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November 5, 2020

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

Dear Ms. Long

**RE: EB-2020-0134 Enbridge Gas Disposition of 2019 Earnings Sharing and
Deferral and Variance Accounts Disposition Proceeding
Energy Probe Interrogatories**

Attached are the interrogatories of Energy Probe in the EB-2020-0134 Enbridge Gas Disposition of 2019 Earnings Sharing and Deferral and Variance Accounts.

Respectfully submitted,

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

cc. Anton Kacicnik (Enbridge Gas Inc.)
David Stevens (Aird & Berlis LLP)
Patricia Adams (Energy Probe Research Foundation)
Roger Higgin (Sustainable Planning Associates Inc.)

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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

November 5, 2020.

**EB-2019-0134 Enbridge Gas
EGD and Union Deferral/Variance accounts and ESM**

B-EP-1

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

Preamble: For the EGD Rate Zone Capitalized Overheads are \$150.85 million on \$576.72 million of capita expenditures, while for the Union Rate Zone Capitalized Overheads are \$82.4 million on \$510.65 million of capital expenditures.

Please explain the large difference between the overhead capitalization rates between the EGD Rate Zone and the Union Rate Zones.

B-EP-2

Reference: Exhibit B, Tab 4, Schedule 4, Pages 7 and 8

Preamble: The overheads in the EGD rate zone include departmental labour costs, capitalized administrative and general, EA fixed overheads and interest during construction.

- a) Please provide a breakdown of overheads showing the amount for each category identified in the preamble.
- b) Please list the departments included in the departmental labour costs and the administrative and general, the total 2019 departmental expenditures and the amounts capitalized.

B-EP-3

References: Exhibit B, Tab 3, Schedule 1; EB-2019-0105 Exhibit B, Tab 2, Appendix D Schedule 2; EB-2019-0105, Exhibit C, Tab 2, Appendix A, Schedule 13.

Preamble: EGI has prepared a new consolidated O&M Expense schedule (first reference) that shows O&M expenses in a reduced number of categories, including elimination of several historic categories.

- a) Please indicate why EGI has introduced the new format and replaced the zone-specific O&M Expense schedules?
- b) Does EGI agree there is a material loss of transparency for ratepayers?

- c) Please provide the 2019 EGD and Union Zone- specific O&M schedules in the prior historic formats, including Board-Approved.
- d) Please provide reconciliations to schedule B/T3/S1.
- e) Please provide the 3 year actuals (2017-2019) for each category of O&M expense using historic categories.
- f) Please provide the compound annual growth rate (CAGR) for each category.
- g) Please provide the above responses in Excel Format.

B-EP-4

References: Exhibit B, Tab 3, Schedule 1; EB-2019-0105 Exhibit B Tab 2 Appendix D Schedule 2; EB-2019-0105 Exhibit C Tab 2 Appendix A Schedule 13.

- a) Please compare the 2019 O&M to that proposed/projected in the MAADs IRM proceeding.
- b) Specifically break out the following O&M expense categories and provide the drivers for material changes relative to Board-Approved:
 - i. Compensation/Salaries and Wages
 - ii. Outside Services
 - iii. Transportation/Fleet/Aircraft
 - iv. Travel and Entertainment
 - v. Inbound and outbound Affiliate Services (and Totals)
 - vi. RCAM.
- c) Please provide the annual RCAM amounts and Payments to Enbridge Corporate by Union Gas relative to Board-Approved.
- d) Why is Computers an O&M expense as opposed to Capital?
- e) Please provide a Comparison of the Capitalization of O&M Expenses 2017-2019

B-EP-5

Reference: Exhibit B, Tab 2, Schedule 4

- a) Please provide the historic 5 year Late Payment Charge revenue for each rate zone and totals.
- b) Please provide 2020 YTD and discuss comparison to historic.

C-EP-6

Reference: Exhibit C, Tab 1, Schedule 1 line 22; Exhibit E, Tab 1, Tables 1-4

- a) Please provide a table that shows the 2019 NAC for Rate 01, Rate 10, Rate M1 and M2 and reconciles to the \$4,796,100 amount in the first reference.
- b) Please explain or provide reference how the balance is allocated to each rate class.
- c) Please provide a Rate Class graphical representation of Normalized Average Use per Customer for the historic years 2014-2019 (show forecast and actual).
- d) Please discuss how the 2019 actuals affect the 2020 forecast and provide the forecasts.

