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

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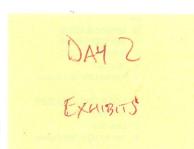
Panel #1

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



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	Tcl.2
DATE Jan	Va(y 17, 2014
08/99	NG.

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

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

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		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6		Col. 8	Col. 9	Col. 10	Col. 11	(Col. 12	Col. 13	Coi. 14	Col. 15	Col. 16	Col. 17
								2					3					
		Board						2014	2015			2018	ä	2015	2016		2018	2014-18
Líne		Approved		•					VS.		2017 vs.	VS.	2014 vs.	VS.	VS.	2017 vs.	V\$.	Average
<u>No.</u>		2013	<u>2014</u>	2015	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2013</u>	2014	2015	2016	<u>2017</u>	Incr(Decr)
A.	O&M Budget As filed			04.0			00.0		// AN	(0.0)			2000	0.7401	0.000	0.100/	2 100/	0.000
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%		-0.60%	3.12%	3.12%	2.36%
	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%		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%
В.	1.75% in Other O&M & RCAM							508					sat					
4.	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%
5.	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%
6.	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 201	3 Board	Approved	to 2018	<u>Budget</u>												
		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	C⊘I. 7	Col. 8	Coi. 9	Col. 10	Coi. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17
		Col. 1 Board	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7 2014	Col. 8	Coi. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17 2014-18
Line	,							2014	2015	Col. 9 2016 vs.			Col. 12 2014 vs.			Col. 15 2017 vs.		
Line <u>No.</u>		Board						2014	2015			2018		2015	2016		2018	2014-18
-		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. <u>2016</u>	2018 vs.	2014-18 Average Incr(Oecr)
No.	Categories (\$ Millions)	Board Approved	Budget	Budget	Budget	Budget	Budget	2014 vs.	2015 vs.	2016 vs.	2017 vs.	2018 vs.	2014 vs.	2015 vs. 2014	2016 vs.	2017 vs.	2018 vs. 2017 3.12%	2014-18 Average
No.	Categories (\$ Millions) O&M Budget As filed	Board Approved 2013	Budget 2014	Budget 2015	8udget 2016	Budget 2017	Budget 2018	2014 vs. <u>2013</u>	2015 vs. 2014	2016 vs. 2015	2017 vs. 2016	2018 vs. 2017	2014 vs. 2013	2015 vs. 2014 -3.74% 1.54%	2016 vs. <u>2015</u> -0.60% 4.10%	2017 vs. <u>2016</u>	2018 vs. 2017	2014-18 Average Incr(Oecr) 2.36% 3.17%
<u>No.</u> A. 1.	Categories (\$ Millions) O&M Budget As filed Methodology("RCAM")	Board Approved 2013 32.1	Budget 2014 35.3 228.0	Budget 2015 34.0	Budget 2016 33.8 241.0	Budget 2017 34.8 248.5	Budget 2018 35.9 256.3	2014 vs. 2013 3.2 8.8	2015 vs. <u>2014</u> (1.3)	2016 vs. <u>2015</u> (0.2)	2017 vs. 2016 1.1	2018 vs. 2017	2014 vs. <u>2013</u> 9.91%	2015 vs. 2014 -3.74%	2016 vs. <u>2015</u> -0.60% 4.10%	2017 vs. 2016 3.12%	2018 vs. 2017 3.12%	2014-18 Average Incr(Oecr) 2.36%
