

# *Aiken & Associates*

578 McNaughton Ave. West  
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624

E-mail: [randy.aiken@sympatico.ca](mailto:randy.aiken@sympatico.ca)

April 3, 2019

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**RE: EB-2018-0305 - London Property Management Association Interrogatories – 2019 Rates Application – Enbridge Gas Inc.**

Please find attached the interrogatories of the London Property Management Association in the above noted proceeding.

Yours very truly,

*Randy Aiken*

Randy Aiken  
Aiken & Associates

c.c. EGI Regulatory Proceedings

**ENBRIDGE GAS INC.**

**Application for 2019 natural gas rates and other charges  
effective January 1, 2019**

**INTERROGATORIES OF THE  
LONDON PROPERTY MANAGEMENT ASSOCIATION**

**Interrogatory #1**

Ref: Exhibit B1, Tab 1, Schedule 1, Table 4

- a) Please explain why Enbridge is requesting only one deferral account for the incremental capital module related to the Union Gas zones, rather than one deferral account for each of the Union Gas South zone and the Union Gas North zone.
- b) Please explain why separate accounts are needed for the EGD zone and the Union Gas zone if separate accounts are not needed for the Union Gas South and North zones.

**Interrogatory #2**

Ref: Exhibit B1, Tab 1, Schedule 1, Tables 6 and 7

- a) Please update Table 6 to reflect actual data for 2018.
- b) If applicable, please update Table 7 to reflect any changes resulting from the update of 2018 from forecast to actual.

**Interrogatory #3**

Ref: Exhibit B1, Tab 1, Schedule 1, pages 28-29

- a) Please confirm that the 30,393 GJ/day of surplus capacity noted on page 28 has been sold long-term as of November 1, 2018. If the full amount of the surplus capacity has not been sold, please provide details on the amount sold and the amount currently still available.
- b) Please provide the revenue requirement associated with the 30,393 GJ/day that has been built into 2019 rates along with the forecasted revenue associated with this surplus capacity that has been built into 2019 rates.
- c) For each of 2020 through 2023, please provide the forecasted revenue requirement associated with the 30,393 GJ/day of surplus capacity, along with the forecasted revenue generated by this surplus capacity.

**Interrogatory #4**

Ref: Exhibit B1, Tab 1, Schedule 1, Table 11

- a) Please provide a table similar to Table 11 that shows the delivery bill impacts for rates 10 and M2 using appropriate volumes.
  
- b) Please confirm that the proposed rate design increases the percent change for small volume users while decreasing the percent change for larger volume users in of the general service rate classes (M1, 01, M2 & 10). If this cannot be confirmed, please explain the different impacts by rate class.

**Interrogatory #5**

Ref: Exhibit B1, Tab 1, Schedule 1, page 33

Please provide a reference for where the “2019 approved volumes” noted at lines 20-21 can be found.

**Interrogatory #6**

Ref: Exhibit F1, Tab 2, Rate Order Working Papers, Schedule 4

Please provide the volumes used in calculating the bill impacts for each of the following rate classes in the Union South zone:

- a) Small M2 customer;
- b) Large M2 customer;
- c) Small M4 customer; and
- d) Large M4 customer.

**Interrogatory #7**

Ref: Exhibit B1, Tab 1, Schedule 1, pages 26-29

- a) Please expand Table 10 to reflect the revenue requirement for each of the projects shown for each of 2020 through 2023.
  
- b) Please confirm that the EB-2017-0306/EB-2017-0307 Decision and Order referenced in footnote 19 directed Enbridge Gas Inc. to include the rate base and depreciation of the noted projects in the calculation of the eligible incremental capital amount of the Union service territory.
  
- c) Please confirm that the above noted Decision and Order did not direct Enbridge Gas Inc. to adjust rates to reflect the net difference between the 2018 and 2019 revenue requirements associated with capital pass-through projects in the Union service territory. If this cannot be confirmed, please provide a reference to where this direction occurred.

d) Does Enbridge Gas Inc. propose to adjust rates in each of 2020 through 2023 to reflect the net difference between the test year and the previous year revenue requirements associated with the capital pass-through projects in the Union service territory in the same way as it is proposing for 2019 and 2018? If not, why not?

### **Interrogatory #8**

Ref: Exhibit B1, Tab 1, Schedule 1, pages 31-33

a) Given that Enbridge Gas is required to track actual costs and amounts recovered through rates related to the PDO during the deferred rebasing period for review at the time of rebasing, please explain why Enbridge Gas is proposing to adjust the PDO related costs for 2019.

b) The evidence states that the allocation of the PD) costs for 2019 has been updated for the 2019 forecast and that the allocation of in-franchise compressor fuel costs are also based on 2019 forecast volumes. Please explain how the forecast of 2019 volumes has been determined for each rate class.

### **Interrogatory #9**

Ref: Exhibit B1, Tab 1, Schedule 1, pages 34-39

Are any of the changes proposed on these pages necessary rate schedule changes? If yes, please explain fully the need and the impact if the changes are not made until rebasing.

### **Interrogatory #10**

Ref: Exhibit B1, Tab 2, Schedule 1

a) Please updates Tables 1 and 2 to reflect actual data for 2018.

b) Does Table 2 include in-service capital additions related to the capital pass-through projects listed in Table 10 of Exhibit B1, Tab 1, Schedule 1?

c) If yes, please provide a breakout of the in-service capital additions associated with these projects in Table 2.

d) If no, please provide the in-service capital additions related to the capital pass-through projects listed in Table 10 of Exhibit B1, Tab 1, Schedule for the period beginning 2014 and ending in the last year in which there was new in-service capital additions associated with the projects.

### **Interrogatory #11**

Ref: Exhibit B1, Tab 2, Schedule 1

Please provide a Union column in Table 3 that reflects a price cap index of 1.07% in place of the 0.72% used.

**Interrogatory #12**

Ref: Exhibit B1, Tab 2, Schedule 1

Please provide a breakdown of the Union figures shown in Table 4 for each of 2014 through 2019 into the components of the price cap index, being the inflation rate used and the implied productivity factor offset.

**Interrogatory #13**

Ref: Exhibit B1, Tab 2, Schedule 1, page 15 & Exhibit F1, Tab 2, Rate Order Working Papers, Schedule 16

- a) Please provide the specific reference from the EB-2017-0306/EB-2017-0307 Decision and Order that directed Enbridge Gas to calculate the ICM threshold using the 2013 Board-approved rate base and depreciation plus the **2019** forecast amount of rate base and depreciation associated with the projects that were eligible for capital pass-through treatment and included in Union's base rates during Union's 2014-2018 IRM term.
- b) The 2019 rate base and depreciation figures used in the ICM calculation, as shown in Exhibit F1, Tab 1, Schedule 16, pages 4-5 in the Rate Order Working Papers uses approved 2018 figures and 2019 forecasts. Please update this schedule using actual 2018 figures and any resulting changes to the 2019 forecast. Please also provide a revised Table 6 and 7 from Exhibit B1, Tab 2, Schedule 1 that reflects these updated figures.

**Interrogatory #14**

Ref: Exhibit B1, Tab 2, Schedule 1, page 19

If the Sudbury Replacement project had been brought forward under the 2014-2018 capital pass-through mechanism, please provide the following:

- a) the proposed rate base and depreciation expense for 2018, reflecting the October 2018 in-service date; and
- b) the forecasted rate base and depreciation expense for 2019.