

Ontario Energy Board

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

AND IN THE MATTER OF an Application by Enbridge Gas
Distribution Inc. for an Order or Orders approving the
clearance or disposition of amounts recorded in certain
deferral or variance accounts.

Interrogatories

Energy Probe Research Foundation

August 25, 2018

**EB-2018-0131 Enbridge Gas Distribution 2017 DA & ESM
Energy Probe Research Foundation Interrogatories**

Energy Probe IR #1

Ref: Exhibit A / Tab 2 / Schedule 1 / Appendix A

Please update the DA summary table to show the actual December 31, 2017 balances and the May 31, 2018 balances. If the May 31, 2018 balance is different please explain the difference(s).

Energy Probe IR #2

Ref: Exhibit B Tab 4 Schedule 1 and notes page 5; EB-2017-0105 Exhibit A Tab 2 Appendix A, Schedule 13,

Preamble: EGDI has eliminated \$0.2 million in merger-related transaction costs. Union Gas in the above reference, has identified an *"increase in 2017 O&M of \$15.6 million relative to 2016 mainly driven by salaries and integration-related costs related to the merger between Enbridge Inc. and Spectra Energy"*.

- a) Please provide a schedule with a line by line year over year comparison of EGD O&M costs for 2016 and 2017. Provide explanatory notes.
- b) Please identify and explain any specific changes in 2017 O&M related to the Spectra/ Enbridge amalgamation

Energy Probe IR #3

Ref: Exhibit B Tab 4 Schedule 2 Line 26 and notes page 2

Preamble: 2017 RCAM costs have increased from \$31.2 million (IR) to \$49.6 million

- a) Please provide the Business Case(s) including cost/benefit for the consolidation of HR and IT. Were these and the cost consequences approved by the Board (OEB)?
- b) Specifically, provide the 2015-2017 O&M costs savings from IT and HR consolidation at Enbridge. Reconcile this to the 2015-2017 year over year change in O&M in the related departments.
- c) Please explain the 2016-2017 Increase in RCAM from \$47 million to \$49.4 million.
- d) Please estimate the effect of the \$14.8 million RCAM increase (gross and net) on 2017 Utility Income and Earnings Sharing.

Energy Probe IR #4

Ref: Exhibit C Tab 1 Schedule 2 and Attachment

- a) Please explain why EGD did not anticipate the Increase in Union M12 Tolls and adjust its transportation rates for 2017.
- b) Please explain why such a large variation in cost be disposed of in a single charge as opposed for example, a Rate Rider?
- c) With regard to the increase in 2017 Third Party Market Based Storage, please indicate the overall quantities- budget and actual (PJ) and the amounts contracted with Union Gas and Affiliates.
- d) Please provide the average Cost for this storage from Union/affiliates.
- e) Did EGD attempt to contract the incremental quantity of short-term storage with another party? Please provide a copy of the RFP and responses with the bids/prices (with names redacted).
- f) Please provide a schedule that shows for each year, the Incremental Market based storage for the IR period and the amounts, unit cost total cost and the amounts and cost contracted with Union Gas/affiliates.

Energy Probe IR #5

Ref: Exhibit C Tab 1 Schedule 3 Tables 1 and 2

- a) Please provide a Table and Chart showing UAF as a percentage of through-put for historic years.
- b) Please analyse and comment on the result, including changes in # metered receipt points into the Franchise.
- c) Please compare to UAF percentages for Union Gas.
- d) Please provide a copy of the UAF remedial plan

Energy Probe IR #6

Ref: Exhibit C Tab 1 Schedule 4 and Appendix A

- a) Please provide charts with historic (10 years?) forecast and actual Normalized Average Use for Rates 1 and 6. Add explanatory notes and comments on drivers for year to year changes.
- b) Please provide Historic Average Use Variance Account true up amounts credited/debited to ratepayers 2013-2017.
- c) Please provide a detailed status report on the review of Average Use True Up per the 2017 Settlement Agreement paragraph 1(f).

Energy Probe IR #7

Ref: Exhibit C, Tab 1, Schedule 12 & Attachment 1 and Exhibit C, Tab 2, Schedule 1. EB-2012-0459 Enbridge Gas Distribution Inc. Board Decision

Preamble: In order to better understand the Rider D Rate Class Site restoration costs forecast by EGD in the first referenced Attachment, Energy Probe requests complete disclosure of the original Site Restoration costs that the Board Ordered to be refunded based on the Gannet Fleming Report in EB-2012-0459.

- a) Please provide Copies of the 2012 Gannet Fleming Report
- b) Please provide copies of the EB-2012-0459 pre-filed Evidence, relevant hearing transcripts and Undertakings.
- c) Show/provide a schedule as to how, following the Decision, EGD proposed the SRC costs (including NPV calculations) were to be allocated using CDNS, to the rate classes in order to compute Rider D per the Rate Order.
- d) Reconcile this to the Exhibit C, Tab 1, Schedule 12 and Attachment 1.
- e) Why is a true up required? Please provide complete reasons why the amounts collected by Rider D do not match the Board Decision and why Rider D was not adjusted during the IR period.
- f) Please explain if EGD has complied with the Board's directions
 - to provide an updated Depreciation study
 - assess the appropriate discount rate? and
 - examine a segregated fund?If not, why not?

Energy Probe IR #8

Ref: EB-2012-0459 Enbridge Gas Distribution Inc. Board Decision Page 63

Preamble: The Board has addressed the issue of the discount rate above and has directed that the SRC collected **over the IR period be reduced by \$85 million**. This will reduce the amount collected from the proposed level of \$247.3 million to \$162.3 million.

- a) What discount rate was used? Please explain the basis and alternatives
- b) Explain/demonstrate based on the above analysis, why the discount rate and resulting allocations is appropriate.
- c) Given no rebasing in 2019 and changes to the asset profile of the T&D system please discuss if the Gannet Fleming Depreciation study and specifically salvage costs, should be updated.

END OF DOCUMENT