No. A. 1. 2. 3.	Categories (\$ Millions) O&M Budget As filed Methodology(*RCAM*) Other O&M Total Net Ulitity O&M Expense	Board Approved 2013 32.1 219.2	Budget 2014 35.3 228.0	Budget 2015 34.0 231.5	Budget 2016 33.8 241.0	Budget 2017 34.8 248.5	Budget 2018 35.9 256.3	2014 vs. 2013 3.2 8.8	2015 vs. 2014 (1.3) 3.5	2016 vs. 2015 (0.2) 9.5	2017 vs. 2016 1.1 7.5	2018 vs. 2017 1.1 7.8	2014 vs. 2013 9.91% 3.99%	2015 vs. 2014 -3.74% 1.54%	2016 vs. <u>2015</u> -0.60% 4.10%	2017 vs. 2016 3.12% 3.12%	2018 vs. 2017 3.12% 3.12%	2014-18 Average Incr(Oecr) 2.36% 3.17%
No. A. 1. 2. 3.	Categories (\$ Millions) O&M Budget As filed Methodology(*RCAM*) Other O&M Total Net Ulifity O&M Expense	Board Approved 2013 32.1 219.2 \$251.3	Budget 2014 35.3 228.0 \$263.3	Budget 2015 34.0 231.5 \$265.5	8udget 2016 33.8 241.0 \$274.8	8udget 2017 34.8 248.5 \$283.3	Budget 2018 35.9 256.3 \$292.2	2014 vs. 2013 3.2 8.8 \$11.9	2015 vs. 2014 (1.3) 3.5 \$2.2	2016 vs. 2015 (0.2) 9.5 \$9.3	2017 vs. 2016 1.1 7.5 \$8.6	2018 vs. 2017 1.1 7.8 \$8.8	2014 vs. 2013 9.91% 3.99% 4.75%	2015 vs. 2014 -3.74% 1.54% 0.83%	2016 vs. 2015 -0.60% 4.10% 3.50%	2017 vs. 2016 3.12% 3.12% 3.12%	2018 vs. 2017 3.12% 3.12% 3.12%	2014-18 Average Incr(Decr) 2.36% 3.17% 3.06%
No. A. 1. 2. 3.	Categories (\$ Millions) O&M Budget As filed Methodology(*RCAM*) Other O&M Total Net Ulitity O&M Expense	Board Approved 2013 32.1 219.2	Budget 2014 35.3 228.0	Budget 2015 34.0 231.5	Budget 2016 33.8 241.0	Budget 2017 34.8 248.5	Budget 2018 35.9 256.3 \$292.2	2014 vs. 2013 3.2 8.8	2015 vs. 2014 (1.3) 3.5	2016 vs. 2015 (0.2) 9.5 \$9.3	2017 vs. 2016 1.1 7.5 \$8.6	2018 vs. 2017 1.1 7.8 \$8.8	2014 vs. 2013 9.91% 3.99% 4.75%	2015 vs. 2014 -3.74% 1.54% 0.83%	2016 vs. 2015 -0.60% 4.10% 3.50%	2017 vs. 2016 3.12% 3.12% 3.12% 2.00%	2018 vs. 2017 3.12% 3.12% 2.00%	2014-18 Average Incr(Decr) 2.36% 3.17% 3.06%
No. A. 1. 2. 3. B. 1. 2.	Categories (\$ Millions) O&M Budget As filed Methodology("RCAM") Other O&M Total Net Utility O&M Expense 2.0% in Other O&M & RCAM Methodology("RCAM") Other O&M	Board Approved 2013 32.1 219.2 \$251.3 32.1 219.2	35.3 228.0 \$263.3 32.7 227.6	Budget 2015 34.0 231.5 \$265.5 33.4 230.7	8udget 2016 33.8 241.0 \$274.8 34.1 239.6	8udget 2017 34.8 248.5 \$283.3 34.7 244.3	Budget 2018 35.9 256.3 \$292.2 35.4 249.2	2014 vs. 2013 3.2 8.8 \$11.9	2015 vs. 2014 (1.3) 3.5 \$2.2 0.7 3.1	2016 vs. 2015 (0.2) 9.5 \$9.3 0.7 8.9	2017 vs. 2016 1.1 7.5 \$8.6 0.7 4.8	2018 vs. 2017 1.1 7.8 \$8.8	2014 vs. 2013 9.91% 3.99% 4.75% 2.00% 3.82%	2015 vs. 2014 -3.74% 1.54% 0.83% 2.00% 1.35%	2016 vs. 2015 -0.60% 4.10% 3.50% 2.00% 3.85%	2017 vs. 2016 3.12% 3.12% 3.12% 2.00% 2.00%	2018 vs. 2017 3.12% 3.12% 3.12% 2.00%	2014-18 Average Incr(Decr) 2.36% 3.17% 3.06% 2.00% 2.60%
No. A. 1. 2. 3. B. 1. 2.	Categories (\$ Millions) O&M Budget As filed Methodology("RCAM") Other O&M Total Net Ulifity O&M Expense 2,0% in Other O&M & RCAM Methodology("RCAM")	Board Approved 2013 32.1 219.2 \$251.3	Budget 2014 35.3 228.0 \$263.3	Budget 2015 34.0 231.5 \$265.5 33.4 230.7	8udget 2016 33.8 241.0 \$274.8	8udget 2017 34.8 248.5 \$283.3 34.7 244.3	Budget 2018 35.9 256.3 \$292.2	2014 vs. 2013 3.2 8.8 \$11.9	2015 vs. 2014 (1.3) 3.5 \$2.2	2016 vs. 2015 (0.2) 9.5 \$9.3	2017 vs. 2016 1.1 7.5 \$8.6	2018 vs. 2017 1.1 7.8 \$8.8	2014 vs. 2013 9.91% 3.99% 4.75%	2015 vs. 2014 -3.74% 1.54% 0.83%	2016 vs. 2015 -0.60% 4.10% 3.50% 2.00% 3.85%	2017 vs. 2016 3.12% 3.12% 3.12% 2.00%	2018 vs. 2017 3.12% 3.12% 3.12% 2.00%	2014-18 Average Incr(Decr) 2.36% 3.17% 3.06%

