

Ontario Energy Board

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

AND IN THE MATTER OF an Application by Enbridge
Gas Inc. for an order or orders clearing certain non
commodity related deferral or variance accounts and
sharing utility earnings pursuant to a Board-approved
earnings sharing mechanism;

Interrogatories of

Energy Probe Research Foundation

October 8, 2019

**Disposition of EGI 2018 Deferral & Variance Account Balances
and 2018 Utility Earnings**

Energy Probe Interrogatories to EGI

EP-1

Reference: Exhibit B, Tab 1 Appendix A, Schedule 2

- a) Please provide details on the following
 - i) Lines 1.1-1.5 The basis of the increases in tolls for Union transportation extract of regulatory decision and increased toll schedule.
 - ii) The forecast and actual volumes resulting in \$18.2 million lower T-Service costs
 - iii) The \$1.1 million Cap and Trade costs
- b) Please provide details of the Market Storage Costs including
 - i) Forecast and actual average unit costs
 - ii) The number and range of bids (list names omitted)
 - iii) The percentage contracted to affiliates

EP-2

Reference: Exhibit B, Tab 1, Page 5, Tables 1 and 2

Preamble: No significant factors are known to have occurred in 2018 that would have contributed to a higher UAF than recently experienced. As part of the MAAD's Decision and Order dated August 30, 2018 on the amalgamation of Enbridge Gas Distribution and Union Gas (EB-2017-0306), Enbridge Gas Inc. was directed to file a report on the issue of Unaccounted for Gas for both the legacy Union Gas and legacy Enbridge Gas Distribution service areas by December 31, 2019.

- a) Please provide UFG volumes and costs from 2013-2018
- b) Please provide the status of the UAF Report - consultant and timing of draft.
- c) When/how will the report be reviewed?
- d) Does the work to date provide light on the causes and variations in UAF? Please discuss.
- e) Please provide the metered throughput for each of the historic years 2014-2018.
- c) Please provide the metered delivery points and indicate the counter party.

EP-3

Reference: Exhibit B, Tab 1, Appendix A, Schedule 4

- a) Please provide a graphical representation of Rate 1 and Rate 6 Normalized Average Use per Customer for the historic years 2014-2018.
- b) Please provide the standard error for 2018.
- c) Please expand on the basis for the 2018 increase and provide estimates for contributing factors for example - DSM, price, economy and other factors.
- d) Did EGD use the 2018 result in its models for 2019? Please provide the forecast results for each class.

EP-4

Reference: Exhibit B, Tab 1, Page 16 TIACDA; Exhibit B, Tab 3, Appendix A, Schedule 1, Page 3

Preamble: Enbridge is now requesting recovery of the seventh, or 2019 installment of the Board-Approved TIACDA amount, in the amount of \$4.436 million (1/20 of \$88.716 million).

- a) Confirm that there is a dispute among ratepayers regarding the allocation of the TIACDA.
- b) Please provide a schedule that shows for each year, the amounts recovered from each Rate class to date and the proposed 2018 amount.
- c) Provide a schedule that shows the over/under collection from each rate class to date and the amount for 2018.
- d) Does EGI agree that the allocation dispute should be arbitrated by the Board prior to disposition of the remaining balance?

EP-5

Reference: Exhibit B, Tab 2, Appendix A, Schedule 1; and Appendix D, Schedule 2

- a) Please provide a version of Schedule 1 that includes the comparable 2017 ESM calculation.
- b) Compare the 2018 O&M reduction to the amount proposed in the MAADs IRM proceeding.
- c) Please provide details of the change in compensation, headcount and other factors.
- d) Please provide the actual 2017 and 2018 ROE and the Board allowed return for each year.

EP-6

Reference: Exhibit B, Tab 2, Appendix B, Schedule 4, Page 3/4

Preamble: The increased spend in Information Technology was primarily due to the implementation cost of EGD's Customer Experience Program of \$14.4M. The Program aims to make interaction with customers easier, provide seamless customer service experiences that meets or exceeds our customers' expectations, and lower O&M costs.

