

**EB-2012-0459 : Written Responses to Questions provided in advance of
January 2014 Technical Conference
Panel #1**

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Panel #1

Board Staff Written Questions

- Example of SEIM was provided on January 16, 2014 (Exhibit TC1.5)
- All other written questions to be addressed by the Pension/OPEBs panel

VECC Written Questions

- Questions 1 to 11 to be addressed orally by Panel #1
- Question 12 to be addressed by the Capital Forecasts panel

DAY 2
EXHIBITS

Energy Probe Written Questions

- Question 1 to be addressed orally by Panel #1
- Questions 2 and 3 to be addressed by Undertaking
- Questions 4 and 5 answered on the next page
- Questions 6 and 7 to be addressed by the Cost Allocation/Rate Design/Deferral and Variance Accounts/2014 Rates panel
- Questions 8 to 12 to be addressed by the Volumes/O&M Forecasts panel

Ontario Energy Board	
FILE No.	EB-2012-0459
EXHIBIT No.	TC1.2
DATE	January 17, 2014
08/99	NG

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Energy Probe Question #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.

From 2013 Board Approved to 2018 Budget

Line	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17
No. Categories (\$ Millions)	Board Approved 2013	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018	2014 vs. 2013	2015 vs. 2014	2016 vs. 2015	2017 vs. 2016	2018 vs. 2017	2014 vs. 2013	2015 vs. 2014	2016 vs. 2015	2017 vs. 2016	2018 vs. 2017	2014-18 Average Incr(Decr)
A. O&M Budget As filed																	
1. Methodology("RCAM")	32.1	35.3	34.0	33.8	34.8	35.9	3.2	(1.3)	(0.2)	1.1	1.1	9.91%	-3.74%	-0.60%	3.12%	3.12%	2.36%
2. Other O&M	219.2	228.0	231.5	241.0	248.5	256.3	8.8	3.5	9.5	7.5	7.8	3.99%	1.54%	4.10%	3.12%	3.12%	3.17%
3. Total Net Utility O&M Expense	\$251.3	\$263.3	\$265.5	\$274.8	\$283.3	\$292.2	\$11.9	\$2.2	\$9.3	\$8.6	\$8.8	4.75%	0.83%	3.50%	3.12%	3.12%	3.06%
B. 1.75% in Other O&M & RCAM																	
1. Methodology("RCAM")	32.1	32.7	33.2	33.8	34.4	35.0	0.6	0.6	0.6	0.6	0.6	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
2. Other O&M	219.2	227.2	229.7	238.0	242.2	246.4	7.9	2.5	8.3	4.2	4.2	3.61%	1.11%	3.62%	1.75%	1.75%	2.37%
3. Total Net Utility O&M Expense	\$251.3	\$259.8	\$262.9	\$271.8	\$276.6	\$281.4	\$8.5	\$3.1	\$8.9	\$4.8	\$4.8	3.38%	1.19%	3.39%	1.75%	1.75%	2.29%
C. Variance (B-A)		(\$3.5)	(\$2.5)	(\$2.9)	(\$6.7)	(\$10.7)											

From 2013 Board Approved to 2018 Budget

Line	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17
No. Categories (\$ Millions)	Board Approved 2013	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018	2014 vs. 2013	2015 vs. 2014	2016 vs. 2015	2017 vs. 2016	2018 vs. 2017	2014 vs. 2013	2015 vs. 2014	2016 vs. 2015	2017 vs. 2016	2018 vs. 2017	2014-18 Average Incr(Decr)
A. O&M Budget As filed																	
1. Methodology("RCAM")	32.1	35.3	34.0	33.8	34.8	35.9	3.2	(1.3)	(0.2)	1.1	1.1	9.91%	-3.74%	-0.60%	3.12%	3.12%	2.36%
2. Other O&M	219.2	228.0	231.5	241.0	248.5	256.3	8.8	3.5	9.5	7.5	7.8	3.99%	1.54%	4.10%	3.12%	3.12%	3.17%
3. Total Net Utility O&M Expense	\$251.3	\$263.3	\$265.5	\$274.8	\$283.3	\$292.2	\$11.9	\$2.2	\$9.3	\$8.6	\$8.8	4.75%	0.83%	3.50%	3.12%	3.12%	3.06%
B. 2.00% in Other O&M & RCAM																	
1. Methodology("RCAM")	32.1	32.7	33.4	34.1	34.7	35.4	0.6	0.7	0.7	0.7	0.7	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2. Other O&M	219.2	227.6	230.7	239.6	244.3	249.2	8.4	3.1	8.9	4.8	4.9	3.82%	1.35%	3.85%	2.00%	2.00%	2.60%
3. Total Net Utility O&M Expense	\$251.3	\$260.4	\$264.1	\$273.6	\$279.1	\$284.7	\$9.0	\$3.7	\$9.5	\$5.5	\$5.6	3.59%	1.43%	3.61%	2.00%	2.00%	2.53%
C. Variance (B-A)		(\$2.9)	(\$1.4)	(\$1.1)	(\$4.2)	(\$7.5)											

