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Our File No. 204640

November 6, 2020

VIA RESS AND EMAIL: registrar@oeb.ca

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attention: Christine E. Long,
Board Secretary

Dear Ms. Long:

Re: EB-2020-0134: Enbridge Gas Inc., 2019 Utility Earnings and 2019 Utility Earnings and Disposition of Deferral and Variance Account Balances

Pursuant to Procedural Order No. 1 dated October 21, 2020, please find attached BOMA's Interrogatories.

Yours truly,

FOGLER, RUBINOFF LLP

Albert M. Engel

AME/dd
Encl.
CC: All Parties *(via email)*

EB-2020-0134

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 commodity and non-commodity related deferral or variance accounts.

INTERROGATORIES OF

THE BUILDING OWNERS AND MANAGERS ASSOCIATION ("BOMA")

November 6, 2020

Albert M. Engel
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Fogler, Rubinoff LLP
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Counsel for BOMA

BOMA-1

Ref: Exhibit A, Tab 2, Page 3 of 5, Paragraph 11

Preamble:

Enbridge Gas seeks approval to clear part of the final balance of one 2019 Enbridge Gas deferral and variance account related to accounting policy changes required as a result of amalgamation. The balance in this account related to pension expense is not being requested for clearance in 2019.

Question(s):

(a) Why is the balance in this account related to pension expense not being request for clearance in 2019?

BOMA-2

Ref: Exhibit A, Tab 3, Page 3 of 4, Paragraph 9

Preamble:

The rationale for the continued use of a one-time adjustment includes:

• *Alignment of the cost incurrence of the deferral account balance with cost recovery by customer. The one-time adjustment avoids material mismatches that could occur between cost incurrence and cost recovery due to customer switching between rate classes and changes in customer's consumption volumes from year to year.*

• *Elimination of the forecast variance which results from disposing of deferral account balances prospectively.*

Question(s):

(a) Please explain, through the use of examples, how the use of a one-time adjustment results in:

(i) the alignment of the cost incurrence of the deferral account balance with cost recovery by customer;

(ii) avoidances of material mismatches that could occur between cost incurrence and cost recovery due to customer switching between rate classes and changes in customer's consumption volumes from year to year;

(iii) elimination of the forecast variance which results from disposing of deferral account balances prospectively.

BOMA-3

Ref: Exhibit B, Tab 1, Page 3 of 7, Paragraph 7

Preamble:

When compared to the Company's required rate of return for ESM determination, of 6.546% (Line 7), as determined within the capital structure required in support of the determined rate base amount (inclusive of the 150 basis point deadband on ROE before earnings sharing is triggered), there is a resulting deficiency of 0.002% (Line 25) on total rate base.

Question(s):

(a) Should the reference to Line 25 in Paragraph 7 be changed to Line 8?

BOMA-4

Ref: Exhibit B, Tab 1, Page 3 of 7, Paragraph 8

Preamble:

As shown in Lines 9 through 11, the deficiency of 0.002% multiplied by the rate base of $13,139.0 million, produces a net under earnings or deficiency of $0.2 million which from a pre-tax perspective, ($0.2 million divided by the reciprocal, 73.5%, of the corporate tax rate which is 26.5%) shows a $0.3 million total amount of under earnings, and therefore nothing to be shared equally between ratepayers and the Company. Column 2 provides supporting evidence references.

Question(s):

(a) Should the references to $0.2 million be corrected to $0.3 million?

(b) Should the reference to $0.3 million be corrected to $0.4 million?

BOMA-5

Ref: Exhibit B, Tab 1, Page 5 of 7, Paragraph 14

Preamble:

The 0.005% multiplied by the common equity level of $4,730.0 million (Line 21) produces a net under earnings or deficiency of $0.3 million which from a pre-tax perspective ($0.3 million divided by the reciprocal, 73.5%, of the corporate tax rate), shows a $0.4 million total amount of under earnings, and therefore nothing to be shared equally between ratepayers and the Company. Column 2 provides supporting evidence references.

Question(s):

(a) Should the references to $0.3 million be corrected to $0.2 million?

(b) Should the reference to $0.3 million be corrected to $0.4 million?

BOMA-6

Ref: Exhibit B, Tab 1, Schedule 1, Page 1 of 1

Question(s):

(a) Should the amount shown at Line 11 be (0.4)?

(b) Should the amount shown at Line 25 be (0.2)?

(c) If the amounts at Lines 11 and 27 should be (0.4) and (0.3), why is there a difference in the Gross Earnings Deficiency calculated by the two methods (Part A and Part B)?

(d) Is a difference in the Gross Earning Deficiency calculated by the two methods (Part A and Part B) to be expected?

BOMA-7

Ref: Exhibit B, Tab 1, Page 2 of 7, Paragraph 4

Preamble:

..within Exhibit B, Tab 1, Schedule 1, the Company has calculated earnings for sharing in two ways for confirmation purposes.

Question(s):

(a) Has the confirmation described above been achieved?

BOMA-8

Ref: Exhibit B, Tab 2, Pages 1 to 15

Preamble:

The page headings refer to Exhibit B, Tab 2, Schedule 4, Pages 1 to 15.

Question(s):

(a) Please confirm that the page headings should refer to Exhibit B, Tab 3, Schedule 1, Pages 1 to 15.

BOMA-9

Ref: Exhibit B, Tab 1, Schedule 2, Page 1 of 2, Notes (iv) and (v)

Question(s):

(a) Please describe/define the "ABC T-service".

BOMA-10

Ref: Exhibit B, Tab 1, Schedule 4, Page 1 of 8, Line 5 and Page 8 of 8, Col.2

Question(s):

(a) Please describe/define the "ABC receivable".

BOMA-11

Ref: Exhibit B, Tab 2, Schedule 1, Page 1 of 1, Col. 2 and Col. 3

Question(s):

(a) Please describe/define the "ABC-T" and the "ABC-Unbundled".

BOMA-12

Ref: Exhibit B, Tab 3, Schedule 1, Page 1 of 1, Line 19

Question(s):

(a) Please describe/define the "ABC T-service Program".

BOMA-13

Ref: Exhibit B, Tab 2, Schedule 4, Page 7 of 15, Paragraph 10

Preamble:

Expenditures in 2019 include Victoria Park Centre (VPC) renovations, and land purchases to protect the area surrounding the TOC building from encroachment due to urban sprawl.

Question(s):

(a) Please describe/define the "TOC building".