C-EP-7

References.: Exhibit C Tab1 Lines 28-33; Exhibit E Tab 1 Pages 31-36; EB-2019-0105 interrogatory EP-11

179-136 Parkway West Project Costs

179-137 Brantford-Kirkwall/Parkway D Project Costs

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

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

179-149 Burlington Oakville Project Costs

179-156 Panhandle Reinforcement Project costs

- a) For the listed projects please update the Summary Table (Excel) in the third reference that provides:
 - i. The LTC Approved cost
 - ii. Changes to approved cost and final cost
 - iii. Planned and actual In-service dates
 - iv. Planned and actual In-service costs
 - v. Incremental Capacity- Planned and Actual
 - vi. Comments on material changes
- b) Is all of the incremental Dawn Parkway capacity now contracted? Please discuss.
- c) Please provide a Listing of Shippers (including EGD and Union), Contracted annual Volumes, and Term, and the Total capacity.

D-EP-8

Reference: Exhibit D, Tab 1, pages 6 and 7, Table 2

Preamble: No significant factors are known to have occurred in 2019 that would have contributed to a higher UAF than previous years.

- a) Please provide a version of Table 2 with costs to ratepayers.
- b) Please provide a statistical analysis of UFG volumes including Average, Standard Deviation and Trend
- c) Given the experienced volatility in UFG in the EGD rate zone should a DVA floor (e.g. \$5million) be implemented like the Union rate zone? Please discuss.
- d) Please provide the Metered Throughput for each of the historic years 2014-2019.
- a) Please provide the 2019 Metered Delivery Points and indicate the counter party.

D-EP-9

Reference: Exhibit D, Tab 1, Page 11; Exhibit D, Tab1, Schedule 3

- a) Please provide a version of the second reference with Rate Class totals.
- b) Please provide a graphical representation of Rate 1 and Rate 6 Normalized Average Use per Customer for the historic years 2014-2019 (show forecast and actual).
- c) Please expand on the basis for the 2019 increase in average use and provide estimates for the contributing factors for example - DSM, price, economy and other factors.
- d) Did EGD use the 2019 result in its models for 2020? Please provide the 2020 forecast results for each class.
- e) If price is a major driver discuss how this affected the 2020 forecast?

E-EP-10

Reference: Exhibit E, Tab 1, Page 12; Exhibit E, Tab 1, Schedule 4.

Preamble: “In 2019, Enbridge Gas sold a total of 5.9 PJ of short-term peak storage (legacy Union). Of this total, 2.9 PJ was excess utility space, calculated by deducting 97.1 PJ of in-franchise utility requirement (as per the Gas Supply Plan) from the total 100 PJ of in-franchise utility storage. Therefore, the excess short term peak storage sales of 3.0 PJ was sold as non-utility space. Total revenue from the sale of C1 Short-Term Peak Storage (Utility) in 2019 was \$2.125 million. Details of the above sales are reflected in Exhibit E, Tab 1, Schedule 4.”

- a) Please provide the C1 forecast volume and price compared to actual.
- b) Please provide a Table showing the forecast and actual space and average price since 2014.
- c) How does Union produce the forward year forecast? Please describe in detail.
- d) Please provide the forecast for 2020.

E-EP-11

References: Exhibit E, Tab 1, Page 20-26, Tables1-3 and Page 27, Table 4

- a) Please provide a discussion why the 2019 NAC is higher than forecast for each Rate Class.
- b) Please provide for each class a graphical representation of the NAC for 2013-2019. Add the 2020 Forecast.
- c) Did the models predict the increase in NAC for Rate 01 and Rate M1? Please provide the 2019 standard error for each class.
- d) How is the Forecast for 2020 generated?
- e) Please provide the 2019 forecasts.
- f) Please provide a Table that relates the changes in normalized average use per customer (NAC) 2013-2019 to the changes in Storage requirements in Table 4.
- g) What is the relationship between NAC and storage requirement? Please discuss.

G-EP-12

Reference: Exhibit G, Tab 1, Schedule 1

Preamble: The Scorecard has no targets for 4 of the Operational Effectiveness Metrics and no Targets for Financial Performance metrics.

- a) For the Operational Effectiveness metrics with no Target please provide the historic average or post merger actual values for lines 10-14.
- b) For the Financial Performance metrics with no Target please provide the historic average or post-merger actual values for lines 15-20.
- c) Please explain derivation of the metric Damages per 100 Locate Requests.

- d) For the Current Ratio and Interest Coverage please provide the ranges expected by the Rating agencies.

Submitted on behalf of Energy Probe by its consultants,

Roger Higgin
SPA Inc.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.