

**Enbridge 2010 Rates
Board Staff Interrogatories
Enbridge Gas Distribution Inc.
EB-2009-0172**

BOARD STAFF INTERROGATORIES

ISSUE 1 – CALCULATIONS IN ACCORDANCE WITH SETTLEMENT AGREEMENT

1. Ref: Ex. B /Tab 1/ Sch 2 /

Please confirm that there have been no departures from the terms of the EB-2007-0615 settlement for the calculation of the 2010 revenue requirement, assignment of the revenue requirement to the rate classes, and the derivation of the 2010 rates. If there were departures, please identify the nature of those departures.

ISSUE 2 – DEGREE DAYS

- no questions

ISSUE 3 – AVERAGE USE

- no questions

ISSUE 4 - CUSTOMER ADDITIONS

- no questions

ISSUE 5 – GAS VOLUME BUDGET

2. Ref: Ex. B /Tab 1/ Sch 5/

a. Please provide a table of historic and forecast gas volumes, in a similar format to the example shown below, broken down by general service and contract that shows the Board-approved versus the actual volumes for the 5-year period 2005 through 2009. Please also include the 2010 forecast. Additionally, please include the average number of customers.

Example

	Year 1		Year 2		Year 3	
	Board-approved	Actual	Board-approved	Actual	Board-approved	Actual
General Service						
Contract						
Total Volume						
No. Customers (avg.)						

b. Please also provide a table similar to part a. above showing weather-normalized volumes.

3. Ref: Ex. B /Tab 1/ Sch 4 /

Please provide a Bill Impact sensitivity analysis for 2010 for typical Rate 1 and Rate 6 customers relative to different budgeted gas volumes. What is the effect of a plus 400 10⁶m³ and a minus 400 10⁶m³ change to the total Gas Volume Budget?
Assume the same proportion of volumes to General Service and Contract Customers as provided in the filed 2010 gas volume budget

ISSUE 6 – Y FACTOR – POWER GENERATION

4. Ref: Ex. B /Tab 2/ Sch 1/

With respect to the Y Factor request of \$3.7 million for 2010, please provide the rate base amounts related to the Portlands Energy Centre and Thorold Cogen.

ISSUE 7 – Y FACTOR – DSM PROGRAM

5. Ref: Ex. B /Tab 2/ Sch 2/

The Board's Decision and Order in EB-2009-0154 (page 7) specifies that the funding for Enbridge's proposed Industrial Support Pilot Program (\$1.25 million) must come from outside of the company's DSM budget. Please clarify whether the amount is in or out of the 2010 DSM budget.

ISSUE 8 – Y FACTOR – GAS IN STORAGE AND RELATED CARRYING COSTS

- no questions

ISSUE 9 – Y FACTOR – CIS COSTS AND CUSTOMER CARE

- no questions

ISSUE 10 – Z FACTOR - PENSION FUNDING

6. Ref: Ex. B /Tab 3/ Sch 1/

Paragraph 3 says that the Company's pension surplus has, over a number of years, resulted in a significant ratepayer benefit. Please quantify the actual credit to the Revenue Requirement in the most recent 4 years that the plan has been in a surplus position, prior to the introduction of the IR Plan.

7. Ref: Ex. B /Tab 3/ Sch 1/

Paragraph 5 states that EGD is required to file its next pension valuation as at December 31, 2009 in order to remain compliant with the PBAO. When is the earliest date that this valuation would be available for filing in this proceeding?

8. Ref: Ex. B /Tab 3/ Sch 1/

Paragraph 12 states that Mercer estimated that based on the December 31, 2008 valuation, and the requirement to pay a Pension Benefits Guarantee Fund premium, the total annual contribution would be \$18.9 million. What are the key assumptions that underpin the calculations of the funding requirement estimated by Mercer?

9. Ref: Ex. B /Tab 3/ Sch 1/

Paragraph 21 indicates that the financial "meltdown" could not have been foreseen by EGD's management. Does Enbridge Gas Distribution Inc. directly manage the plan or is it managed by another entity? Please name the corporate entity managing the plan. Does the plan include only the employees and retirees of Enbridge Gas Distribution Inc. or are there employees (such as those of affiliated companies) included in the plan? If so, please provide details as to the numbers of employees and the identity of the affiliates.

10. Ref: Ex. B /Tab 3/ Sch 1/

Paragraph 23 indicates that "the Enbridge pension governance structure in place ensured a prudent response to events as they unfolded". Please identify the responsive steps that the plan manager undertook during the financial crisis of 2008 and 2009. How were those actions different from the actions of other Canadian pension fund managers during the crisis?

11. Ref: Ex. B /Tab 3/ Sch 1/

Paragraph 25 speaks about the plan's funding requirement of \$18.9 million. Please comment on whether it is typical practice in the Canadian pension plan industry that when a plan is in a deficit position, its members' contributions are adjusted upwards to fully account for the shortfall. What is the role of the corporation overseeing the pension fund when a plan is in a deficit

position and requires additional funding? Does the corporation typically contribute to the funding shortfall?

12. Ref: Ex. B /Tab 3/ Sch 1/

If available, please provide the 2007, 2008 and 2009 performance statistics for Canadian pension plans.

ISSUE 11 – Z FACTOR CROSSBORES

13. Ref: Ex. B /Tab 3/ Sch 2/

Paragraph 4 states that trenchless technologies at Enbridge have been in use since 1970. It also indicates that such technologies are known to crossbore sewer lines. Given this history, is there any reason that Enbridge would not have been aware of the risks well before the 5 year IRM rate settlement was established? In other words, has the crossbore risk been known to Enbridge for some time preceding the IRM agreement? Has Enbridge ever established a budget to manage the crossbore risk?

ISSUE 12, 13, 14 – 2010 DEFERRAL AND VARIANCE ACCOUNTS

- no questions

ISSUE 15 – OTHER ISSUES – TAX RATE AND RULE CHANGES

14. Ref: Ex. C /Tab 1/ Sch 4/

What is the impact of the government's proposed Harmonized Sales Tax on the budgeted 2010 utility earnings?

ISSUE 16 – SERVICE QUALITY REPORTING

15. Ref: Ex. C /Tab 1/ Sch 5/

Please file the benchmarks and the results of all the SQRs relating to 2007 and 2008. If available, please include the preliminary estimates for 2009.

ISSUE 17 – IMPLEMENTATION

- no questions