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Energy Probe Question #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 GDPIPIFDD of 2.0% in both of those years.

Table 1
Enbridge Gas Distribution
Summary of Operating and Maintenance Expense by Category
From 2013 Board Approved to 2018 Budget

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17	
Line	Board Approved	Budget	Budget	Budget	Budget	Budget	2014 vs.	2015 vs.	2016 vs.	2017 vs.	2018 vs.	2014 vs.	2015 vs.	2016 vs.	2017 vs.	2018 vs.	2014-18 Average	
No.	Categories (\$ Millions)	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017	Incr/Decr	
A. O&M Budget As filed																		
1.	Customer Care/CIS Service Charges	\$89.4	\$92.6	\$96.5	\$100.4	\$104.4	\$108.5	\$3.2	\$3.9	\$3.9	\$4.0	\$4.1	3.61%	4.18%	4.07%	3.96%	3.93%	3.95%
2.	Demand Side Management ("DSM") ⁽¹⁾	31.6	32.2	32.8	33.5	34.2	34.9	0.6	0.6	0.7	0.7	0.7	1.77%	2.00%	2.00%	2.22%	2.05%	2.01%
3.	Pension and OPEB Costs	42.8	37.2	33.8	30.9	28.5	26.2	(5.6)	(3.5)	(2.9)	(2.4)	(2.3)	-12.97%	-9.35%	-8.52%	-7.73%	-8.07%	-9.33%
4.	Methodology("RCAM")	32.1	35.3	34.0	33.8	34.8	35.9	3.2	(1.3)	(0.2)	1.1	1.1	9.91%	-3.74%	-0.60%	3.12%	3.12%	2.36%
5.	Other O&M	219.2	228.0	231.5	241.0	248.5	256.3	8.8	3.5	9.5	7.5	7.8	3.99%	1.54%	4.10%	3.12%	3.12%	3.17%
6.	Total Net Utility O&M Expense	\$415.1	\$425.3	\$428.5	\$439.5	\$450.5	\$461.8	\$10.2	\$3.2	\$11.0	\$10.9	\$11.3	2.45%	0.75%	2.57%	2.48%	2.51%	2.15%
O&M Budget Level that would be expected																		
B. under I-X framework																		
6.	Customer Care/CIS Service Charges	\$89.4	\$92.6	\$96.5	\$100.4	\$104.4	\$108.5	\$3.2	\$3.9	\$3.9	\$4.0	\$4.1	3.61%	4.18%	4.07%	3.96%	3.93%	3.95%
7.	Demand Side Management ("DSM") ⁽¹⁾	31.6	32.2	32.8	33.5	34.2	34.9	0.6	0.6	0.7	0.7	0.7	1.77%	2.00%	2.00%	2.22%	2.05%	2.01%
8.	Pension and OPEB Costs	42.8	37.2	33.8	30.9	28.5	26.2	(5.6)	(3.5)	(2.9)	(2.4)	(2.3)	-12.97%	-9.35%	-8.52%	-7.73%	-8.07%	-9.33%
9.	Methodology("RCAM")	32.1	35.3	34.0	33.8	34.8	35.9	3.2	(1.3)	(0.2)	1.1	1.1	9.91%	-3.74%	-0.60%	3.12%	3.12%	2.36%
10.	Other O&M	219.2	220.9	222.9	224.9	226.9	229.0	1.7	2.0	2.0	2.0	2.0	0.76%	0.90%	0.90%	0.90%	0.90%	0.87%
11.	Total Net Utility O&M Expense	\$415.1	\$418.2	\$419.9	\$423.4	\$428.8	\$434.5	\$3.1	\$1.7	\$3.5	\$5.4	\$5.6	0.75%	0.41%	0.83%	1.28%	1.31%	0.92%
C. Variance (B-A)																		
		(\$7.1)	(\$8.6)	(\$16.1)	(\$21.6)	(\$27.3)												
Assumptions:																		
I-X Escalation																		
GDPIPI (assume 2% increase for 2015-2018)		1.70%	2.00%	2.00%	2.00%	2.00%												
Inflation coefficient		0.45	0.45	0.45	0.45	0.45												
Net Escalation		0.77%	0.90%	0.90%	0.90%	0.90%												