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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	Cal. 16	Col. 17
		Board						2014	2015			2018		2015	2016		2018	2014-18
Line		Approved	Budget	Budget	Budget	Budget	Budget	∛ vs.	vs.	2016 vs.	2017 vs.	vs.	2014 vs.	VS.	VS.	2017 vs.	VS.	Average
No.	Categories (\$ Millions)	2013	2014	2015	2016	2017	2018	2013	2014	<u>2015</u>	2016	2017	<u>2013</u>	2014	2015	2016	2017	incr(Decr)
A.	O&M Budget As filed							**				3						
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%		4.10%	3.12%	3.12%	3.17%
6.	Total Net Utility O&M Expense		\$425.3					\$10.2	\$3.2	\$11.0	\$10.9	\$11.3	}	0.75%		2.48%	2.51%	2.15%
			***********					r toutienn				, minute 1	<u> </u>		TC:240700000	w		411011
	O&M Budget Level that would be expected																	
В.	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		\$434.5	\$3.1	\$1.7	\$3.5	\$5.4	\$5.6	0.75%			1.28%	1.31%	0.92%
			***********	***************************************				· winner				***************************************	**************************************			77000000000		
Ċ.	Variance (6-A)		(\$7.1)	(\$8.6)	(\$16.1)	(\$21.6)	(\$27.3)											
	Assumptions:																	

I-X Escalation

GDPIPI (assume 2% increase for 2015-2018)

Inflation coefficient Net Escalation

1.70% 2.00% 2.00% 2.00% 2.00% 0.45 0.45 0.45 0.45 0.45 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.

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

Total Depreciation Expense and Capital Expenditures - Excluding GTA and Ottawa Reinforcement Projects 2000-2012 Actual and 2013 -2018 Forecast (Smillons)

													:						
	Col 1	Col2	Col 3	Col 1 Col 2 Col 3 Col 4	Col 5	Col 6	Col 7	Col 8	00 00	Col 10	Col 11	Col 12	Col 13	Col 14 Col 15		Col 16	Col 17 Col 18	Col 18	Col 19
	2000 Actual	2001 1 Actual	n 2002 al Actual	12 2003 al Actual	3 2004 al Actuai	4 2005 ii Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actuaí	2012 2 Actual	2013 9+3 Forecast	2013 9+3 2014 2015 Forecast Forecast		2016 Forecast	2017 Forecast	2018 Forecast
Total Depreciation	169.7	156.4	161.8	3 170.0	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	3 252.9	224.8	3 278.4	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	1,519,038	1,566,71	0 1,622,016	1,464,738 1,519,039 1,586,710 1,622,016 1,676,380 1,735,307	1,735,907	1,782,813	1,824,789	1,865,020 1,887,605 1,926,294	1,887,505	1,926,294	1,960,378 1,994,903	1,994,903	2,027,900 2,059,619	2,059,619	2,095,302	2,131,887	2,168,472	2,205,056
Capital Expenditure per Customer \$ 147 \$ 164 \$ 161 \$	\$ 147	& 201	\$ 16		39 \$ 166 \$ 182 \$ 204 \$ 194 \$ 196 \$ 185 \$ 175 \$ 220 \$ 247 \$ 233 \$ 225 \$ 211 \$ 204 \$	\$ 182	\$ 204	8 19	\$ 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.