

REF: Exhibit A, Tab 3, page 4

Preamble: EGI evidence states: *“In the 2016 deferral account proceeding, the OEB noted that “all parties agreed that the 2016 balance in the Parkway West Project Costs Account should be disposed of only on an interim basis to allow the OEB to perform a prudence review of the capital overspend prior to final disposition of the balance in the account.”² Consistent with this direction, Enbridge Gas will seek approval of the final disposition of this account as part of a subsequent proceeding when all the project costs have been incurred and the prudence of the project costs are assessed. “*

We would like to understand better the nature of the delayed completion and on-going costs being accrued.

- 1) Please provide the in-service date for the Parkway West Project.
 - a) Please describe outstanding work at the end of 2019 that precluded completion of the project.
 - b) Please provide categories of costs and costs accrued for each category since the in-service date.

REF: Exhibit B, Tab 1, page 5

Preamble: EGI evidence states: *“The calculation of utility earnings and any earnings sharing requirement starts with financial results contained within the Enbridge Gas corporate trial balance. The Company notes that corporate trial balance includes the elimination of transactions between each of the rate zones. This predominantly relates to the elimination of regulated and unregulated storage and transmission revenues that would have been reflected in the Union rate zones, offset by a corresponding elimination of gas costs that would have been reflected for the EGD rate zone. This reflects the fact that from a corporate perspective, EGD rate zone delivery revenues are contributing to the costs of Union rate zones regulated and unregulated storage and transmission services.”*

We would like to understand better the quantum of costs and unit costs associated with the eliminations.

- 2) Please provide the quantity cost eliminated for each of the identified categories and the number of units of service provided with each.
 - a) For categories such as regulated (utility) storage, please provide the specific type of service (e.g., short-term storage, park, loan, etc.) and the units and costs of each.
 - b) Please confirm that there are no unregulated (non-utility) transmission revenues that have been eliminated.

REF: Exhibit B, Tab 1, page 6

Preamble: EGI evidence states: *“This is accomplished by following and applying regulatory rules as prescribed by the Board and the standards associated with cost of service rate related accounting processes. Examples are:”*

- 3) In addition to the examples provided, please provide if there were any additional regroupings or eliminations beyond the costs and revenues for storage and transportation services described above.
 - a) If so, please describe the calculation and the quantum of costs associated with each respective calculation.

REF: Exhibit B, Tab 1, page 6

Preamble: EGI evidence states: *“In addition, Enbridge Gas has made the appropriate adjustments in relation to non-standard legacy EGD and Union rate regulated items which the Board has either decided in the past or are required in order to determine an appropriate utility return on equity. Examples are:*

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- *exclusion of non-utility or unregulated activities; “*

- 4) Please specify all of the unregulated activities and the quantum of adjustments made for each.

REF: Exhibit B, Tab 1, Schedule 2 and
EB-2019-0105, Exhibit C, Tab 2, Appendix A, Schedule 3

Preamble: We would like to understand better the revenue, gas costs and adjustments allocated to the non-utility storage

- 5) Please provide the source of the revenue in Line 3 (i.e., legacy Union non-utility, legacy EI non-utility or combined).
 - a) If combined, please breakout the respective contributions of each legacy storage.
 - i) In what year were the revenues combined?
 - (1) Please provide the separate EI figures for 2017, 2018 and 2019.
 - b) If not combined, please confirm or clarify that these figures are for the legacy Union storage and the EI figures are found in Exhibit D, Tab 1, Schedule 2.
- 6) Please specifically describe the gas costs and adjustments in Line 7 of Schedule 2.
 - a) As above in 5), if these costs are for the combined operations, please breakout the respective legacy operations contributions for 2017, 2018 and 2019.
 - b) If not combined, please provide the comparable EI figures for 2017, 2018 and 2019 and a reference to where these figures are presented.

REF: Exhibit B, Tab 1, Schedule 2, Tab 2 Schedule 2 and 3 and Tab 3 Schedule 1

Preamble: We would like to understand better and we believe the Board will benefit from a disaggregation of the corporate entries into the legacy utility, EGD and UG, contributions to those line items in the above referenced schedule.