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SEC Written Questions

- Questions 1, 2 and 4 to 7 to be (or have been) addressed orally by Panel #1
- Questions 3, 8, 9, 10(b), 11(c), 12 and 13 to be addressed by Undertaking
- Questions 10(a) and 14 to 17 to be (have been) addressed orally by Panel #1
- Question 18 to be addressed by Undertaking
- Questions 19 to 23 to be (have been) addressed orally by Panel #1
- Questions 24 and 25 addressed in writing (see next page)
- Questions 27 to 30, 33, 37, 44 and 46 to be (have been) addressed orally by Panel #1
- Questions 31 and 32 to be addressed by the Depreciation/Site Restoration Costs panel
- Questions 26, 34 and 35 to be addressed by the Cost Allocation/Rate Design/Deferral and Variance Accounts/2014 Rates panel
- Questions 36 and 38 to 43 to be addressed by the Volumes/O&M Forecasts panel
- Questions 45 and 47 to 52 to be addressed by the Capital Forecasts panel

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SEC Technical Conference Question #24

[SEC 39] Please add two more rows to the table, showing number of customers and capital expenditures per customer for each year. Please provide the Table in Excel format.

Set out below is the requested addition to the table. Enbridge is not prepared to provide "live" versions of its spreadsheets.

Total Depreciation Expense and Capital Expenditures - Excluding GTA and Ottawa Reinforcement Projects																			
2000-2012 Actual and 2013 -2018 Forecast																			
(\$millions)																			
	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13	Col 14	Col 15	Col 16	Col 17	Col 18	Col 19
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 9+3	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Total Depreciation	169.7	156.4	161.8	170.0	178.4	244.6	210.3	226.1	237.1	251.3	267.0	276.9	292.9	279.1	262.3	273.7	289.1	298.5	307.2
Total Capital Expenditures	215.2	249.8	252.9	224.8	278.4	315.5	364.5	354.9	366.0	349.1	337.6	339.2	437.9	439.3	480.1	472.3	450.0	442.2	442.2
Total Number of Customers	1,464,738	1,519,039	1,566,710	1,622,016	1,676,380	1,735,907	1,782,813	1,824,739	1,865,020	1,887,505	1,926,294	1,960,376	1,994,903	2,027,900	2,059,619	2,095,302	2,131,887	2,168,472	2,205,056
Capital Expenditure per Customer	\$ 147	\$ 164	\$ 161	\$ -39	\$ 166	\$ 182	\$ 204	\$ 194	\$ 196	\$ 185	\$ 175	\$ 173	\$ 220	\$ 217	\$ 233	\$ 225	\$ 211	\$ 204	\$ 201

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SEC Technical Conference Question #25

[SEC 41] Pleaser provide a fuller explanation of the change in financing mix.

There is no specific intent to modify the financing mix of long term and short term debt. Long term debt is planned according to the pace of required capital, timing for cash flow needs and flexibility associated with market timing. It should be noted that 2015 has the largest capital needs for a single year during the IR term (reference, for example, Exhibit B2, Tab 1, Schedule 1, Page 4, Table 2), and hence has the largest new long term debt requirements (\$550 million). To prudently manage the funding requirements associated with the significant amount of capital expenditures, the financing plan considers pacing of large long term debt requirements of \$550 million over June to October 2015 (see Exhibit E1, Tab 2, Schedule 1, Page 2). This pacing affects the average short term debt in 2015.