



By electronic filing and by e-mail

January 26, 2010

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms Walli,

Enbridge Gas Distribution Inc. ("EGD") 2010 Rates

Board File No.: EB-2009-0172

Our File No.: 339583-000054

Please find enclosed the Interrogatories of our client, Canadian Manufacturers & Exporters ("CME").

Please contact me if you require any further information.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Peter C.P. Thompson', is written over a horizontal line.

Peter C.P. Thompson, Q.C.

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enclosure

c. Norm Ryckman (EGD)
Intervenors EB-2009-0172
Paul Clipsham (CME)

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IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Schedule B, as amended;

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas commencing January 1, 2010.

**INTERROGATORIES OF
CANADIAN MANUFACTURERS & EXPORTERS ("CME")
TO ENBRIDGE GAS DISTRIBUTION INC. ("EGD")**

Issue 4 – Customer Additions

1. Reference: Exhibit B, Tab 1, Sch. 2, page 1 of 9, column 3, line 17
Exhibit B, Tab 1, Sch. 4, page 1
Exhibit B, Tab 1, Sch. 5, page 8
Exhibit B, Tab 1, Sch. 5, Appendix B, page 1

The company is forecasting 32,379 Customer Additions for 2010. The information at Exhibit B, Tab 1, Schedule 5, Appendix A, page 8, indicates estimated average additions for 2009 over 2008 of almost 36,000 customers. The 4 month actual/10 month forecast amount at Exhibit B, Tab 1, Schedule 5, page 1 is 33,268 Customer Additions. Please provide the following information:

- (a) Now that the 2009 year is over, what is the actual number of Customer Additions for 2009 over 2008?
- (b) Please provide the 2010 distribution revenue requirement impact and rate impacts of a finding that there will be about 36,000 Customer Additions in 2010.

Issue 5 – Gas Volume Budget

2. Reference: Exhibit B, Tab 1, Sch. 5, page 1
Exhibit B, Tab 1, Sch. 5, Appendix A, pages 9 to 14

The contract volume budget for 2010 of $2008.6 \times 10^6 \text{m}^3$ is below the 2009 bridge year estimate of $2118.4 \times 10^6 \text{m}^3$ and well below the 2008 actual contract volumes of $3101.5 \times 10^6 \text{m}^3$. Please provide the following information:

- (a) Please show the impact on contract rates of an increase in the contract volume budget for 2010 of $500 \times 10^6 \text{m}^3$.

Issue 6 – Y Factor – Power Generation Projects

3. Reference: Exhibit B, Tab 1, Sch. 2, page 1, column 3, lines 7 and 22
Exhibit B, Tab 2, Sch. 1, pages 1 and 2

The evidence indicates that the Portlands Energy Centre and the Thorold Cogen continue to impose a subsidy burden on ratepayers and that the burden is increasing from \$3.2M in 2009 to \$3.6M in 2010. Please provide the following information:

- (a) The economic feasibility calculations that EGD used at the outset of each of the projects over the time horizon then considered appropriate that indicate the year in which each of these facilities was originally expected to generate sufficient revenues to cover EGD's allowed returns;
- (b) Please provide current estimates of the year in which each of these facilities will likely cease to be a subsidy burden on ratepayers and provide returns equal to or in excess of EGD's currently allowed returns.

The evidence refers to 2 new Power Generation-related pipeline projects, namely, the York Energy Centre and the Greenfield South Pipeline Projects. Please provide the following information:

- (c) The economic feasibility analyses used to show the extent to which each of these projects is likely to be a subsidy burden on ratepayers in future years and the year in which each of these projects are expected to commence generating sufficient revenues to cover EGD's allowed returns.
- (d) What contribution in aid, if any, does EGD expect to recover with respect to each of these projects?

Issue 7 – Y Factor – DSM Program

4. Reference: Exhibit B, Tab 1, Sch. 2, page 1, column 3, line 20
Exhibit B, Tab 2, Sch. 2, pages 1 to 4

The evidence indicates that EGD is seeking a 2010 DSM Budget that simply escalates the 2009 Board approved Budget by 5%. Please provide the following information:

- (a) What is the rationale and justification for the 5% escalation?

Issue 9 – Y Factor – CIS Costs and Customer Care

5. Reference: Exhibit B, Tab 1, Sch. 2, page 1, column 3, line 21
Exhibit B, Tab 2, Sch. 5, page 1

There is an on-going CIS Consultative to deal with EGD's implementation of its new CIS. A final meeting of the Steering Committee of that Consultative, at which EGD is expected to provide some final cost and rate impact information, has been indefinitely postponed by EGD. Please provide the following information:

- (a) Are there any costs included in the CIS Y Factor for 2010 that are the subject matter of the yet to be made presentation to the Steering Committee of the CIS Consultative? If so, what are these cost items?

- (b) Please provide a current status report on the implementation of the new CIS and an indication of when the final meeting of the Steering Committee of the CIS Consultative is likely to be re-scheduled.

Issue 10 – Z Factor – Pension Funding

6. Reference: Exhibit B, Tab 1, Sch. 2, page 1, column 3, line 25
Exhibit B, Tab 3, Sch. 1, pages 1 and 5

The evidence indicates that the surplus in prior years "precluded" EGD from making contributions to its pension plans and that the Z Factor claim for this item ranges between \$3.0M and \$18.9M. Please provide the following information:

- (a) Notwithstanding an inability to recover amounts from ratepayers when its pension plans are in a surplus situation, what is it that "precludes" EGD from making contributions to these plans? Does its management not have a discretion to continue to fund the plans, even though they are in a surplus condition?
- (b) Now that the 2009 year is over, what is the actual amount of the payment, if any, EGD must make to the plans?
- (c) Please provide the 2010 distribution revenue requirement impact and the rate impacts of a 2010 pension plan payment Z Factor of \$3M.

Issue 11 – Z Factor – Crossbores/Service Laterals

7. Reference: Exhibit B, Tab 1, Sch. 2, column 3, line 26
Exhibit B, Tab 2, Sch. 2, page 1

EGD is seeking a 2010 Z Factor on account of this item in the amount of \$3.6M. Please provide the following information:

- (a) The 2010 distribution revenue requirement and rate impacts of a disallowance of this Z Factor claim.

Issues 12, 13, 14 – 2010 Deferral and Variance Accounts

8. Reference: Exhibit B, Tab 7, Sch. 1, page 1
Exhibit C, Tab 1, Sch. 1

With respect to the information in Exhibit B, Tab 7, Schedule 1, please provide particulars of each and every item recorded in each of the deferral accounts listed in lines 8 to 21 inclusive.