

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board
Act, 1998, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an application by Enbridge
Gas Distribution Inc. ("EGD") and Union Gas Limited
("Union") for Amalgamation Mergers, Acquisitions and
Divestitures ("MAAD") Application

AND IN THE MATTER OF an Application by
Enbridge Gas Distribution Inc. and Union Gas
Limited, pursuant to section 36 of the *Ontario
Energy Board Act, 1998*, for an order or orders
approving a rate setting mechanism and associated
parameters during the deferred rebasing period,
effective January 1, 2019.

Interrogatories

Energy Probe Research Foundation

March 9, 2018

Amalgamation Application (EB-2017-0306)

Energy Probe IR #1

Reference: Exhibit B, Tab 1, Attachment 7

Preamble: Energy Probe would like to understand why the Certificate and Resolution of the Board of Directors was framed under OEB's Policies and Guidelines for Amalgamation of Electricity Distributors rather than Section 43(1) of the Act.

- a). Please provide the relevant briefing notes about the relevant OEB statutory and regulatory framework, provided to the Board of Directors.
- b). What specific advice did management and legal staff provide the Board that an application under Section 43(1) of the OEB Act was or was not sufficient. Please summarize this advice.
- c). Why did management frame the Resolution and subsequent Application under the MAADS Policy and Guidelines for Electricity distributors?
- d). Was the provision for a deferred rebasing period for rates under the MAADS Policy Guidelines the major reason for the framing of the Resolution and Application? Please confirm/discuss
- e). Please provide any correspondence the utilities had with the Board or Board Staff before the application was formally submitted.

Energy Probe IR #2

Reference: Exhibit B, Tab 1, page 13, Table 2

Please provide the comparison of O&M per customer table, but break Union down in to Union South and Union North.

Energy Probe IR #3

Reference: Exhibit B, Tab 1, Pages 19-21

Preamble: In the reference, the Applicants evidence address price, reliability and quality of gas service and financial viability.

The Applicants have expanded their proposed Issues list to include the other objectives for natural gas

3. To facilitate rational expansion of transmission and distribution systems.
4. To facilitate rational development and 1 safe operation of gas storage.

Please file the evidence related to these objects including and how this relates to the applicants proposed "no harm test"

Energy Probe IR #4

Reference: Exhibit B, Tab 1, pages 14 and 27

Preamble: Union recently invested \$17 million to renovate its Bloomfield Road facility into a new Information Technology Centre,

- a). Please provide a recap of the recent experience the two utilities have had regarding the budget and schedule of recent IT capital projects.
- b). Since 2013, please provide the initial cost estimate and final in-service amount for all IT projects over \$10 million.
- c). Since 2013, please provide the initial forecasted timeline and final in-service date for all IT projects over \$10 million.

Energy Probe IR #5

Reference: Exhibit B, Tab 1, Attachment 12

Preamble: This exhibit shows integration costs and savings in Capital and O&M. Energy Probe would like to understand the baseline 2018 costs for each utility and the and outlook in the following O&M Cost categories:

- Corporate Services

- a). How much does Union pay to Enbridge Inc (directly or indirectly) in 2018? How will that change in 2019, 2020 and 2021
- b). How much does EGD pay to Enbridge Inc in 2018? Please provide both the RCAM and total amounts. How will that change in 2019, 2020 and 2021?

- Shared Services

- c). Have the applicants prepared an affiliate shared services agreement for 2019? If so please file a copy.
- d). Please provide a copy of the plan for shared services. Include the basis for the \$4 million capital in 2019 and the savings in 2020.
- e). Have Enbridge and Union applied to the Regie d'Energie for approval of the change in ownership and changes to the affiliate relationships and shared services arrangements with Gazifere? If so please provide a Copy of that Application.
- f). If not, please indicate when this will be filed and undertake to provide a copy for this proceeding.

Energy Probe IR #6

Reference: Exhibit B, Tab 1, Attachment 12 Storage and Transmission

Preamble: The OEB Objectives for Natural Gas include Rational Development of Storage and Transmission. Energy Probe would like to understand how the amalgamation will achieve this objective starting in 2019.

- a). Please indicate the basis of the capital investment of \$8 million.
- b). Please indicate why only \$3 million in O&M savings are projected 2019-2021.
- c). Confirm the approved 2018 Peak Day Storage In-franchise requirements and the total storage capacity contracted for each utility. Provide References.
- d). How much of this is contracted with Union in 2019?

