

ONTARIO ENERGY BOARD STAFF INTERROGATORIES

ON EVIDENCE OF MOCREEBEC EYYOU D

Ontario Energy Board Community Expansion Proceeding

EB-2016-0004

Interrogatory # 1

Ref: Mocreebec Eeyoud Evidence, Page 5

In its evidence Mocreebec Eeyoud (Mocreebec) has suggested that the Ontario Energy Board (OEB) should establish a Universal Service Fund (fund that collects amounts from all Ontario natural gas customers) in order to expand natural gas service to unserved rural, remote and First Nation communities.

- a) In Mocreebec's opinion, should the Universal Service Fund collect revenues as a fixed monthly charge or a volumetric charge? Does Mocreebec propose a specific charge or rate?
- b) Does Mocreebec recommend that the fund result in a permanent charge for natural gas customers or would it be a temporary surcharge applicable for a certain number of years?
- c) Please explain the operational mechanism of the Universal Service Fund. Would the utilities collect the revenues under the Universal Service Fund and remit the funds to the OEB for dispersion under specific criteria determined by the OEB?

Interrogatory # 2

Ref: Mocreebec Eeyoud Evidence, Page 6

In its evidence Mocreebec has submitted that a primary objective of the Universal Service Fund would be to make sure that First Nation reserves and communities with substantial indigenous populations that do not have access to natural gas, have access to natural gas as soon as possible.

- a) Does Mocreebec believe that the Universal Service Fund should give preference to natural gas distribution projects that serve First Nation reserves and communities?

Interrogatory # 3

Ref: Mocreebec Eeyoud Evidence, Page 8

Mocreebec has provided one time capital cost for a virtual natural gas pipeline service to Moose Factory / Moosenee. The total cost is estimated to be \$21.6 million.

- a) Please provide the source of the estimated capital cost.
- b) How many estimated customers would this project provide service to?
- c) The estimated capital costs include shipping LNG from Union Gas Limited's Hagar facility onto flatbed railcars and to Moose Factory by truck and ferry. These costs seem to be of a recurring nature. Please explain how the LNG shipping costs would be classified as capital costs.
- d) Please recalculate the capital costs excluding any operating/recurring expenses.

Interrogatories on Addendum to Evidence of MoCreebec Eeyoud, March 21, 2016

Interrogatory # 4

Ref: Mocreebec Eeyoud Addendum Evidence dated March 21, 2016, Page 2

MoCreebec states that the intent of EBO 188 is to facilitate the expansion of natural gas service while holding other customers harmless from the cost of new connections. The alternative of a Universal Service Fund approach to awarding gas expansion/connections fits with the intent of EBO 188.

Please explain why the Universal Service Fund approach to awarding gas expansion/connections fits with the intent of EBO 188.

Interrogatory # 5

Ref: Mocreebec Eeyoud Addendum Evidence dated March 21, 2016, Page 3

MoCreebec has suggested that rural, remote and Indigenous customers are willing and able to pay higher rates for services in relation to urban customers because the cost of alternatives are high.

- a) Is the suggestion of MoCreebec that customers in rural and remote areas are willing to pay higher rates based on common understanding or is there any

empirical evidence to support the statement? Please provide a detailed response.

- b) Is MoCreebec suggesting that the OEB consider a different ratemaking framework for rural and remote communities wherein the specific communities would pay higher distribution rates on a permanent basis?