

ECONALYSIS CONSULTING SERVICES
34 KING STREET EAST, SUITE 630, TORONTO,
ONTARIO M5C 2X8
www.econalysis.ca

October 8, 2018

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board

Dear Ms. Walli:

**Re: EB-2018-0235 EPCOR Natural Gas Limited Partnership ENGLP IRM Rates
interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the Notice of Intervention of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,
Mark Garner
Consultant for VECC

REQUESTOR NAME
TO:
DATE:
CASE NO:
APPLICATION NAME

VECC
ENGLP
October 7, 2018
EB-2018-0235
IRM Application

VECC -1

Reference: Exhibit A, pg. 5

At the above reference it states: *"ENGLP's current billing system cannot provide a breakdown of the consumption by block for consumption prior to the implementation of the new system so the total annual consumption by rate group has been allocated to blocks based on the historical proportions used by NRG in its IRM applications since EB-2010-0018."*

- a) Please explain what "new system" is being discussed in this reference.
- b) Please explain what is meant by "consumption by block."

VECC-2

Reference: Exhibit A, pg. 9

- a) Please provide a reference as to where the Board has found for the natural gas sector that *"the productivity factor (Industry TFP) for the price adjustment is zero"*

VECC-3

Reference: Exhibit A, pg. 10

At the above reference ENGLP states *"Since this Application covers a historical time period, ENGLP is requesting to create a deferral account to record this difference."*

- a) Is ENGLP suggesting that a deferral account be approved to capture amounts that have occurred prior to July 27, 2018?
- b) If so please provide an OEB precedent for establishment of a deferral account post facto of the event being tracked. For each account please provide the period over which ENGLP is seeking amounts to be booked.
- c) Please list all accounts for which approval is being sought to track variances or deferred amount occurring prior to July 27, 2018.

VECC-4

Reference: Exhibit A, B, C

- a) Please provide a Table which shows for Rate Classes 1 through 6 the current Monthly and Delivery Charges and the Charges that are being sought for approval to be charged as of October 1, 2018 (net of any rate riders).

VECC-5

Reference: Exhibit B, pg. 12

- a) Please provide a table in the form of Table 3 – Deferred Revenue, which shows for each rate group the following:
 - i) The deferred revenue being sought for recovery for the period Oct 1 2016 to Sept 30, 2017 and separately for the same period any Shared Tax charge;
 - ii) The deferred revenue being sought for recovery for the period Oct 1 2017 to Sept 30, 2018 and separately for the same period any Shared Tax charge;
 - iii) The total deferred amounts being sought for recovery from each rate class
 - iv) Please provide the historical actual volumes for by rate group for each period above i) and ii).
 - v) For Rate class 1 in the above table please provide the actual volumes each period by sub-group (Residential/Commercial/Industrial).

VECC-6

Reference: Exhibit D, page 6

- a) What is the current status of the IGPC station rebuild? Specifically has it been completed and if so at what capital cost?

VECC-7

Reference: Exhibit D, page 6

- a) ENGLP states that the forecasted cost of serving IGPC is not expected to increase by any other costs than inflation. How then are the station rebuild capital costs recovered?

- b) Are the rates (fixed and variable) for IGPC increasing by the same percentage as the Rate 1 and Rate 2 classes?
- c) Why has ENGLP chosen not to charge any administrative fees for passing through Union Gas M9 charges? Does IGPC pay these charges directly to Union Gas?

VECC-8

Reference: Exhibit A, B & C

- a) Please provide the historic (Stats Canada) annual inflation rate measure on average and annual (Dec vs. Dec) for each year 2015, 2016, 2017 and 2018 (ending Sept 30).

VECC-9

Reference: EB-2016-0236

- a) Please explain why ENGLP has withdrawn its proposal in EB-2016-0276 to adjust the monthly fixed charges of Rate Classes 1, 2 and 3?

VECC-10

Reference: EB-2016-0236/ EB-2018-0235

- a) Please update the following table from EB-2016-0236 to show actual values for 2016 and 2017.

	<u>Utility Capital Additions</u> (\$'s)							
	<u>Test 2017</u>	<u>Bridge 2016</u>	<u>Actual 2015</u>	<u>Actual 2014</u>	<u>Actual 2013</u>	<u>Actual 2012</u>	<u>Actual 2011</u>	<u>Actual 2010</u>
Mains - Additions	425,000	2,046,520	56,544	55,483	49,023	350,150	422,291	117,826
- Replacements	150,000	6,500	0	0	0	0	0	2,160
Services - Additions	212,096	135,000	188,548	100,574	199,720	199,126	100,085	86,842
- Replacements	0	0	0	0	0	0	0	1,490
Ethanol Pipeline	200,000	0	0	0	0	0	0	0
New Steel Mains	0	0	0	0	0	0	0	0
Meters	131,189	125,026	276,027	260,412	176,570	73,713	22,920	103,219
Meter - IGPC	0	0	14,512	0	0	0	0	0
Regulators	63,500	62,250	14,512	22,302	71,354	42,387	17,105	16,139
Franchises	0	30,000	39,047	115,157	373,270	0	1,450	6,197
Land	0	15,000	0	0	0	0	0	0
Buildings	60,000	12,000	0	3,285	1,758	0	0	0
Furniture & Fixtures	4,200	2,000	6,214	21,653	2,946	10,083	0	0
Computer Equipment	20,000	9,000	15,638	6,076	6,972	3,640	1,159	5,214
Computer Software	89,500	200,000	10,977	9,327	7,504	3,952	16,800	21,115
Machinery & Equipment	17,700	98,100	47,243	40,158	38,373	5,328	3,741	4,347
Communication Equipment	7,500	12,000	0	15,889	4,730	0	10,196	6,500
Automotive	84,600	79,200	15,632	126,257	54,384	55,064	65,571	14,075
Water Softeners	0	0	0	0	0	0	0	0
Rental Water Heaters	0	0	123,708	166,120	147,245	220,239	153,853	192,902
Total Capital Expenditures	1,465,285	2,832,596	808,603	942,693	1,133,848	963,682	815,171	578,027

- b) In EB-2016-0236 ENGLP (NRG) forecast spending of \$425,000 on three system integrity projects as per the recommendations of the SNC-Lavalin System Integrity Study. Please provide an update on these projects.

VECC-11

Reference: EB-2016-0236 Exhibit 3, Tab 1, Schedule 1, pg. 8

- a) Please provide the actual revenues by rate class R1-Residential, R1-Commercial, R1-Industrial, R2 Seasonal, Contract R3, Industrial R4 and Contract R5 for each year 2015, 2016, and 2017.

End of document