



PUBLIC INTEREST ADVOCACY CENTRE

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October 29, 2010

VIA E-MAIL/RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor; 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: EB-2010-0146 Enbridge Gas Distribution Inc. 2010 Rates
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed VECC's interrogatories on EGDI's Pre-filed Evidence.

Yours truly,

Original signed

Michael Buonaguro
Counsel for VECC

Encl.
Cc. Norm Ryckman; Director Regulatory Affairs EGDI

EGDI 2011 Rates EB-2010-0146

Interrogatories of the Vulnerable Energy Consumers Coalition

General

VECC IR#1

No Reference

- a) Is EGDI planning to file an application regarding Earnings Sharing for 2010?
Provide details-timing ,issues etc

Inflation Factor

VECC IR#2

Exhibit B Tab 1 Schedule 3 Page 2 Table 1

- a) Provide the 2010 Q3 and Annualized Inflation Growth Rates
- b) Compare these to the values in Table 1
- c) Discuss how timing of the IRM adjustment can/should affect the estimate of the Inflation factor

Customer Additions and Volume Forecast

VECC IR#3

Exhibit B Tab 1 Schedule 4 ; Exhibit B Tab 1 Schedule 5 Appendix B

- a) Does EGD now have a econometric model to forecast residential customer additions?
- b) If so
 - i. provide details of the inputs ,dependent and independent variables coefficients etc
 - ii. Show how the model was used to forecast the 2011 additions
- c) If not provide a schedule that lists the sources of all significant inputs used by EGD to prepare the "grassroots forecast, including employment, housing starts etc.
- d) Provide an update/comparison of YTD 2010 customer additions compared to last years' Board Approved in Table 2 Column 3

- e) Provide an estimate the revenue requirement of impact of a 1% change in the residential customer additions forecast for 2011
- f) Provide and compare the latest 2010 housing start forecast in column 7 of Table 1
- g) Provide the latest 2011 forecast housing start data from EGDs sources and provide a comparison the Data in Table 1.Column 8

VECC IR#4

Exhibit B Tab 1 Schedule 5 Page 13 Table 3

- a) Provide a copy of Table 3 from last year's evidence
- b) Compare and discuss the changes between the 2010 actual YTD data to the forecast
- c) Discuss how the forecast changes in gas consumption play into the average use forecast

VECC IR#5

Exhibit B Tab 1 Schedule 5 Page 11 Para 19-22

- a) Update the 2010 total volumes to reflect actual YTD
- b) Discuss the main variances and implications for the 2011 forecast

VECC IR#6

Exhibit E, Tab 1, Schedule 1- Settlement Agreement

- a) Provide the estimated YTD 2010 Average Use True Up Calculation in accordance with the EB-2007-0615 Settlement Agreement Paragraph 4.1 and the methodology regarding "Average Use True-Up Variance Account" or "AUTUVA")
- b) Discuss whether (given the timing) this adjustment should be included in the 2011 DRR calculation or retained in the AUTUVA for disposition in spring 2011

Y factors

2010 DSM Y factor

VECC IR#7

Exhibit B Tab 2 Schedule 2

- a) Provide details of the treatment of the 2011 budget implications resulting from Emergency Assistance Under LEAP
- b) Provide details/update of the Budgets for enhanced Low Income Programs in 2011
- c) Detail the regulatory treatment of these Low Income initiatives and what the impacts will be on the rates in 2011 and (forecast) 2012
- d) Is EGD spending money on program development for the Multi-residential (non social housing)sector. If so provide details of the budgets initiatives and timing.
- e) What is the upset \$ limit on the use of the DSMVA for Low income spending relative to the base budget.?
- f) What are the constraints on the use of DSMVA to enhance the LI programs (e.g. TRC)

Z Factors

Pension Funding

VECC IR#9

Exhibit C Tab 1 Schedule 1 Page 8

Preamble: Enbridge has been advised by the actuary for its registered pension plan that there is a possibility of a material pension funding requirement, estimated to be in a range between nil and \$20 million, in respect of Enbridge's pension plan in the 2011 fiscal year. At this time, Enbridge cannot be certain that the changes to pension plan regulations will result in a funding requirement in 2011.

