

**IN THE MATTER** of the *Ontario Energy Board Act 1998*, Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

**AND IN THE MATTER OF** an Application by Enbridge Gas Distribution Inc. for an Order or Orders approving just and reasonable rates and other service charges for the sale, distribution, transmission and storage of natural gas, effective on January 1, 2016.

**INTERROGATORIES**  
**OF THE**  
**SCHOOL ENERGY COALITION**

1. [A1/2/1/p.3] **Preamble:** Enbridge has requested that its 2016 rates be effective as of January 1, 2016, and has requested interim rates if new rates cannot be in place by January 1, 2016. In EB-2012-0459 the Board ordered Enbridge to file full evidence with respect to the allocation of base pressure gas and LUF gas in either its 2015 or 2016 rate application, so that the Board could determine whether to reallocate those costs on a fully-allocated basis for ratemaking purposes. That evidence was filed for the first time in this proceeding on September 30, 2015. **Question:** Please explain why Enbridge did not file this evidence earlier, so that the Board would have time to make a determination with respect to this allocation prior to January 1, 2016. Please provide details of any factors outside of the control of Enbridge that prevented Enbridge from filing this evidence in a more timely manner.
2. [A1/5/1, p. 6] **Preamble:** Enbridge has proposed that any review of the cost allocation methodology for storage costs be done at the time of its next rebasing application. In EB-2012-0459, the Board ordered Enbridge to file the appropriate evidence for this review in its 2015 or 2016 rate application, rather than in its rebasing application. **Question:** Please provide full details of any changes in circumstances, or other such factors, since the EB-2012-0459 proceeding, that form the basis to defer this review further, until the next rebasing application. If there are no such changes in circumstances, please explain why the Board should alter the conclusion it reached in the EB-2012-0459 proceeding that this application would be the appropriate timing for this review.
3. [D1/1/2, p.2 and D1/6/2] **Question:** Please confirm that the following statements are correct:
  - a. O&M Costs have been increased in this Application by \$3.7 million from the EB-2012-0459 placeholder amount to reflect the increase in Pension and OPEB costs,

calculated on an accrual basis, from \$30.9 million to \$34.6 million, as set out in the Mercer report dated July 9, 2015.

- b. Cash Pension and OPEB costs to Enbridge have decreased by \$28.6 million, from the \$35.7 million included in the EB-2012-0459 tax calculation, to \$7.1 million as set out in the Mercer report dated July 9, 2015.
- c. The effect of the decrease in the cash costs is to increase income tax expense by \$7.6 million for 2016, and to increase grossed-up income tax expense included in rates by \$10.3 million.
- d. Enbridge thus proposes to increase its rates by \$14.0 million as a result of Pension and OPEB changes, at the same time as it is reducing its net cash outlay for those costs by \$28.6 million.

Respectfully submitted on behalf of the School Energy Coalition this 27<sup>th</sup> day of October, 2015

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Jay Shepherd