 179-144. Please confirm that all of the surplus capacity in question has been sold as of November 1, 2018, and for what term(s).

17. **Ref: *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, pp7-8***

For EGD's rate zone, please provide definition of mains system. For Union's two rate zones, please provide the definition and categorization of system stations, length of mains, and size of fleet.

18. **Ref: *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p10***

(a) Where in the US Northeast does Union see the most likely new market for gas transmitted through the Dawn-Trafalgar system?

- (b) With respect to future growth in the US Northeast market for ex-franchise service, please assess the competitive position of gas transmitted through DT and into the US at Union/EGD exit points, in light of new or expanded pipelines from Utica/Marcellus to US Northeast.

19. **Ref: Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p11**

Please provide ICF gas price projection/study for 2018 and, if available, for 2019.

20. **Ref: Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p18**

What share of revenue from sales of storage by the unregulated storage entity to third parties does the regulated utility obtain? What is the rationale for that number?

21. **Ref: Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p21**

- (a) What percentage of EGD and Union rate zone workforce are unionized? How many positions in which unions? How are collective bargaining results incorporated into the OM&A budgets?
- (b) Please describe, for each of EGD and Union:
  - (i) the extent to which labour costs are capitalized into the various capital projects;
  - (ii) for 2019, how many FTEs (positions) will be capitalized;
  - (iii) what are the impacts of capitalization for both the capital and OM&A budget;

- (iv) what principles or guidelines do EGD and Union observe in deciding how much labour cost to capitalize? Please provide any published relevant Accounting Principles.

22. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p28*

For each of EGD and Union:

- (a) Please provide copies of the business cases for each capital project included in the 2019 capital budget, or a reference to the business case provided in the evidence, including the breakdown into system access, system renewal, system service, and general plant.
- (b) Which of the projects will require Leaves to Construct from the Board?
- (c) Please provide a prioritized list, eg. from 1 to 20 of the projects listed in response to subsection (a);
- (d) Please indicate the priority ranking, within that list, of the projects for which ICM financing is requested in 2019.

23. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p27*

For each of Union and EGD, what are the percentage capitalized overheads added to the consolidated capital budget? Please itemize the parts of overhead and explain the company's capitalization policies and relevant accounting policy for each part.

24. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p28*

Please compare EGD's Lifetime Risk Return on Investment approach and Union's prioritization and risk ranking methodology used to develop their respective capital plans. Please provide a document that illustrates the use of each of these methods in arriving at EGD's and Union's capital plans, including the prioritization of the constituent capital projects.

25. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p29*

(a) Please itemize and describe how "opportunities outside of core business activities that have different funding ... mechanisms and supported through public and governmental policies/regulations" are dealt with in the prioritization process. Do they rank ahead of all of the core business opportunities, behind all core business activities, or otherwise. Please explain.

(b) As among price, safety, and reliability, which do customers of each rate zone rank first, second, and third priority?

26. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, pp30-31*

Please provide the extent to which current EGD and Union programs are able to "meter measure" the results of their CDM programs.

27. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, pp31-32*

Please describe the in-field studies on CDM impacts on infrastructure demand currently underway, and state when they will be available.

28. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p33*

Please confirm that the utilities' integrity capital management programs are part of annual OM&A and/or budgets. Please provide details of each utility's integrity capital management program for 2019.

29. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p34*

Please explain why the capital expenditure plans are made for a ten year period. Please provide details. Has the ten year forecast always been used by each utility? How does the five year EGD and Union utility system plan and, eventually, the single Enbridge Gas system plan, get distilled from the ten year plans? Please provide prioritized lists of projects to be initiated in each of the five years of each utility system plan.

30. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p35*

Please explain what EGD meant by "tacit knowledge". Your evidence suggests that EGD and Union currently use two different risk assessment approaches in their capital planning. What are the relative strengths and weaknesses of each approach? How do you propose to reconcile those two approaches to achieve the best possible approach for the new combined utility?

31. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p37*

(a) In Tables 6, 7, 8, 9, 10, and 11, what is meant by the phrase "direct capital" along the vertical axis? For each of EGD and Union, what other capital, in addition

to direct capital, is forecast to be spent over the ten year planning period by each?  
How much in 2019? Please discuss in detail.

- (b) Will the projects "under development", currently not included in EGD's and Union's forecast ten year spending, be added to that spend? In approximately which year, and in what amounts? Please provide ranges if exact amounts not available. Will these projects, if they receive the authority to proceed, displace existing projects in the current five and ten year project lists, or will they require additional capital, to be financed by ICM funding, or otherwise?

32. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p36; Table 2*

For each of EGD and Union, how much of system access (in millions of dollars) is accounted for by mandatory projects in each year? BOMA defines mandatory projects to be projects required by law, for example, replacements due to road widening, other municipal infrastructure, or other projects requiring compliance. What do EGD and Union include in the category of compliance projects or mandatory projects over and above the projects EGD and Union are legally required to do, as described in this question? Please describe for each of EGD and Union, the capital projects in their respective prioritized list of projects are ones required to mitigate what they describe as an intolerable risk. Please define what they consider to be an intolerable risk, and provide examples.

33. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p43*

Please explain what Table 3 is intended to show.

34. **Ref: Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p45**

For 2019, for each of EGD and Union rate zones, please prioritize all capital projects within each category of the capital budget, eg. system access, system renewal, etc.

35. **Ref: Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p47**

Please provide the lifecycle calculations and 5x5 matrix underlying EGD's and Union's respective risk assessment methodologies.

36. **Ref: Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p48**

Please explain how the examples given for "maintenance projects", Dawn C Plant Replacement, Windsor Line Replacement, and SCOR Meter Area upgrade, are funded. Please provide amounts broken down into capital and OM&A.

37. **Ref: Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p49**

(a) Please provide, for each project, for which EGD or Union is seeking ICM treatment in 2019, the amount to be expended in the 2019 capex, the 2019 assets in-service, and the impact on the 2019 revenue requirement, the project capital expenditures, and in-service assets for each year 2020, 2021, 2022, and 2023, and revenue requirement for each of those years.

(b) For the Sudbury Lateral Replacement, please provide the year in which it entered service, the capital expenditure for each year from its initiative to its in-service date in 2018.

(c) How does the Sudbury project meet ICM criteria?

(d) Does EGD intend to ask for ICM treatment for all the projects listed in Table 49 over the term of the five year plan? If not, for which projects?

38. **Ref:** *Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, pp51-53; Tables 9, 10, and 11*

(a) What is the total amount of projects in-service with proposed ICM financing:

(i) in 2019;

(ii) over the five year period 2019-2023; and

(iii) amounts in 2019 and 2020-2023, including overhead.

(b) What would be the impact on the revenue requirement of implementing the proposed ICM projects in 2019, in each year from 2020 to 2023?

(c) Please provide the actual and normalized ROE compared to allowed ROE for each of EGD and Union, in each of the last five years, 2018, 2017, 2016, 2015, and 2014.

39. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p17; EGD Asset Management Plan*

Please provide a copy of ISO 5500X.

40. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p19*

Please provide a copy of the revised Strategic Plan in 2018.

41. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p20*

- (a) Please provide a copy of Pipeline Integrity Management Program document. Please define what integrity means. How do "integrity mains" differ from distribution steel mains? What are length, diameter, and pressures of integrity mains? Please distinguish vital mains from integrity mains. Please define CSAT Risk.
- (b) Please discuss the various categories of mains, their risk/opportunities. What are typical end of life ages for those categories of mains?
- (c) Please describe how "leak projections" are made.
- (d) Please summarize the leak survey intervals for each category of mains. Are there any exceptions to those time periods?

42. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p21*

- (a) Please provide a copy of the 1977 – 1985 plastic main integrity assessment.
- (b) Do you proactively replace plastic mains on basis of age alone? Please discuss.
- (c) Do you conduct condition assessments of all mains assets?
- (d) How many copper ICMs services mains in operation? What is the average age? What are plans to replace them?
- (e) How do you determine when a valve on a pipe is leaking?

(f) Please distinguish between system reinforcement, asset replacement, and asset removal.

(g) What steps are being taken to address valves in poor condition?

43. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p31*

(a) Have the April 2018 federal methane reduction regulations come into force? Please provide a copy, or a link to where the regulations can be found. What steps are Union and EGD taking to comply with the regulations?

(b) Please confirm that any revenue from the sale of buildings or facilities in 2019 will accrue to the ratepayers. Does either EGD or Union intend to sell land or facilities in 2019? Which ones?

44. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p45*

(a) Please explain what Fig. 1.9-2 is intended to show.

(b) Please confirm that for 2019, \$364M represents the base capital.

(c) Please confirm that the only EGD ICM request for 2019 is the NPS Don River Replacement. What is the amount being requested for 2019 in-service capital? In what year did the remainder of the capital for Don River Replacement come into service, and in what amounts? Please provide the business case.

(d) Please provide a priority listing, and a business case, if one is not already in evidence, for each of the other ICM eligible capital projects listed in Fig. 1.9-5.

(e) Please describe the steps EGD takes to establish its proposed 2019 capex. Please show how each step leads to the prioritized project list requested above.

45. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p47*

Please provide the amount of capitalized overhead costs, as defined in Table 1.10-1, that is not included in that number, and the components of capital overhead costs.

46. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p48*

Please provide copies of any third party Asset Condition/Management studies utilized to determine the proposed capex in 2019 for each of EGD and Union.

47. **Ref:** *Exhibit C1, Tab 2, Schedule 1, p49*

Please discuss what is meant by "reliability engineering". How does it work? How is it distinguished from, for example, engineering, civil engineering, mechanical engineering, electrical engineering?

48. **Ref:** *Exhibit D1, Tab 1, p5*

For EGD, have there been any surveys done since August 2017, the delivery date of the Final IPSOS Report? Please describe generically, who are rate 6 customers – typical rate 6 business customers.

49. **Ref:** *Exhibit D1, Tab 1, pp5-7*

Please describe the impact of the margin of error for the four cohorts on the usefulness of the survey data.

50. **Ref:** *Exhibit D1, Tab 1, p8*

- (a) The data for satisfactory customer service, 72% Rate 6, 66% Rate 6, 66%R, GS (65%) seems rather low, with only two-thirds of customers expressing satisfaction.
- (b) Given that satisfaction with value for money also were 72% (6), 66%LV, 66%R, 65T GS, what steps is EGD planning to increase these numbers for both customer service and value for money?

51. **Ref:** *Exhibit D1, Tab 1, pp15-17*

- (a) Why have a significantly higher percentage of general service customers experienced outages than the residential rate 6, or large volume customers?
- (b) Why have general service and rate 6 customers who experienced one unplanned outage over the last five years, also on average experienced 2.6 outages per year?

52. **Ref:** *Exhibit D1, Tab 1, p19*

A large minority of large volume customers expressed some concerns about EGD. Of those, 24% mention high costs for new natural gas service, and 16% had meter reading accuracy. What steps is EGD taking to deal with these complaints, in particular, meter reading accuracy?

53. **Ref:** *Exhibit D1, Tab 1, p21*

EGD has stated that the average business customer bill will have to increase by 3% per year starting 2019, until 2023, a total of 15% over the five year plan term. What is the

equivalent percentage increase in EGD's delivery charge in 2019 and over the five year term? Approximately what percentage of the average total bill for each of residential, rate 6, GS, and large volume customers does the delivery charge represent?

54. **Ref:** *Exhibit D1, Tab 1, pp21-22*

- (a) Why was the increase expressed differently for each of the four cohorts?
- (b) Please confirm that fewer than half of rate 6 and general service customers believe that the increase in bills of 3% annually for five years is reasonable or necessary, and that only 56% of large volume customers believe that raising rates by 1.5% annually for five years is reasonable or necessary.

55. **Ref:** *ROE*

Please confirm that due to the timing of the studies, they did not ask questions about the impact of the federal carbon program.

56. **Ref:** *Exhibit D1, Tab 1, pp 33*

BOMA does not understand what the question on blending RNG is about. What is meant by "additional blending"?

57. **Ref:** *Exhibit D1, Tab 1, p42*

For rate 6 customers, what would the increase in delivery charge be for 2019, and over the period 2019-2023, inclusive, at three volume/demand points, low, medium, and high?

58. **Ref:** *Exhibit D1, Tab 1, p44, Figure 31*

Please confirm that only 16% of rate 6 customers would agree to pay 3% more on their gas bill to maintain existing level of reliability, safety, and service.

59. **Ref:** *Exhibit D1, Tab 1, p46*

Please confirm that cost of gas was highest negative comments for rate 6 (residential) general service customers, and large volume customers.

60. **Ref:** *Exhibit D1, Tab 1, p79*

The diagram shows the capital (general plant maintenance) and IT upgrades. Why is "Other Capital" shown separately for System Integrity and Reliability?

61. **Ref:** *Exhibit D1, Tab 2, Schedule 1 (Innovative Research), p8*

Please advise when the workbook was reviewed by intervenors, and which intervenors.

62. **Ref:** *Exhibit D1, Tab 2, Schedule 1 (Innovative Research), p10*

Why were the categories somewhat reasonable or somewhat unreasonable introduced?  
Aren't prices either reasonable or unreasonable?

63. **Ref:** *Exhibit B1, Tab 2, Schedule 1, pp4-5 of 36; ICM*

(a) Please add a column for 2018 actuals to Tables 1 and 2.

(b) Please confirm that, for 2019, in Tables 1 and 2, the word "Budget" is equivalent to "Forecast".

(c) Comparing Tables 1 and 2, why is the EGD "Overhead" percentage of in-service capital much greater than Union, approximately one-third versus one-sixth, or twice as great a share of the total?

64. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p12*

Please provide the calculation of the 1.07% price cap index. Please confirm that for EGD, 1.07% is not an average but simply the index based on the inflation forecast less the productivity factors for 2019.

65. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p10*

Please provide the calculation for Union rate base of 5,331, showing for each year from 2013 through 2019 the rate base and depreciation associated with capital pass-through treatment in each year of that period.

66. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p9*

Please provide separate calculations which show what the Union 2019 rate base and depreciation would be if all additions to rate base and depreciation for each year from 2013 through to 2019 were added to 2013 rate base and depreciation, and show what the eligible ICM capacity would be, if that were done.

67. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p10*

Are EGD and Union seeking approval for all its "ICM projects" planned for the term of the Agreement, or only the 2019 assets in-service in 2019? Please discuss.

68. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p19*

(a) Please provide the revenue requirement impact of:

(i) the Sudbury Replacement Project for each year of the deferral rebasing period 2019-2023;

(ii) the historical spend on the Sudbury Replacement Project in each year since it received Leave to Construct approval, and a copy of the Board's Leave to Construct decision.

(b) When was the Sudbury Leave to Construct filed; approved?

69. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p20*

Please provide, for both EGD and Union, the actual ROEs from 2013 through 2018, relative to the Board approved ROE for each of those years.

70. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p20*

Please confirm that the Advanced Capital Module (EB-2014-0219) defined ICM/ACM projects as being discrete, incremental, material, and not part of utilities' typical annual capital programs.

71. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p24*

Please provide the reason for the increase in the cost of the Don River from \$25.6M (LTC) to \$34.2M in Table 8, p18 of 36.

72. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p24*

Please provide the revenue requirement impact of the Don River Replacement for each year of 2019-2023.

73. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p24*

Please provide the assets in-service for the Don River project for each of the years 2017, 2018, and 2019, through until 2023. Have there been any changes to the forecast December 2019 in-service date?

74. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p25*

- (a) Please provide a detailed breakdown of the cost increase to \$95.3M from the Leave to Construct filing budget of \$74.1M, approximately a 30% increase.
- (b) Please provide the priority of the Sudbury project with the Union 2018 and 2019 capital budget. Please provide a prioritized list of Union 2018 capital projects.

75. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p18, Table 8*

- (a) Why should the Board approve ICM funding of \$235M for Union, which exceeds its maximum eligible incremental capital of \$143.3M (see Table 7) by approximately \$90M, an increase of about 70%.
- (b) Please prioritize Union requests for ICM funding among Sudbury, Kingsville, and Stratford.

76. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p25; Kingsville*

- (a) Please provide a detailed breakdown of the cost increase for the Leave to Construct forecast of \$105.7M to the current forecast of \$121.4M, an increase of about 15%.
- (b) Please show the Union revenue requirement impact of the ICM treatment of the project for each year from 2019 to 2023.

77. **Ref:** *Exhibit B1, Tab 2, Schedule 1, pp24-25*

Given that the Sudbury project was to replace an existing section of mains pipe with integrity issues, why is this not treated as a normal part of ongoing utility operations?

78. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p27; Stratford*

Please explain the required five years of growth, the proposed MOP of the proposed pipeline, if proposed as replacement of the smaller diameter pipeline or new greenfield construction. Please provide a map and commentary on what is being proposed.

79. **Ref:** *Exhibit B1, Tab 2, Schedule 1, p28*

Were any of Kingsville, Sudbury, or Stratford proposals put to customers during the Union consultation conducted by Innovative, as was done for similar projects in the Alectra case? If so, what were the results? If not, why not?

80. **Ref: Exhibit B1, Tab 2, Schedule 1, p31**

Please provide an additional piece to Table 11 which shows the total forecast revenue requirement for each of EGD and Union rate zones for each year of the deferral rebasing year.

81. **Ref: Exhibit B1, Tab 2, Schedule 1, p32**

Why is EGD deferring the payment to customers in 2019, but not deferring the collection of debits in the remaining year of the deferral rebasing period?

82. **Ref: Exhibit B1, Tab 2, Schedule 1, p33**

Please explain more fully the cost allocation for the Don River Replacement Project, including the cost allocation method, for extra high pressure mains greater than four inch diameter. What is the MOP and normal operating pressure of the existing line, and how does the high pressure and diameter reflected in the allocation factor?

83. **Ref: Exhibit C1, Tab 3, Schedule 1**

Please provide a copy of the Organizational Strategic Plan.

Figure 1.9.1 provides a snapshot of a mature pipeline system, in which annual maintenance, including replacements and repairs, and capital are on average at least twice the growth capital. Please confirm that Union has prioritized its capital and maintenance projects for 2019, 2020, and the balance of the deferral rebasing period to 2023, and please provide a prioritized list of all projects, in excess of \$5M. Please also file the

business case for each of these projects, which are being initiated in 2019, and separately, in 2020, if not already in evidence.