- a) Provide a copy of the advice from the actuary
- b) When will the next Pension Valuation be available?

c) Proposed 2010 Rates

VECC IR#10

Exhibit E Tab 1, Schedule 1 Page 55- Settlement Agreement

- a) Provide a schedule that compares the 2011 allocation to Rate Classes to that shown at page 55 of the EB-2007-0615 Settlement Agreement.
- b) Comment on the differences for the Rate 1 and Rate 6 classes

VECC IR#11

Exhibit E Tab 1, Schedule 1 Page 58- Settlement Agreement

- a) Provide an update and comparison to the Schedule shown at Page 58, including actual and forecast rate impacts and actual and forecast base DRRs 2008-2012
- b) Provide an update/comparison of Bill impacts 2008-2012 in the schedule on Page 59 of the settlement Agreement

VECC IR#12

Exhibit B Tab 3 Schedule 1 para 23-25 Plus Appendix

- a) Provide the details of the costs underlying new System Gas Administration charges.(similar to Appendix A for DPAC, except include derivation of incremental costs)
- b) Compare to historic costs
- c) Delineate the change in the allocation of this cost to system gas customers
- d) Provide the 2011 (forecast) of system gas customers in each class compared to 2010 (forecast and Actual)
- e) Is the SG admin charge a fixed or variable cost (or both)

VECC IR#13

Exhibit B Tab 3 Schedule 2 Rate 1 -Rate Schedule

- a) Provide details of the agreement in the EB-2007-0615 Settlement Agreement regarding Residential Customer Charges
- b) Provide details of the 2007 (base), 2008 , 2009 and 2010 residential customer charges
- c) Explain why the increase in the 2011 Customer charge from \$18.00 to \$19.00 is appropriate and in line with the Settlement Agreement
- d) For a low volume Residential customer with most consumption in the first rate block provide a schedule that shows the impact on the Distribution portion of the bill and total bill impact of the \$1.00 change in customer charge. Compare this to the average DRR change and average total bill impact

Deferral and Variance Accounts

VECC IR#14

Exhibit B Tab 5 Schedule 1 and Exhibit CTab 1Schedule 1

- a) Provide details of the costs underlying the Manufactured Gas Plant D/A 2010 MGPDA and August 31 Balance of \$248,500 plus interest of \$11,500 and year end forecast of \$ 373,500 plus interest of \$12,600
- b) Confirm that the balance in the 2010 Manufactured Gas Plant DA ("MGPDA") will be transferred into a 2011 MGPDA
- c) With regard to Open Bill Service D/A 2010 OBSDA August 31 Balance of \$464,.5 plus interest of\$17.5 and year end balance of \$438,.500 plus interest of \$19,100 and. Open Bill Access V/A 2009 OBAVA ^{423.1 7 .3 397.2 8.8} confirm that the EB-2009-0043 Settlement Agreement indicates the balances in the 2008 Open Bill deferral and variance accounts would be transferred to 2011 accounts.
- d) EGD indicates that the first year of clearance commenced in April, 2010 and in July 2011 the Company will clear approximately one half of the remaining balance in the 2010 OBSDA and 2010 OBAVA..Indicate details of how the balances will be presented and subject to prudence review and disposition

VECC IR#15

Exhibit B Tab 5 Schedule 1

- a) Provide an updated copy of EGD's IFRS Compliance Plan

- b) With regard to the. International Financial Reporting Standards Transition Costs D/A (2010 IFRSTCDA) balance of \$1,733.4 plus interest provide more details of the Costs incurred relative to the milestones in the plan
- c) Provide a forward projection 2011-2012 of IFRS Compliance costs relative to the Plan

VECC IR#16

Exhibit B Tab 5 Schedule 1

- a) With regard to 2009 Transactional Services D/A (2009 TSDA) and balance (\$7,062,100) and 2010 Transactional Services D/A (2010 TSDA) (\$2,972.9)
- b) Provide details of the significant change in 2010 revenues. Alternatively if there is a plan for prudence review and disposition of these amounts indicate when/how ratepayers will be provided with an opportunity to review the details

Service Quality

VECC IR#17

Exhibit D Tab 1 Schedule 2 Table 1

- a) Provide an explanation for the change in NDTRAC 2008 Actual 97.7% to 2009 94.3%

Return on Equity and Earnings Sharing

VECC IR#18

Exhibit E Tab 3 Schedule 1 Pages 1 and 2

Preamble: The Company will indicate, within its 2011 earnings sharing application, which methodology it employs for the calculation of 2011 earnings sharing.

- a) Explain in detail why EGD is presenting the second methodology A2 given the Board's EB-2010-0042 Decision that the Methodology A1 should be used during the IRM period?