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July 13, 2015

Reply To: Thomas Brett
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Our File No. 153709

VIA RESS, EMAIL AND COURIER

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attention: Kirsten Walli
Board Secretary

Dear Ms. Walli:

Re: EB-2015-0122 - Enbridge Gas Distribution Inc., 2014 ESM Application

Please find attached BOMA's remaining Interrogatories, as promised in our letter of Friday, July 10, 2015.

Yours truly,

FOGLER, RUBINOFF LLP

Thomas Brett

TB/dd

Encls.

cc: All Parties (*via email*)

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 the clearance or disposition of amounts recorded in certain deferral or variance accounts.

**INTERROGATORIES OF
BUILDING OWNERS AND MANAGERS ASSOCIATION, GREATER TORONTO
("BOMA")**

July 13, 2015

BOMA Interrogatories

Annual Productivity Report

Ref: Exhibit D, Tab 2, Schedule 1, Page 3

1. What cost reductions were identified in the EB-2012-0459 evidence? How was ratepayer cost relief "built into baseline costs"? Were the costs referred to both capital and operating costs? Please explain fully, including the amount of cost reduction to the baseline and the activities that were removed, altered, or otherwise managed to produce those cost reductions.

Ref: Exhibit D, Tab 2, Schedule 1, Page 12

2. Please explain the decrease in FTE equivalent positions, between the number in the budget, and the number at the end of 2014. In which units or groups were these FTEs located? Please provide a detailed breakdown. Does EGD intend to fill these positions in 2015, 2016, 2017, or 2018, or does it intend to hold the 150 FTEs (or whatever the actual number is) vacant throughout the IRM period?

Ref: Ibid

3. Please provide the calculation of the \$8.5 million in savings and explain how the number for representative FTE salary and benefits amount was chosen. Please perform the same exercise for the budgeted impact of the FTE freeze in 2015 (relative to 2014) of \$3.1 million. Do the \$8.5 million amount and the \$3.1 million amount take into account the new hires for Asset Management in 2015?

Ref: *Ibid*

4. Do the FTE numbers exclude contract workers or part-time workers, or any other form of worker, other than full-time employees or their equivalents? Please discuss fully. What did EGD spend (number and OM&A dollars) of contracted or "temporary" staff in 2015 and 2014?

Ref: *Exhibit D, Tab 2, Schedule 1, Page 13*

5. Please provide a detailed list of the savings of \$28.7 million relative to the core capital approved budget (EB-2012-0459) \$443.8 million. Please identify for each savings item, whether it was to be "embedded savings" or variable costs, and the degree to which it is sustainable. Please confirm that the underspend in the system integrity program of approximately \$6.4 million was simply due to a fifty percent underspend of the gate/station budget. Why did the underspend occur? Please confirm that the portion of the underspend at Cookstown and Keel will be spent in 2016.

Ref: *Exhibit D, Tab 2, Schedule 1, Page 14*

6. What were the amount of the financial contributions from the one time and unsustainable actions resulting in avoided costs in 2014? Were these variable costs or embedded savings? Please list each measure.

Ref: *Exhibit D, Tab 2, Schedule 1, Page 19, Table 7*

7. Please show which of the items in the table have materialized, and which did not. For those that did materialize, please confirm they were absorbed within the capital budget.

If not all initiatives were absorbed, indicate the increase to the capital budget from those items.

Please explain each of the items proposed in EB-2012-0459, or provide a reference to where those initiatives were described in EB-2012-0459 or in other proceedings.

Please provide a breakdown of the table into capital and operating components.

When will automatic meter reading be available and deployed for natural gas? Please discuss.

Ref: *Exhibit D, Tab 2, Schedule 1, Page 9*

8.
 - (a) Please explain why "benefits" costs continue to increase six percent per year.
 - (b) Please breakdown the benefits into detailed components and show the increase in costs for each component and the calculation which produces the six percent overall rate.
 - (c) Please estimate the likely reduction in the six percent increase in 2015 and 2016 which will result from the benefits policy changes shown at paragraph 22. Are these reductions sustainable beyond 2016?
 - (d) Please explain what the annual increase in benefit costs would be if EGD employees were to contribute a share (25%) to their pension contributions.

Ref: Exhibit D, Tab 2, Schedule 1

9. (a) What accounted for the locates volume increase of thirteen percent in 2014? Was this an anomaly? What is the experience to date, year over year, for January 1-June 30 for 2013, 2014, and 2015?
- (b) What further progress, if any, on damage prevention ratios is EGD predicting for 2015, 2016, 2017, and 2018? Why?

Ref: Exhibit D, Tab 2, Schedule 1

10. Please explain how EGD suddenly becomes an uncompetitive employer if average merit increases are held to two percent, rather than three percent, given the state of the economy, interest rates, CPI forecasts, etc. Do the merit pay increases take into account the extent to which the employee is in a category, the demand for which is especially intense?

Ref: Exhibit D, Tab 2, Schedule 11

11. What savings would be produced by eliminating all discretionary customer attachment projects in the winter? Define a residential replacement customer and show how it differs from a residential conversion customer. What is the current dollar value (total) of the winter premium for 2014-2015. Over what months is it calculated, in each EGD region?