

Ontario Energy Board

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

AND IN THE MATTER OF an application by Enbridge Gas
Distribution Inc. for an order or orders approving or fixing rates
for the sale, distribution, transmission and storage of gas
commencing January 1, 2014.

**TECHNICAL CONFERENCE QUESTIONS OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

January 15, 2014

**ENBRIDGE GAS DISTRIBUTION INC.
EB-2012-0459**

**ENERGY PROBE RESEARCH FOUNDATION
TECHNICAL CONFERENCE QUESTIONS**

TC.A1.EGDI.Energy Probe.1

Ref: I.A1.EGDI.SEC.5

- a) Please explain why EGDI has assumed a revenue cap model as part of the approximation of the Union IRM.
- b) If there are any differences in the results, please provide the response to the SEC interrogatory based on a price cap model being used.
- c) In addition to assuming a price cap model as requested in part (b) above, please provide the analysis assuming that EGDI's customized IR for 2014 through 2018 was done with the return on equity and cost of debt and cost of preferred shares and the capital structure set to the levels approved by the Board for 2013.
- d) Please provide the same analysis requested in part (c) above, but using the revenue cap model instead of the price cap model, as was used in the original response.

TC.A1.EGDI.Energy Probe.2

Ref: I.A1.EGDI.SEC.7

- a) Please provide the graphs on pages 1 and 2 of the response that extends the graphs to include the forecast through 2018.
- b) Please provide the graphs on pages 1 and 2 of the response that extends the graphs to include the forecast through 2018 but excludes the capital expenditures related to the Ottawa and GTA reinforcement projects.

TC.A1.EGDI.Energy Probe.3

Ref: I.A1.EGDI.SEC.17

The response indicates that Concentric did prepare an analysis, which is summarized in Figure 30 of Exhibit A2, Tab 9, Schedule 1, p. 61, that demonstrates that an I-X formula would not provide adequate recovery of EGDI's planned capital-related costs during the 2014-2016 period.

Please provide the same analysis, extended to 2018 based on the updated evidence of EGDI. Please also assume y-factor treatment for the GTA and Ottawa reinforcement capital expenditures.

TC.A2.EGDI.Energy Probe.4

Ref: I.A2.EGDI.CME.6

What is the reduction in O&M costs for each of 2014 through 2018 if the inflation targets for each year were set at:

- a) 1.75% per year, and
- b) 2.00% per year?

TC.B17.EGDI.Energy Probe.5

Ref: I.B17.EGDI.EP.13

Please expand the table to reflect 2017 and 2018 forecasts as proposed by EGDI and the continuation of a GDPIPIFDD of 2.0% in both of those years.

TC.B18.EGDI.Energy Probe.6

Ref: I.B18.EGDI.EP.22

- a) Has the error noted in the response to part (c) been corrected? If not, when is the error expected to be corrected?
- b) If the error has been corrected, please provide updated schedules for each of 2014 through 2018 for the working cash allowance found on page 2 of Tab 1, Schedule 3 of Exhibits B3 through B7.

- c) If the error has been corrected, please provide a corrected utility rate base schedule as found in Exhibit B1, Tab 1, Schedule 2.

TC.B18.EGDI.Energy Probe.7

Ref: I.B18.EGDI.EP.22

The response to part (d) does not fully explain the level of or change in the lag days shown for 2013 through 2016 associated with the HST.

- a) Please show the derivation of the lag days for each of the items shown in lines 1.1 through 1.5 in the 2013 table, including a description of when the HST is remitted to Revenue Canada and when the input tax credits can be claimed, all in relation to the related invoices.
- b) Please show the calculation of the change in the lag days from the 2013 figures shown in each of the subsequent years and fully explain the change in the lag days.
- c) Does the error noted in the response to part (c) related to collection days have any impact on the lag days associated with the revenue? Please explain fully and show the impact of the correction for the error, if applicable.
- d) Why is footnote (a) not also applicable to lines 1.3 in each of the tables shown in the response to part (d)?

TC.C21.EGDI.Energy Probe.8

Ref: I.C21.EGDI.VECC.7

The response shows that the average number of general service customers is about 2,450 higher in 2013 than forecast. Please show the breakdown of this increase between the appropriate general service rate classes.

TC.C24.EGDI.Energy Probe.9

**Ref: I.C24.EGDI.EP.28 &
Exhibit C2, Tab 1, Schedule 2**

Please explain the difference in the Central Region Environment Canada degree days forecast for 2014 of 3,552 shown in Table 10 in Exhibit C2, Tab 1, Schedule 2 and the figure of 3,628 shown in the response to the interrogatory.

TC.C24.EGDI.Energy Probe.10

**Ref: I.C24.EGDI.EP.27 &
Exhibit C2, Tab 1, Schedule 2**

Given that the most recent year of actual data now available is for 2013, please update Table 10 in Exhibit C2, Tab 1, Schedule 2 to reflect the forecasts that would result from the methodologies shown for each region.

TC.C25.EGDI.Energy Probe.11

Ref: I.C25.EGDI.EP.30

The response shows that the normalized actual 2013 Rate 1 use is about 27 m3 higher than forecast, while the Rate 6 use is about 34 m3 below the forecast.

- a) What is the impact on the allowed revenue in 2014 if the Rate 1 average use was increased by 27 m3 and the Rate 6 average use was decreased by 34 m3?**
- b) What is the impact on the deficiency in 2014 at existing rates if the Rate 1 average use was increased by 27 m3 and the Rate 6 average use was decreased by 34 m3?**

TC.C25.EGDI.Energy Probe.12

**Ref: I.C25.EGDI.EP.30 &
I.C25.EGDI.VECC.11**

Please reconcile the normalized average use forecast for 2013 for residential customers of 2,515 shown in the first reference with the figure of 2,483 shown in part (b) of the second reference.