- **Please confirm the following:**

- e). Union has ~3Pj of cost based storage not required in-franchise in 2019
- f). How much more storage Enbridge needs to meet 2019 in-franchise peak day requirements.
- g). What is the plan to rationalize the total storage of the two utilities starting in 2019? How will this affect Load Balancing costs/rates for customers for example residential customers in each franchise?

Energy Probe IR #7

Reference: Exhibit B, Tab 1, Attachment 12 Storage and Transmission

Preamble: The OEB Objectives for Natural Gas include Rational Development of Storage and Transmission. Energy Probe would like to understand how the amalgamation will achieve this objective starting in 2019.

- a). Confirm that through whatever transition may be ordered by the Board as a result of the amalgamation, EGD shifts from an ex-franchise customer of M12 transmission services to an in-franchise area to be served by the merged company's assets.
- b). What is the plan to rationalize the transmission services of the amalgamated company? Please provide a detailed response including the potential impacts on the customers of each utility
- c). How will expansion of the transmission system capital projects be addressed starting in 2019?
- d). Specifically, assuming need is justified, how will incremental capital and operating costs be allocated to customers in the current three rate zones? This may be dependent on the type of project, so please provide some illustrative examples such as compression Dawn-Parkway, increased capacity Dawn-Parkway etc.

Energy Probe IR #8

References: Exhibit B, Tab 1, Page 20, Table 3; page 26 and page 21, line 8

Preamble: For the period post amalgamation, the Exhibit shows the ratepayer benefit for 2019-2023 as \$209 million

- a). Please confirm that the ratepayer benefit will be deferred for at least 5 years (300 basis points ESM) or until the next rebasing under the Applicants proposal.

Please provide additional lines in Table 3 showing for 2019-2023 estimated:

- b). Amalco incremental costs based on Table 4 with the same ratepayer benefit
- c). Shareholder benefit
- d). Total net benefit of amalgamation

Energy Probe IR #9

Reference: Exhibit B, Tab 1, Page 21, line 8; Exhibit B, Tab 1, Page 42 line 8

Please clarify this statement at the first reference:

- a). EGD and Union would **rebase** in 2019 and 2025 and rates are set using a Custom IR framework during the 2020 to 2024 and 2026 to 2028 periods;
- b). What is meant by rebasing in 2019? The application requests deferred rebasing of rates. Please clarify/explain.
- c). Does the Custom IRM start in 2019, or 2020?
- d). What rates will be the base rates for 2019 and/or 2020? Please clarify
 - 2018 rates for each utility adjusted
 - Rebased 2019 rates or
 - Some other base rates

- **Please clarify this statement at the second reference:**

e). "EGD and Union will continue to follow their 2014-2018 Incentive Rate Mechanisms to set rates for 2018. Subject to OEB approval, beginning in 2019 Amalco will set rates annually for the three rate zones (EGD, Union North and Union South) using a price cap. During the deferred rebasing period, Amalco may apply for rate adjustments using the Board's ICM."

Please reconcile the response with that in part a)

Energy Probe IR #10

Reference: Exhibit B, Tab 1, page 26, Table 4

Please provide this table, but provide as detailed breakdown as possible for the various items.

Energy Probe IR #11

Reference: Exhibit B, Tab 1, page 28

Please provide any documents related to the procurement process and any differences between the two utilities.

Energy Probe IR #12

Reference: Exhibit B, Tab 1, page 29

Please provide the 2018 total cost and cost per billed customer of the two billing systems used by Enbridge and Union (broken down by utility).

Energy Probe IR #13

Reference: Exhibit B, Tab 1, page 29

Please provide the initial cost estimate, compared to the final cost of \$85 million, of the Maximo software platform.

Energy Probe IR #14

Reference: Exhibit B, Tab 1, page 38

Enbridge and Union currently hold annual Stakeholder Meetings.

How does moving to Biennial Stakeholder Meetings meet the Objectives of the RRF? Consider the number of customers and rate classes post-amalgamation in your response.

Energy Probe IR #15

Reference: Exhibit B, Tab 1, page 40

- a). How many storage and transportation contracts will remain between the two utilities at the start of 2018?
- b). When will these contracts expire?

Energy Probe IR #16

Reference: Exhibit B, Tab 1 Page 42

Preamble: If, in any calendar year from 2024 to 2028, the actual utility ROE is greater than 300 basis points above the allowed ROE as set out under the OEB's policy, the excess earnings above 300 basis points will be shared 50/50 between the ratepayers and the shareholders.

