ONTARIO ENERGY BOARD

Enbridge Gas Distribution Inc.

Application for disposition of amounts recorded in certain deferral and variance accounts and to share earnings with ratepayers.

INTERROGATORIES TO ENBRIDGE GAS DISTRIBUTION INC. (EGD)

From

INDUSTRIAL GAS USERS ASSOCIATION (IGUA)

1. **Reference:** Exhibit B, Tab 1, Schedule 3, page 2.

   The evidence identifies the main driver of a distribution margin increase of $8.6 million to migration of large volume customers from interruptible to firm rate classes.

   (a) Please provide EGD's view of the causes of such migration, and whether additional migration is expected in the coming years.

   (b) Please provide data for interruptible customer service interruptions for each of the last 5 years ending in 2015.

2. **Reference:** Exhibit B, Tab 1, Schedule 3, page 2; Exhibit B, Tab 4, Schedule 2, items 2, 5 and 20.

   Please provide, for each of HR and IT, the internal cost decreases and associated RCAM increases in 2015.

3. **Reference:** Exhibit B, Tab 2, Schedule 4, page 2, line D.

   Capital expenditures on Facilities and General Plant exceeded budget by 42% ($9.2 million). The explanation provided cites *"evolving business needs"*.

(a) Is the list of causes in parentheses following the reference to *"evolving business needs"* exhaustive or by way of example? If by way of example, please complete the list.

(b) Please explain the *"evolving business needs"* which resulted in each of the expenditure categories referred to in response to part (a).

4. **Reference:** Exhibit B, Tab 3, Schedule 2, page 1.

Gas sales to rate 110 in 2015 were under budget by approximately 40%.

Transportation revenues from rate 110 T-service customers were over budget by approximately 48%.

Please explain the drivers for each of these significant variances.

5. **Reference:** Exhibit C, Tab 1, Schedule 10.

The evidence indicates that the Customer Care CIS Rate Smoothing Deferral Account (CCCISRSDA) interest was to be cleared annually. In this application, EGD is seeking clearance of interest for the years 2013, 2014 and 2015.

(a) Please explain why the 2013 and 2014 interest balances were not proposed for clearing in earlier applications.

(b) Please provide the interest that has accrued on the 2013 interest balance since October 2014.

(c) Please provide the interest that has accrued on the 2014 interest balance since October, 2015.

6. **Reference:** Exhibit C, Tab 2, Schedule 1.

The evidence proposes that the 2015 deferral account balances will be cleared by way of application of a unit rate to actual 2015 volumes for each customer, the product of this calculation to be collected from customers through October and November bills.

Other than the spreading of the resulting charges over two months, please confirm that this approach to recovery of approved deferral account balances is the same approach as approved in previous years.

7. **Reference:** Exhibit D, Tab 1, Schedule 2, page 2.

The evidence lists as one of the three factors driving cost increases for the GTA project an escalation in *"construction bid price"*.

Please explain what *"construction bid price"* means and provide further explanation of why this cost component has increased.

8. **Reference:** Exhibit D, Tab 1, Schedule 4.

The evidence notes that EGD continues to evaluate the system integrity program work relative to the anticipated requirements as outlined in the EB-2012-0459 proceeding. The evidence further notes EGD's expectation that system integrity and reliability program costs in 2016 will be *"at or higher than"* 2016 Board approved levels.

(a) Please indicate what percentage of the "System Integrity Program" planned for the rate plan term has been completed to date.

(b) If EGD has revised cost estimates for the balance of its "System Integrity Program" please provide a table comparing those revised estimates, by year, to the comparable annual estimates from EB-2012-0459 for each of 2016, 2017 and 2018.

(c) Please identify and discuss any integrity issues identified to date which are expected to have material cost impacts during the balance of the rate plan term and/or in the immediately following years.

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