

#### THE BOARD OF DIRECTORS

PATRICIA ADAMS
Chair and President
ANN CAVOUKIAN
Executive Director, PBDI, Ryerson University
ANDREW COYNE
Columnist, Globe and Mail
IAN GRAY
President, St. Lawrence Starch Co. Ltd.
GAIL REGAN
President, Cara Holdings Inc.
GEORGE TOMKO
Expert-in-Residence in IPSI, University of Toronto

MAX ALLEN
Producer, CBC Radio
DAVID CAYLEY
Writer and Broadcaster
GLENN FOX
Economist, University of Guelph
BRUCE PARDY
Professor of Law, Queen's University
ANDREW ROMAN
Lawyer

September 1, 2020

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON
M4P 1E4

Dear Ms. Long,

RE: EB-2020-0095 Enbridge Gas Inc. 2021 Rates Application Energy Probe Interrogatories

Attached are the interrogatories of Energy Probe in the Phase 1 of the EB-2020-0095 Enbridge Gas Inc. Application for OEB approval of 2021 Rates.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.
Consultant representing Energy Probe

cc. Enbridge Gas Inc. (Regulatory Proceedings)
David Stevens (Aird & Berlis)
Patricia Adams (Energy Probe Research Foundation)
Roger Higgin (Sustainable Planning Associates Inc.)
Khalil Viraney (OEB Staff)
Ian Richler (OEB Staff)

Energy Probe Research Foundation 225 Brunswick ave., toronto, ontario M5S 2M6

# **ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Enbridge Gas Inc., pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2021.

Enbridge Gas Inc. Application for 2021 Rates, Phase 1

**Energy Probe Interrogatories** 

September 1, 2020

## EGI 2021 Rates Application, Phase 1

## **Energy Probe Interrogatories**

#### EP-1

**References:** Exhibit B, Tab 1, Schedule 1, Page 11 of 18; Exhibit D, Tab 1, Rate Order, Working Papers, Schedule 10; Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 13; EB-2019-0194, Exhibit KT1.1, Staff.1 a), c), d), Energy Probe.1, LPMA.3 a)

- a) Please provide updates to the tables and charts in Exhibit KT1.1 showing 2019 actuals 2020 E and 2021 forecast
- b) Please provide a discussion for each rate class
  - i. Changes in 2019 actuals
  - ii. 2020 YTD trends and Covid-19
  - iii. 2021 forecast
  - iv. Specifically the drivers for +2.9% increase for EGD Rate 1 while Union RZ M1 is -1.5%
- c) Please provide updated regression equations and the regression statistics.
- d) Please discuss any statistics that are "out of norm".
- e) Please update the EB-2019-0194 KT1.5 Tables if not covered in the above responses.

## **EP-2**

**References:** Exhibit B, Tab 1, Schedule 1, Pages 10/11; Exhibit D, Tab 1, Rate Order, Working Papers, Schedule 10; Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 13; EB-2019-0194, Exhibit KT1.3, Budget Degree Days

- a) Please update Exhibit KT1.3 to show the derivation of the 2021 forecast Budget Degree Days for each of the 3 DD Zones.
- b) Discuss if each of the Preferred DD Methodologies still produce the best result compared to the other options.

### **EP-3**

**References:** Exhibit B, Tab 1 Schedule 1 Page 11; Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 14, Page 3

**Preamble:** Energy Probe would like to better understand how the Parkway Project costs are being allocated between Union South and Ex-Franchise customers.

- a) Please indicate why Union South Rate M1 customers are receiving a credit for the costs of Parkway Projects and Parkway Expansion Implemented in 2017 and 2018, but other classes e.g. M2 are not.
- b) Is this projected to continue in 2022?
- c) Please provide the percentage Parkway project costs and totals allocated to date to infranchise and ex-franchise.
- d) Provide the projections for 2022 and beyond, and the total.
- e) Are the Parkway Project costs under or over-collected in the M12 and M12X Rates? Indicate the annual the amounts by year.
- f) Which customers are benefitting from the over/under collection of Parkway Project costs. (e.g. Union South Customers)?

#### **EP-4**

**References:** Exhibit B, Tab 1, Schedule 1, Plus Appendices Page 3 Table 1 and paragraphs 53 and 54; Exhibit D, Tab 2, Rate Order, Working Papers Schedule 1, Page 1; Exhibit D, Tab 2 Rate Order Working Papers Schedule 5

**Preamble:** Energy Probe would like to better understand the increase in Revenue Requirement and resulting increases in Rates for Union North and Union South

- a) Please confirm that based on comparison of Revenue Requirement increases the major difference between EGD and Union Rate Zones are the Capital Pass-through and the PDO Charge.
- b) Please provide a schedule or schedules for Rates R01, and M1 that shows how the \$2.755 m overall increase in the 2021 RR for these classes is derived/allocated and results in the rate increases in excess of \$10 and \$8 per year respectively.
- c) Does EGI believe that the rate increases for these classes are appropriate under Price Cap regulation? Please explain your answer.

Roger Higgin SPA Inc. Consultant to Energy Probe