- a). Why does this ESM only start in year 6?
- b). What is the difference between this proposal and the off-ramp provision specified in the RFE and Rate Handbook? Please explain in detail.

Energy Probe IR #17

Reference: none

The applicants have not suggested any conditions of approval.

What Conditions of Approval do the applicants suggest may be appropriate, for example related to Undertakings, Head office(s), shared services, etc.?

Rate Setting Application (EB-2017-0307)

Energy Probe IR #1

Reference: Exhibit B, Tab 1, Page 9

Preamble: Amalco will be required to refinance approximately 50% of its existing long-term debt during the deferred rebasing period. Higher interest rates combined with refinancing a significant portion of existing long-term debt could put significant pressure on Amalco's earnings.

- a). To support this claim, please provide the 2018 baseline debt schedules for EGD and Union
- b). Please provide a schedule showing Amalco debt maturities and additional debt requirements over the period 2019-2023.
- c). Based on current yield curves please provide a five-year projection for incremental short term and long term debt.

Energy Probe IR #2

Reference: Exhibit B, Tab 1, Page 15

Preamble: Management anticipates a need for incremental capital investment to reinforce existing pipeline systems where capacity is not available to support future growth and to replace pipeline systems (or portions of systems) where programs to extend the life of the asset are no longer the most cost-effective option. These types of capital investment 1 are beyond what is funded through approved rates without adjustments.

Please clarify/confirm whether relative to Issue 1g), under the proposed Price Cap IRM, major transmission expansion, reinforcement and compression projects will be:

- a). treated as Y factors and will not be part of the ICM. What will be the threshold? or
- b). included in the ICM, but again, what will be the threshold?
- c). Please provide a schedule that shows annual *distribution* capital additions under the current EGD and Union IRM Plans, broken down by mains replacement, expansion, services and other.

- d). Please calculate/apply the ICM formula to the historic distribution capital additions and show the amounts for each year and the total.
- e). Assuming that future distribution capital additions mirror historic, please project the ICM amounts for Amalco for the period 2019-2024.

Energy Probe IR #3

Reference: Exhibit B, Tab 1 page 13 and Page 14 Table 1

Preamble: The level of capital spend that can be managed under the Price Cap approach is determined by the OEB's calculation of the ICM materiality threshold value.

- a). Please provide the continuity table 2013-2018 for the following parameters in the ICM threshold calculation
 - Rate base
 - Depreciation
 - Gross assets and
 - Net assets
- b). With regard to 2019 opening rate base amount(s) and threshold calculation please confirm that the additions to rate base from 2013 approved to 2018 have not been subject to prudence review.
- c). How will the overrun on the EGD GTA Project be addressed?
- d). Please provide the detailed working papers for the threshold calculation in Table 1.
- d). Please discuss how the number of years since rebasing affects the threshold and also why EGD is shown as one-year since cost of service rebasing.

Energy Probe IR #4

Reference: Exhibit B, Tab 1, Page 24

Preamble: Both utilities have earnings sharing mechanisms as part of their current incentive regulation framework. Union does not have a Board-approved deferral account; the ratepayer portion of any earnings sharing is recorded as a liability. EGD's existing deferral account will be eliminated. Amalco will be subject to earnings sharing beginning in 2024 and will record any earnings sharing amounts as a liability at that time.

- a). Please confirm that the ESM for 2019 and beyond is a matter for consideration in the proceeding and accordingly whether an ESMDA is appropriate.
- b). What alternatives has Amalco considered should the Board find that an earlier ESM is appropriate? Please discuss.
- c). Amalco proposes an ESM starting in 2024 with a deadband of 300 basis points and 50:50 sharing above. Please provide a review/summary of recent Canadian regulatory decisions regarding ESM.

Energy Probe IR #5

Reference: Exhibit B, Tab 1, Page 23

Preamble: As part of the Settlement Agreement approved by the OEB in the 2015 Disposition of Deferral Account Balances proceeding (EB-2016-0118), Union agreed to file a study assessing the continued appropriateness of its methodology for determining the NAC.

- a). Please confirm that Amalco is requesting a Normalized Average Use adjustment and Deferral Account.
- b). Please provide details on the NAC adjustment proposal and compare to the current NAC treatment for EGD and Union.
- c). Please provide status/timing of the NAC review and any additional information.
- d). Since EGD is also experiencing declining average use, please comment why the study/review should not be extended for the EGD service areas post amalgamation.

