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**File No. 339583/000217**

November 25, 2015

**By Electronic Filing**

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> floor  
Toronto, ON M4P 1E4

Dear Ms Walli,

<b>Enbridge Gas Distribution Inc. ("EGD") Application for Exemption from the Affiliate Relationships Code for Gas Utilities</b>	
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<b>Board File No.:</b>	<b>EB-2015-0233</b>
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Pursuant to Procedural Order No. 3, please find enclosed the Interrogatories of Canadian Manufacturers & Exporters ("CME") to EGD, in this proceeding.

Yours very truly,

A handwritten signature in dark ink, appearing to be 'VJD', followed by a long horizontal line extending to the right.

Vincent J. DeRose  
VJD/kt  
Encl.

c. Andrew Mandyam (EGD)  
Dennis O'Leary (Aird & Berlis)  
All Interested Parties EB-2015-0233  
Paul Clipsham and Ian Shaw (CME)

OTT01: 7339949: v1

**Application for an exemption from section 2.2.2 of the  
Affiliate Relationships Code for Gas Utilities.**

**INTERROGATORIES OF  
CANADIAN MANUFACTURERS & EXPORTERS (CME)  
TO ENBRIDGE GAS DISTRIBUTION INC. (EGD)**

**CME 1**

Ref: Appendix B, plus Appendices

At section 2.1 of the business case for IT shared services consolidation and ARC exemption, it is stated that EGD's Custom Incentive Rate-Setting Plan (Custom IR) is designed to incent EGD to perform more efficiently without compromising safety, reliability and other important customer metrics. EGD must report productivity improvements in its operations annually with the OEB during the term of the Custom IR. To that end, EGD is seeking to find efficiencies through consolidation of services with affiliated companies wherever such consolidation is reasonable, practical and in keeping with regulatory principles. In this instance, EGD has leveraged the overall EGD organization to consolidate EGD's infrastructure services under one umbrella - ITSS.

CME would like to better understand the productivity improvements that will be realized by the proposed consolidation. In this regard:

- (a) Please describe the number of FTEs that will be transferred from EGD to ITSS as well as EGD's annual cost for those FTEs;
- (b) Please confirm that once transferred, the former EGD FTEs, who are now working for ITSS, will no longer be part of EGD's O&M but, instead, will fall under the EI budget;
- (c) If (b) above is confirmed, please provide for the years 2016, 2017 and 2018 the estimated savings EGD will realize by transferring those FTE's to EI, compared to the increased costs that will be allocated by EI to EGD for the new consolidated services.

**CME 2**

Ref: Appendix B, plus Appendices, pages 8 to 9

Figures 2 and 3 set out the cost savings of EGD moving to the ITSS model in graph form. The Evidence also states that the savings will be \$2M by 2018. Please provide what the anticipated cost savings resulting from centralizing infrastructure services are expected to be for each of the years 2016, 2017, 2018, 2019 and 2020.

**CME 3**

Ref: Appendix B, plus Appendices

Please confirm that EGD will not be seeking recovery of any of the costs associated with ITSS consolidation during its current Custom IR. Specifically, please confirm that EGD does not consider any of the cost associated with ITSS to be an unforeseen event outside of management's control that could potentially be treated as a "z-factor".

OTT01: 7339837: v1