- 7) For each of the above schedules, please provide the respective EGD rate zone and UG rate zone figures for each line items ideally in separate schedules.
 - a) Where there has been a completed integration of all aspects pertaining to a cost category, please provide an estimate using the ratio of the legacy company's 2018 costs that have been included in the corporate total.
 - b) Please provide the 2017 and 2018 figures for each of the respective cost items.
 - c) Please provide the drivers for any and increases in costs greater than 10% from 2018 actual to 2019 actual or estimated.
- 8) Specifically, for transactions between former Enbridge Gas and Union Gas, please provide the 2019 transactions of costs and revenues.
 - a) Please provide the 2017 and 2018 figures for those transactions.
- 9) For Tab 1, Schedule 2:
 - a) Please describe the Purchase Price Discrepancy in Note vi and breakout the underlying transactions resulting in the 22.3M figure.
 - b) Please detail the nature of interest income from affiliates in Note viii and describe the source of funds relied upon to generate the interest.
 - c) Please reconcile the \$6.0M Storage Utility income in line 3, column 4 with the Ex. E, Tab 1, Schedule 2.
- 10) In Tab 2, Schedule 3:
 - a) For each of the individual category of services, please indicate for each, if the service can also be provided by the non-utility storage.
 - i) For each, how does EGI determine which storage (i.e., utility or non-utility) is providing the short-term service?
 - ii) Do all of the short-term transactions get booked to the utility's revenues until such time as all of the short-term storage is sold and then proportional to the percentage of utility/non-utility short-term space sold in that year after all of the short-term utility space is sold?
 - (1) If not, please explain how the transactions are managed in the year and at year-end.
 - iii) For line 7, please break-out the aggregate transactions between legacy EGD and UG into the respective lines 1 to 6 indicating which rate zone is paying the other.
 - iv) For line 20, please break-out the aggregate transactions between legacy EGD and UG into the respective lines 9 to 19 indicating which rate zone is paying the other.

REF: Exhibit B, Tab 1, Schedule 4, page 1 and
EB-2019-0105 Exhibit C, Tab 2, Appendix A, Schedule 18

Preamble: We would like to understand better the contribution of balancing gas to rate base.

- 11) Please describe item referred to as balancing gas and separately the item base pressure gas for the Union Gas rate zone.
 - a) Using the 2017 and 2018 figures for balancing gas contained in the EB-2019-0105 reference and the figures for 2019, please provide the quantity and cost of balancing gas for each year.
 - b) Please provide the total balancing gas for the integrated storage operations in each of those years.
 - i) Please provide the allocation methodology and amount transferred to the non-utility operations.
 - c) Please provide the amount of base pressure gas for each of the three years and the amount allocated to the non-utility storage operations.
- 12) Please answer the above questions in 11) for the EGD rate zone and its legacy non-utility storage.
 - a) If the terminology is different, please describe the items and quantify the respective figures for each of the three years requested for Union Gas rate zone.

REF: Exhibit B, Tab 1 and
EB-2019-0105 Exhibit C Tab 2 Appendix C Schedule 1-2

Preamble: Since its last rebasing, Union Gas Deferral Disposition Applications included the statement: *“As directed by the Board in EB-2011-0210 Decision and Order, p. 79, Union has provided plant continuity schedules related to Union’s non-utility storage business”*.

These schedules were included in last years filing at the above reference. We believe it important to continue to have transparency in the allocation of capital costs between the utility and non-utility storage accounts especially at this time of amalgamation.

- 13) Please provide the Plant Continuity Schedules for the Union Rate zone’s non-utility storage.
- 14) Please provide the Plant Continuity Schedules for the EGD Rate zone’s non-utility storage for 2017 to 2019.

REF: Exhibit B, Tab 2, Schedule 4, page 1

15) Please provide a description of the transactions that occur in foreign currency losses to the utility in lines 1 to 6 that contribute to the loss shown in line 9.

REF: Exhibit B, Tab 2, Schedule 4, Table 2 and pages 7-8

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

We would like to understand better the contributors to the regulatory overhead for the respective companies.

16) For each of the respective rate zones, please provide a breakdown of the quantity of the contributors identified in the above referenced statement and any other contributors such as specific project ICM capitalized overheads.