Energy Probe IR #6

Reference: Exhibit B, Tab 1, Page 27

Preamble: To help ensure a greater understanding and transparency of overall operations during the deferred rebasing term, the applicants propose to jointly host a funded stakeholder meeting every other year starting in 2019.

- a). Confirm that during a period of two years under the current IRM Plans, Union and Enbridge will hold four Stakeholder Meetings
- b). Please explain why, with the complexities of the amalgamation, only one meeting every two years is appropriate?
- c). The requirements for gas supply planning may require annual meetings. Will this determine the overall schedule? Please comment
- d). With regard to Affiliate Relations Code how often will corporate charges for Amalco be reviewed with Stakeholders? Consider previous stakeholder engagement for RCAM for EGD in the response.

Energy Probe IR #7

Reference: Exhibit B, Tab 1, Page 20 and Exhibit B, Tab 1, Attachment 2 Scorecard

Preamble: The Applicants propose a Scorecard to measure and monitor performance over the 10-year deferred rebasing period. The proposed Scorecard is modelled after the electricity distributors' scorecard and includes measures for customer focus, operational effectiveness, public policy responsiveness and financial performance.

- a). Please indicate which performance measures are the same as the preceding measures for EGD and Union and which are new for Amalco

- b). Please provide a list of potential cost-effectiveness measures for gas distribution such as total costs/customer and costs per m3 similar to those for Electric Distribution
- c). For each potential cost-effectiveness measure, please provide the five-year historic and projected 2018 baseline data for Union and EGD.
- d). Please provide proposed targets for Amalco for 2019

Energy Probe IR #8

Reference: Exhibit B, Tab 1, Attachment 4

- a). Has a review of deferral accounts been made? If so please file this.
- b). Please indicate why a “zero base” review of deferral accounts cannot be undertaken prior to 2019 rate application
- c). Specifically, please indicate in detail, if the following accounts are to be closed and or why they are required post amalgamation:

- 179.02_ Transition Impact of Accounting Change Deferral Account
- 179.18_ Customer Care Services Procurement Deferral Account
- 179.30_ Manufactured Gas Plant Deferral Account
- 179.36_ Pension and OPEB Forecast Accrual versus Actual Cash Payment Differential Variance Account
- 179.48_ Open Bill Revenue Variance Account
- 179.60_ Electric Program Earnings Sharing Deferral Account
- 179-138 Parkway Obligation Rate Variance
- 179-142 Lobo C Compressor/Hamilton to Milton Pipeline Project Costs
- 179-144 Dawn H/LoboD/Bright C Compressor Project Costs
- 179-156 Panhandle Reinforcement Project Costs

Energy Probe IR #9

Reference: Exhibit B, Tab 1, Attachment 5

Preamble: Directives of the OEB and or Commitments made by EGD and Union, are expected to be addressed when Amalco rebases in 2029.

- a). Please provide a table showing the status/timing of each of the directives/commitments
- b). Provide a column that indicates if/why each item should be deferred or abandoned past 2019.
- c). In the Applicants’ opinion, what are the priorities that would be important for Amalco to address post amalgamation. Please provide a list and timing.

Energy Probe IR #10

Reference: Exhibit B, Tab 2

Please file an excel files related to calculations used in Dr. Makhholm's TFP study.

Energy Probe IR #11

Reference: Exhibit B, Tab 2, Page 4

What experience has Dr. Makhholm and NERA had with TFP studies for Canadian Gas and Electricity regulated utilities since the 2011-12 AUC assignment, up to the recent retainer with Enbridge Gas Distribution and Union Gas? Please provide additional information.

Energy Probe IR #12

Reference: Exhibit B, Tab 2, Page 4 and Page124 Exhibit JDM-3, Tab 1, Figure 9

Preamble: The AUC also adopted my "capital tracker" proposal to ensure the collection of necessary capital expenditures not covered by other elements of an incentive regulation plan. Subsequently, I provided testimony for ATCO Gas in 2013 before the AUC on the implementation of that company's capital tracker mechanism.