- a) Please provide the capital and operating costs for each year (including future years) for the CE program.
- b) Please provide a summary of the program and the expected benefits to customers.
- c) Is the program deployed in the EGD Rate Zone only, or both EGD and Union Rate Zones?
If the latter, please provide the costs for the Union Rate Zone.

EP-7

Reference: Exhibit B, Tab 2, Appendix B, Schedule 4, Page 4

Please explain the reason for the \$21 million underspend for service replacements.

EP-8

Reference: Exhibit B, Tab 2, Appendix F, Page 1

Please explain the reasons for the relatively low call answer service level of 77% and the relatively high call abandon rate of 2.6% in July 2018.

EP-9

Reference: Exhibit C, Tab 1, Appendix A, Schedule 2, 179-131 Upstream Transportation Optimization

- a) Please explain why the Gas Supply Optimization Margin in Rates is so high and increasing.
- b) Please provide the amounts in rates for 2013-2018 and the actual Upstream Exchange Revenue amounts
- c) What is the forecast for 2019?

EP-10

Reference: Exhibit C, Tab 1, Page 9, and Table 3, C1 Off-Peak Storage

Preamble: Actual 2018 revenues from C1 Off-Peak Storage, Gas Loans and all other Balancing services of \$1.739 million were \$0.761 million lower than the 2013 Board-approved forecast of \$2.500 million.

- a) Please provide the C1 forecast volume and price compared to actual
- b) Please discuss the reasons for the reduction in revenue relative to forecast.
- c) Please provide a Table showing the forecast and actual space and average price since 2014.
- d) How does Union produce the forward year forecast? Please describe in detail.
- e) Please provide the forecast for 2019

EP-11

Reference: Exhibit C, Tab 1, Page 20, Table 4, and Page 23, Table 6

- a) Please provide a discussion why the 2018 NAC is higher than forecast for each rate class.
- b) Please provide for each class a graphical representation of the NAC for 2013-2018. Add the 2019 Forecast.

- c) Did the models predict the increase in NAC for Rate 01 and Rate M1? Please provide the 2018 standard error for each class.
- d) How was the forecast for 2019 generated?
- e) Please provide the 2019 forecasts.
- f) Please provide a table that relates the changes in normalized average use per custom (NAC) 2013-2018 to the changes in storage requirements in Table 6.
- g) Is there a one to one reduction in NAC and storage requirement? Please discuss.

EP-12

Reference: Exhibit C, Tab 1, Page 30, Table 8 and Notes

- a) Please explain the basis of the \$8.329 million in rates.
- b) Please provide UFG volumes and costs from 2013-2018.
- c) Please provide the status of the UAF/UFG Report - consultant and timing of draft.
- d) When/how will the report be reviewed?
- e) Does the work to date provide light on the causes and variations in UAF? Please discuss.
- f) Please provide the metered throughput for each of the historic years 2014-2018.
- d) Please provide the metered delivery points and indicate the counter party.

EP-13

Reference.: Exhibit, C Tab 1, Pages 30 to 61

179-136 Parkway West Project Costs

179-137 Brantford-Kirkwall/Parkway D Project Costs

179-138 Parkway Obligation Rate Variance

179-142 Lobo C Compressor/Hamilton-Milton Pipeline Project Costs

179-144 Lobo D/Bright C/Dawn H Compressor Project Costs

- a) For the listed projects please provide a Summary Table that provides
 - The LTC Approved cost
 - Changes to approved cost
 - Planned and actual In-service dates
 - Planned and actual In-service costs
 - Incremental Capacity- Planned and Actual
 - Comments on material changes
- b) Has all the incremental capacity been contracted? Please discuss.
- c) Please provide a listing of shippers' (including EGD and Union) contracted annual volumes and term and the total capacity.

EP-14

Reference: Exhibit C, Tab 2, Appendix B, Schedule 1, column (d), line 28

Please provide Union's authorized and actual ROE 2013-2018

EP-15

Reference: Exhibit C, Tab 2, Appendix A, Schedule 13

- a) Compare the 2018 O&M increase to the amount proposed in the MAADs IRM proceeding.
- b) Please provide details of the increase in compensation, headcount and other factors

Respectfully submitted,

Roger Higgin and Tom Ladanyi
Consultants to Energy Probe