REF: Exhibit C, Tab 1, page 1

Preamble: EGI evidence states: *“The Company is no longer requesting clearance of the 2019 GSPCCDA, which has a balance of \$3.9 million that would have been collected from ratepayers. The balance will not be carried forward, and Enbridge Gas will not maintain the account in future years.”*

17) Please describe the accounting treatment for the remaining balance and any consequence to the earnings sharing calculation.

REF: Exhibit D, Tab 1, Schedule 1

18) For the incremental M12 capacity for the EGD rate zone, please provide a reference to the evidence previously presented to request approval for the cost consequences of the contract M12334.

REF: Exhibit E, Tab 1, page 10 and Schedule 2

Preamble: EGI evidence states: “*Year-over-year, actual utility storage requirements for 2019 were 4.7 PJ higher than the requirement in 2018, resulting in a decrease in the C1 Short-Term Peak Storage available for sale (from 7.6 PJ in 2018 to 2.9 PJ in 2019). This is a result of an increase in the storage requirement for utility customers. The storage requirement for the general service market was calculated using the Board-approved aggregate excess methodology.*”

We would like to understand better the allocation of storage assets to in-franchise customers in the Union Gas rate zones and the ST Storage Deferral Account.

- 19) Please provide the daily and monthly figures used and derivation of the amount of the following in tabular form with accompanying Excel spreadsheets:
- a) the determination of the storage space for each general service rate class
 - b) the determination of the amount of deliverability required by each general service rate class
- 20) Please provide a table that provides the amount of storage and deliverability for each and all Union Gas rate zone classes (additionally system integrity space) for:
- a) 2019
 - b) The amount of storage and deliverability underpinning the 2013 base rates
 - c) Please provide a similar table for the EGI rate zone.
- 21) Please provide EGI policy and practice regarding the handling of allocations of space and deliverability for in-franchise customers inside rate zones, between rate zones and non-utility operations.

REF: Exhibit E, Tab 1, page 11 and Schedule 3

Preamble: EGI evidence states: “*In its EB-2011-0210 Decision, the Board directed Legacy Union to file a report similar to that ordered in EB-2011-0038 to monitor the inventory related to non-utility storage operations. Exhibit E, Tab 1, Schedule 3 shows the non-utility inventory balances for October and November of 2019 (for legacy Union storage).*”

As the company limits inquiry regarding the non-utility storage space, we would like to understand better the storage fills for the respective Union Gas and EGD rate zones in-franchise storage.

- 22) Please provide a comparable schedule similar to Schedule 3 that shows the balances of the respective Union Gas and EGD rate zones in-franchise storage.

REF: Exhibit E, Tab 1, Schedule 1

Preamble: While we understand the reduction in Base Exchange revenue due to the elimination of FT-RAM in 2013, we would like to understand better the factors contributing to the continued reductions specifically in Base Exchanges.

23) For line 1, please provide the actual revenue generated from transactions with EGD in 2014 and 2018 and with the EGD rate zone in 2019.

a) Please describe the most important drivers leading to the reduced transaction revenue for base exchanges.

REF: Exhibit E, Tab 1, Schedule 2

24) Please provide the specifics regarding note 5 about prior period adjustments including any eliminated or transferred transactions between Union and EGD rate zones and TransCanada Pipelines (TC Energy).

REF: Exhibit E, Tab 1, Schedule 5

25) When EGI uses funds from DSM budgets to buy capital equipment for which the company maintains ownership, does EGI put the value of the capital asset into rate base?

a) If so, how much capital has gone into rate base for each legacy rate zone during the current generic framework (i.e., since and including 2015)?

APPENDED 2020/11/07

REF: Exhibit A, Tab 2, page 2, paragraph 12

Preamble: EGI's relief requested proposes a disposition of the balances with the January 1, 2021 QRAM. We would like to understand better the impact of the proposed dispositions with other EGI dispositions contemplated (e.g., QRAM for each quarter, FCPP, DSM, Annual Rate Increase, etc.).

26) Please provide a matrixed table showing all of the respective proposed, pending, and approved dispositions for each of rate classes by month starting with December 2020 through each month of 2021 to allow an understanding of wholistic bill impact.

a) Given that the Procedural Order does not allow for a January 1, 2021 disposition, please provide a second table showing the impact of all dispositions if the proposed balances are disposed starting April 1, 2021.