- a). Confirm that in a recent Decision the AUC has modified the Capital Tracker (aka capital factor), for ATCO. Please indicate the main reasons for this.
- b). Given the availability of an ICM in the proposed Amalco IRM formula, how does this modify the capital index and recommendation for the X Factor? Please discuss in detail with reference to the database used for the Capital Index.
- c). Please provide the dataset from the NERA Industry Study for the Capital Index in second Reference.
- d). Please provide the weighted average service life of the dataset utilities and the assumptions used for estimating the current Capital Index factor.
- e). Please provide and compare the service life of sample data set to that for EGD and Union
- f). Please provide the adjustment to the Capital Index to bring the average service life to that for each of EGD and Union and the combined utility post amalgamation.

Energy Probe IR #13

Reference: Exhibit B, Tab 2, Page 4

- a). Please confirm that the IRM terms for the Alberta Electric and Gas Utilities ended in 2017.
- b). Was NERA retained by any of the AUC utilities or intervenors for the next phase? If so please provide a copy or reference to the Evidence.

Energy Probe IR #14

Reference: Exhibit B, Tab 2, Page 4

Preamble: Recent Evidence provided by Pacific Economics Group summarizes some recent Productivity Studies and trends in X factors (provided as Attachment to this Interrogatory).

- a). Please confirm Dr. Makhholm is familiar with these recent studies
- b). Please explain why Dr Makhholm’s evidence does not provide a summary of these studies.
- c). Confirm that the current AUC IRM Price Cap Plans established an X factor of 0.3 % for both gas and electric utilities


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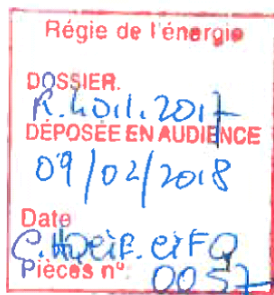
Productivity "X" Factor: Recent Trends

The negative trend in productivity is confirmed across multiple experts and sources

Year	StatCan MFP Utility Sector MultiFactor Productivity	2012 AUC Proceeding NERA Results	2016 AUC Proceeding Battle Update of NERA	2016 AUC Proceeding PEG Study for CCA	2016 AUC Proceeding Christensen Study	Christensen Eversource Industry TFP	PSE - Hydro One Ontario Industry TFP	Makhholm EGD TFP Growth
2000	2.4%	2.1%	2.1%	1.0%	2.0%			1.9%
2001	7.9%	3.4%	3.4%	1.0%	1.2%			2.9%
2002	7.8%	1.2%	1.2%	1.7%	1.8%	-0.1%		2.2%
2003	3.0%	2.4%	2.4%	1.4%	2.1%	-2.1%	0.8%	2.8%
2004	3.0%	2.8%	2.8%	1.4%	3.0%	1.9%	1.3%	3.3%
2005	2.8%	2.1%	2.1%	1.2%	2.2%	0.1%	2.2%	2.4%
2006	3.1%	2.5%	2.5%	0.0%	-2.2%	1.0%	0.2%	3.0%
2007	4.2%	0.5%	0.5%	0.0%	0.5%	-0.4%	1.5%	0.8%
2008	0.5%	-4.9%	-4.9%	-0.2%	-4.4%	-2.3%	-0.6%	-4.9%
2009	6.7%	2.6%	2.6%	0.8%	3.7%	2.0%	-0.1%	2.9%
2010	1.5%		2.2%	0.4%	1.7%	-2.2%	0.8%	2.1%
2011	1.0%		-4.5%	0.5%	-3.9%	-1.9%	-1.3%	-4.4%
2012	2.4%		-2.0%	1.2%	-2.0%	0.6%	-3.9%	-2.1%
2013	3.1%		-0.2%	0.0%	-0.6%	-0.2%	-4.5%	-0.4%
2014	1.9%		1.8%	-0.1%	1.7%	1.0%	-2.0%	1.9%
2015	2.1%					0.2%	-2.8%	1.4%
Post-2000 Average	-1.1%	-0.7%	-0.9%	0.5%	-0.8%	-0.5%	-0.9%	-0.9%
Last 5 Years Average	-2.1%	-1.5%	-1.3%	0.4%	-1.3%	-0.5%	-2.9%	-2.0%

MRI for Hydro-Québec Distribution


Pacific Economics Group Research, LLC



Energy Probe IR #15

Reference: Exhibit B, Tab 2, Page 33 and JDM-3 Tab 2 Figure 2

Preamble: A30. For the distribution industry I use sales volume as the output quantity. I create an output index by combining sales volume for several different customer categories as follows:

Residential, Commercial, Industrial and Public. EGD provided sales volume (106 m3) data for roughly the same customer categories. However, I measure sales volume (106 m3) for Union using two customer categories, a General Service category and a Contract category.

