

ENBRIDGE GAS DISTRIBUTION INC. AND UNION GAS LIMITED

Answer to Interrogatory from  
Ontario Association of Physical Plant Administrators

MAADs Issues List – Issue No. 1 & 2

Reference: EB-2017-0306, Exhibit B, Tab 1, pp.20-23 (Price) and EB-2017-0307, Evidence Addendum dated January 11, 2018

Question:

Do the two additional adjustments requested at p. 3 of the Evidence Addendum in EB-2017-0307 affect the revenue requirement comparison in Table 3 at p. 20 of Exhibit B, Tab 1 in EB-2017-0306? If yes, please update Table 3.

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**Response:**

The evidence addendum adjustments referenced do not affect the revenue requirement comparisons in Table 3. The data in Table 3 assumed that the evidence addendum explained adjustments would receive approval by the Board in EGD's 2018 rate application which formed the basis of the analysis and comparisons shown in the Table.

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MAADs Issues List – Issue No. 1 & 2

Reference: EB-2017-0306, Exhibit B, Tab 1, pp. 35-36 (Estimated Cost Efficiency Opportunities / Other Functions)

Question:

- i. Are EnTRAC and Unionline two of the “smaller software systems” included in the discussion of “Other Functions”?
- ii. Please describe the proposed plans that EGD/Union have for rationalizing these two systems including how long they may continue to operate separately and how any transition period would be managed.

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**Response:**

- i.- ii. Following the Board’s decision in this proceeding, plans will be developed to identify the future of all EGD and Union systems, including the EnTRAC and Unionline systems.

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Rate Setting Issues List – Issue No. 1

Reference: EB-2017-0307, Exhibit B, Tab 1, pp. 4 and 10 (Y Factors)

Question:

- i. EGD/Union are proposing the continued pass-through of “routine” gas commodity and upstream transportation costs. Please describe what EGD/Union would consider to be “routine” costs under a price cap IR mechanism during a deferral period and what would be considered “non-routine” gas commodity and upstream transportation costs. How would non-routine costs be addressed?
- ii. Is it the proposal of EGD/Union to maintain the QRAM-related methodologies and formats currently used by each of EGD and Union individually during a deferred rebasing period? If not, what modifications are being considered?

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**Response:**

- i) The term “routine” was used to convey that gas commodity and upstream transportation costs are passed through to customers through routine adjustments made quarterly as part of the QRAM process. The Applicants are not proposing to change this process as part of this proceeding.
- ii) Please see the response VECC Interrogatory #23 found at Exhibit C.VECC.23.

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Rate Setting Issues List – Issue No. 1

Reference: EB-2017-0307, Exhibit B, Tab 1, p. 11 (Cap-and-Trade)

Question:

EGD/Union indicate that costs associated with cap-and-trade will be filed in future proceedings. Please explain more fully.

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**Response:**

The Applicants are hopeful that the Cap and Trade compliance requirement filings will be completed, including an OEB review and Decision, in time for annual Cap-and-Trade costs to be included in annual price cap rate application process. If this is not the case, the Applicants will then determine when and in which proceeding the Cap-and-Trade costs will be filed for inclusion into rates.

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Rate Setting Issues List – Issue No. 1

Reference: EB-2017-0307, Exhibit B, Tab 1, p. 29 (Rate Design)

Question:

- i. EGD/Union indicate the general drivers that may result in EGD/Union proposing changes to regulated service offerings, cost allocation and rate design during a deferred rebasing period. Please describe the types of “identified issues”, “improvements, and “changing business needs” that EGD/Union expect might drive the need for changes.
- ii. Do EGD/Union propose to maintain all current regulated service offerings during a deferred rebasing period? If not, please explain.
- iii. Please provide a summary of the current process followed by each of EGD and Union for changing general terms and conditions and service-specific terms and conditions, including how changes are communicated to customers. Please explain how EGD/Union propose to deal with such changes during a deferred rebasing / transition period.

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**Response:**

- i. Amalco must be able to respond to changing customer needs, changes in the energy sector and government policy, which may result in the need to propose cost allocation, rate design and service offering changes during the deferred rebasing period. For example, EGD, in consultation with its customers and stakeholders, successfully developed and implemented bundled Dawn Transportation service within its current Custom IR term (2014 – 2018). Another example is Union’s proposal and implementation of a Dawn Reference Price to set gas commodity rates and the introduction of related service options for customers from Dawn in response to natural gas market changes during Union’s IRM (2014-2018) period. Please also see the response to LPMA Interrogatory #14 found at Exhibit C.LPMA.14.
- ii. Amalco will maintain all current regulated service offerings but will monitor customer / marketplace need for potential changes to regulated service offerings during the deferred rebasing period. Any changes to regulated service offerings will be proposed by Amalco for Board approval as part of the annual rate setting process or as part of a separate application.
- iii. Union’s In-franchise contract General Terms and Conditions (“GT&C”) and contract Service Terms and Conditions (“Schedule 2”) are posted on Union’s website and incorporated by reference in Union’s contracts. The process followed by Union for

updating its contract GT&C and Service Terms and Conditions is detailed in Section 12.18 “Amendment” of Union’s GT&C:

Union may from time to time incorporate updates to Schedule 2 and/or these General Terms and Conditions which are intended to be applicable to all of Union’s customers on non-discriminatory basis. Union will notify Customer no less than sixty (60) calendar days prior to the effective date of the update and post the update on Union’s website. If, ten (10) Business Days prior to the effective date, Customer has not provided Notice to Union objecting to the updates, the Customer will be deemed to have accepted the revised Schedule 2 and/or these General Terms and Conditions, as the case may be, which shall, as of the effective date, apply to this Contract. If Customer has provided Notice objecting to such revision, Union and Customer shall use reasonable efforts to negotiate an accommodation, failing which the updates shall not apply to this Contract.

When amended, Union posts the new version of its contract GT&C and/or Service Terms and Conditions (Schedule 2), along with a blacklined version highlighting the changes, on its website. Notice is provided to Union contract customers via email to the primary account contacts identified by the customer.

Union’s Conditions of Service for general service customers are posted on Union’s website. Notice is provided to general service customers of material changes to the Conditions of Service through customer bill inserts issued and website banner ads posted prior to the changes becoming effective. Union also notifies the Board of material changes through a letter describing the change.

Union’s General Terms and Conditions for ex-franchise customers form part of the Board-approved tariff. Any changes are reviewed and approved as part of a Board proceeding. Union notifies customers of material changes.

Union has used this process for several years including during its current IRM term (2014-2018).

EGD uses various communications channels to inform customers of changes to services or to general and service-specific term and conditions. The goal is to ensure all affected customers are informed about the changes with ample / sufficient notice. The communications channels include:

- Bill inserts;
- Annual customer meetings;
- Specific customer meetings;
- Webinars;

- E-mails;
- Phone calls (mostly as a follow up if an e-mail address was absent for a customer or if the e-mail bounced / was not successfully delivered to the customer).

The Applicants will continue to use the legacy EGD and legacy Union processes to notify customers of changes to general terms and conditions. Should Amalco implement changes to the process between the two utilities, Amalco will do so as part of the business process integration during the deferred rebasing period.

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Rate Setting Issues List – Issue No. 14

Reference: EB-2017-0307, Exhibit B, Tab 1, pp. 20-22 (Customer Protection Measures) and Attachment 2 (Scorecard)

Question:

- i. Of the measures included in the proposed Scorecard, please identify those that EGD/Union consider applicable to large-volume/contract customers.
- ii. Please describe the criteria or measures that EGD and Union currently use to assess large-volume/contract customer satisfaction and would their use continue under the EGD/Union proposal? If not, how would EGD/Union plan to assess large-volume/contract customer satisfaction?

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**Response:**

- i. The metrics that apply to large-volume/contract customers on the proposed Amalco OEB Scorecard include:
  - Customer Complaint Written Response
  - Scheduled appointments met on time
  - Telephone calls answered on time
  - Billing Accuracy
  - Abandon Rate (# of call abandon rate)
  - Time to Reschedule Missed Appointments
  - % of Emergency Calls Responded within One Hour
  - Compression Reliability
  - Damages
  - Total Cumulative Cubic Meters of Natural Gas Saved
- ii. Both Union and EGD have regular individual and group interactions, and engagement with large-volume and contract customers. These interactions provide valuable feedback to evaluate customer satisfaction. While no formal planning or decisions have been made, it is anticipated Amalco would continue to provide a similar level of Large Volume/Contract customer engagement and service in the future.



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Rate Setting Issues List – Issue No. 15

Reference: EB-2017-0307, Exhibit B, Tab 1, pp. 28-29 (Reporting)

Question:

EGD/Union indicate that during a deferred rebasing period, customer engagement processes would continue to be developed with the results of those processes informing business plans. Please describe the customer engagement processes contemplated for large-volume/contract customers and how those results would be factored into business plans and subsequently communicated back to this particular customer group.

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**Response:**

Amalco will continue to engage with all of its customers and key stakeholders, including large volume/contract customers, during the deferred rebasing period. The customer engagement processes for Amalco will be designed to ensure that viewpoints for all customer types are solicited and taken into account in business planning.

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Rate Setting Issues List – Issue No. 15

Reference: EB-2017-0307, Exhibit B, Tab 1, p. 27 (Stakeholder Meeting)

Question:

What is the rationale for holding a stakeholder meeting every other year during a deferred rebasing period starting in 2019 rather than every year?

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**Response:**

The Applicants believe that an annual meeting is too frequent. Holding a stakeholder meeting every other year during the deferred rebasing period will allow for more meaningful discussion of changes that have occurred or are forecast to occur. Amalco will also provide information annually through the non-commodity deferral proceeding and through the annual rate setting process.