PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

July 6, 2020 **VIA E-MAIL**

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
Toronto, ON

Dear Ms. Long:

Re: Enbridge Gas Inc. EB-2020-0094
Harmonized System Expansion Surcharge, Temporary Connection Surcharge and Hourly Allocation Factor
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Please find attached the interrogatories of VECC to the HVAC Coalition in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner
Consultants for VECC/PIAC

Digitally signed by Mark Garner
Date: 2020.07.06 16:02:58 -04'00'

Copy:
EGI Regulatory
EGIRegulatoryProceedings@enbridge.com

REQUESTOR NAME	**VECC**
TO:	**Enbridge Gas Inc. (EGI or Enbridge)**
DATE:	**June 6, 2020**
CASE NO:	**EB-2020-0094**
APPLICATION NAME	**SES/TCS/HAF**

VECC-1
Reference: Exhibit A, Tab 2, Schedule 1

a) Please list the rate classes (Enbridge and Union rate zones) which the Community Expansion and Small Extension projects apply to? Would all customers in these classes be eligible for the proposed programs or are some large volume customers in the class excluded?

VECC-2

Reference: Exhibit B, Tab 2, Schedule 1, page 3

a) Is the only difference as between a Community Expansion, Small Main Extension and Customer Attachment Project the forecast number of attachments? Please explain.
b) How does a "Development Project" (defined at C/T2/S2) differ from a Community Expansion or Small Main Extension/Customer Attachment Project?

VECC-3
Reference: Exhibit B, Tab 1, Schedule 1

a) Are all customers, regardless of rate class, estimated volume consumption or Project type eligible to pay an upfront contribution in aid or construction (CIAC) in lieu of the SES or TCS charge?
b) If the CIAC option is only available to customer consuming more than $50,000 m3 please explain the rationale for this limitation.
c) Is it possible for two customers to be in the same rate class but for the CIAC payment option available to only one?

VECC-4
Reference: Exhibit B, Tab 1, Schedule 1

a) Since the SEC and TCS surcharge are both proposed at $0.23/m^3 why is there a need for two separate tariffs?
b) Is the only difference between the charges is that the SES may be applied for a maximum period of 40 years whereas the TCS may be applied for a maximum period of 20 years?
c) Is a CIAC payment available to customers in lieu of an SES? Or is the TCS the only applicable charge in situations where a lump-sum CIAC is available to the customer?

VECC-5
Reference: Exhibit B, Tab 1, Schedule 1, / Exhibit C, Tab 2, page 3

a) Is the TCS is in effect a monthly payment alternative to a lump-sum CIAC?
b) If so why is it necessary or desirable to restrict by the proposed policy the amount of a monthly payment amount or the period of collection? Why is it not preferable to have the flexibility to adjust the TCS so as to suit the individual circumstances rather than use a fixed TCS in conjunction with an incremental CIAC payment to meet the circumstance?
c) EGI states *"refunds do not apply to the mains wheres* [sic] *SES and TCS rate riders have been applied in lieu of CIAC*" If the TCS charge is made in lieu of a CIAC payment why are TCS payees not also eligible for a refund after the five year reevaluation period?

VECC-6
Reference: Exhibit B, Tab 1 Schedule 1, pages 3-4

a) Does the Hourly Allocation Factor (HAF) only apply in leave to construct applications projects?
b) If so, why is the Board's adoption of a generic HAF allocation policy necessary?

VECC-7
Reference: Exhibit C, Tab 2, Schedule 1, page 3

a) The evidence states "*Refunds of CIAC may be requested by customers when the actual customer count on the system expansion exceeds the original forecast*" Is a customer required to seek a refund or is the evaluation and refund done by the Utility at the end of the five year period in all cases? If the former please explain what steps are taken to communicate to the customer at the time of connection and at the end of the 5 year period of the possibility for a refund?
b) Please provide the provisions in the conditions of service (both rate zones) which articulates the customers' ability to seek a refund.
c) Why is the refund attached to the customer rather whereas the SES and TCS charges are attached to the service address?

VECC-8
Reference: Exhibit C, Tab 2, Schedule 1, page 6

a) Please provide the most recent annual study that is used in establishing the incremental overhead allowance added to the cost of mains and services.
b) How often is this study revised?

VECC-9
Reference: Exhibit B, Tab 2, Schedule 1, page 5 / Schedule 2

a) Why does EGI not have a single new business guideline?
b) Please identify, and explain the reasons for, the differences as between the EGD Economic Feasibility Procedure and Policy (T2/S1) and the Union Rate Zone Distribution New Business Guidelines (T2/S2).

VECC-10
Reference: Exhibit B, Tab 1, Schedule 1, page 5-6

In its evidence EGI refers to the recent Decision EB-2019-0188 which includes the following statements:

"*Following the ten-year rate stability period, Enbridge Gas expects to bring forward to be included in rate base any cost overruns at the next rebasing rate proceeding. Enbridge Gas also expects that any revenue shortfalls or surpluses associated with this Project will be eligible for recovery or reduction in base rates at the end of the rate* *stability period. Enbridge Gas clarified that it at risk for potential revenue shortfalls during the ten-year rate stability period and will not seek recovery for any overages or shortfalls related to this period." (page 2)*

……………

"Enbridge Gas reiterated in its reply that it would provide a revised DCF calculation based on actual capital costs and customer attachments in the next rebasing application that follows the rate stability period, and stated that it would seek to include the Project in the base upon which rates are set at that time. Enbridge Gas stated that it expects that the OEB will determine the appropriate revenue recovery methodology at that time, as well as the appropriate treatment of any capital cost overruns for the post-rate stability period. Enbridge Gas submitted that it would be premature to determine rate treatment now for whatever circumstances that may exist more than ten years into the future, when the broader impacts of community expansion and other projects will be better understood." (page 12)

The Board went on to say:

"Enbridge Gas stated that after the ten-year rate stability period it expects to provide a revised DCF calculation and PI based on actual project costs and revenues to be included in rate base at the next rebasing rate application. The OEB will consider any questions about the treatment of any surplus or shortfall for the 11-40 period at the time of rebasing." (page 13)

a) Please confirm that the policies as set out in the evidence in this proceeding are consistent with EGI's most recent practice and the Board's decision in EB-2019-0188.

End of document