- a). Confirm that the options for output quantity are sales volume (MWh electricity or m3 gas) or number of customers. Please justify why sales volume rather than number of customers is appropriate in this case.
- b). Did NERA/Dr. Makholm examine output factor growth using the number of customers? If so please provide this analysis.
- c). Confirm that Enbridge and to a lesser degree, Union, have experienced declining average use per residential customer.
- d). Confirm that the current Revenue Cap Mechanism for EGD rates is based on costs per customer.
- e). Has NERA/Dr. Makholm analyzed how trends in declining average use affect output quantity and total factor productivity? If so please provide these data for the industry sample used in the TFP analysis. If not, please explain why.
- f). Please discuss in detail, with mathematical analysis, how declining residential average use per customer affects output quantity and utility productivity. Specifically, confirm why Sales Volume is the appropriate output quantity, rather than number of customers.

Energy Probe IR #16

Reference: Exhibit B, Tab 2, Page 33

Preamble: A41. I also do not recommend the imposition of a stretch factor. It is fair to say that the consensus, among economists performing productivity studies in PBR plans in North America, is that the purpose of a stretch factor is to reflect the expected productivity growth due to the heightened incentives that accompany a *transition* from a cost-of-service regime to PBR.

- a). Please comment further on your recommendation for a zero stretch factor in context that post amalgamation EGD and Union are projecting up to \$410 million in efficiency savings.
- b). Please compute an appropriate stretch factor using this savings projection.

Energy Probe IR #17

Reference: Exhibit B, Tab 1, Page 13 and 14

Preamble: Qualifying incremental capital investments are discrete projects that satisfy the criteria documented in the OEB reports. One of the qualifying criteria is that the capital investment will cause the total capital budget to exceed the threshold value of capital expenditures that can be funded through approved rates.

Question:

- a). Is Amalco proposing that to qualify for ICM a discrete single project must exceed \$503 million for Enbridge and \$330 million for Union?
- b). Considering that the both Enbridge and Union will be owned by the same Amalco shareholders please explain why there should not be a combined ICM threshold of \$833 million.

Energy Probe #18

Reference: Exhibit B, Tab 1, Attachment 5, Page 1

Preamble: Amalco expects to address commitments that it made in past proceedings in 2029.

Please explain Amalco's understanding of the concept of commitments made to the OEB in a regulatory proceeding.

Energy Probe #19

Reference: Exhibit B, Tab 2, page 10

- a). Is lengthening "regulatory lag" necessary to "better expose regulated utilities to the types of incentives faced by competitive firms"?
- b). If it is, what is a reasonable length of regulatory lag for regulated utilities?

Energy Probe #20

Reference: Exhibit B, Tab 2, Page 15

- a). Please confirm that that none of EGD's previous the multi-year rate plans were price cap?
- b). Please confirm that this will be EGD's first price cap plan.

Energy Probe #21

Reference: Exhibit B, Tab 2, Page 18

If it is not “reasonable to impose a stretch factor for a PBR regime that will be nearly 20 years old when the next price cap framework period begins”, what is the maximum age of a PBR regime where a stretch factor would be reasonable?

Energy Probe #22

Reference: Exhibit B, Tab 2, Page 18

Question:

- a). Please provide a list of all North American utilities that have merged in the past 20 years.
- b). Have any of those mergers resulted in savings “in the service of consumers”? If they have, please provide the numerical amount of savings and the number of years that it took the utilities to achieve such savings.
- c). Has Dr. Makholm performed any work on incentive rate applications that are part of a merger? If so, please provide that work.

Energy Probe #23

Reference: Exhibit B, Tab 2, Page 34

Is Dr. Makholm’s position that stretch factors undermine incentive regulation?

Energy Probe #24

Reference: Exhibit B, Tab 2, page 35

- a). What accounts for the differences in TFP growth between EGD and Union?
- b). Did the differences in PBR/ Incentive Regulation plans have an impact on TFP growth of the two utilities?

Energy Probe #25

Reference: Exhibit B, Tab 2, Page 74

- a). Please list the characteristics of a “well formulated PBR plan” and explain each one.
- b). Does the price cap plan proposed by Amalco have all of the characteristics of a well formulated PBR plan? Please explain the reasons for your answer.