

REF: Exhibit E, Tab 1, Schedule 7

Preamble: We would like to understand better the dates and rates used in this table.

- 1) Should the Table be for 2020?
 - a) Please confirm or correct the unit rates and monetary impacts.

REF: Exhibit B, Tab 3, Schedule 1, pg. 3

Preamble: EGI evidence states: *“O&M expenses in 2020 were influenced by synergy savings from integration initiatives, labour savings as a result of the merit increase reversal, vacancy freeze, voluntary departures, and cost savings from activities hampered by Covid-19 restrictions”.*

We would like to understand better the “merit increase reversal”.

- 2) Please describe how this reversal was determined (i.e., criteria, conditions, etc.).
 - a) Please describe any future implications of this reversal (i.e., future payments commitments, etc.).

REF: Exhibit B, Tab 3, Schedule 1, pg. 6

Preamble: EGI evidence states: *“Other cost offsets include the impact of higher net costs resulting from lower credits in Allocations & Recoveries as well as in Capitalization. Lower recoveries in the Allocations & Recoveries (Line 12) from affiliates, third-parties, and the cancellation of the Green Investment Fund is driving the \$12.6 million variance.”*

We would like to understand more about the reduced recoveries.

- 3) Please provide a breakdown of the categories of reduced recoveries and the drivers impacting those recoveries.

REF: Exhibit B, Tab 1, Schedules 2 and EB-2020-0134 Exhibit I.FRPO.5 and .6

Preamble: In EB-2020-0134, we tried to understand the reporting contained in last year's deferral account application by asking the referenced interrogatories. From those interrogatories, we understood that:

"Since amalgamating, the contributions from each legacy company are no longer tracked separately"

and that for the same schedule in last year's application

"The costs included in non-utility results in Line 7 pertain primarily to costs incurred for third party storage capacity and services, as well as an allocation of UFG/LUF and fuels incurred in relation to providing non-utility storage services."

We would like to understand better how the costs contained in line 7 were derived.

- 4) Please provide the driver for allocation of UFG in the Union Gas rate zone.
 - a) Please provide the calculation for the allocation of UFG to the "non-utility" storage.
 - b) Please provide and explain any Union Gas rate zone additional costs allocated to non-utility storage in line 7 of the Schedule.
- 5) Similarly, please provide the driver for allocation of LUF in the Enbridge rate zone.
 - a) Please provide the calculation for the allocation of LUF to the "non-utility" storage.
 - b) Please provide and explain any Enbridge rate zone additional costs allocated to non-utility storage in line 7 of the Schedule.

REF: Exhibit B, Tab 1, Schedules 2 line 8 and Tab 3, Schedule 1, Table 1

Preamble: We would like to understand the components that contribute to the "unregulated adjustments".

- 6) Please provide a description of the major components of the unregulated adjustments.
 - a) Please provide actuals for each of the components for 2019 and 2020 and an explanation of the year over year change.

REF: Exhibit B, Tab 1, Schedule 2, footnote viii

- 7) Please provide a specific description of the “revenue indemnification” contained in the footnote including how it arose in 2020 and why it is appropriate to adjust other income.

REF: Exhibit B, Tab 1, Schedule 4, page 3, line 4

Preamble: We would like to understand the storage projects undertaken for the EGD Rate zone and the rationale for allocation to utility.

- 8) For each individual project over \$1M for EGD storage, please provide:
- A description of the project
 - The rationale for allocation to the utility vs. non-utility
 - Please provide a description and cost allocation including rationale of all multi-year storage projects in progress in 2020.

REF: Exhibit B, Tab 1, Schedule 4, pages 4 and 5

Preamble: We would like to understand the significant increase in regulatory overheads associated with storage for the Union Rate zones.

- 9) For each individual project over \$1M that generated regulatory overheads in the Union Gas rate zone storage, please provide:
- A description and actual cost of the project
 - The rationale for allocation to the utility vs. non-utility and the resulting allocations
 - Specifically, for each project that generated regulatory overheads, how much overhead was charged to the non-utility?
 - The Board’s approval of each project and its generation of regulatory overheads

REF: Exhibit B, Tab 1 and EB-2019-0105 Exhibit C Tab 2 Appendix C Schedule 1-2 and EB-2020-0134 Exhibit I.FRPO.13 and .14

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 previous years’ filings at the above references. We believe it important to continue to have transparency in the allocation of capital costs

between the utility and non-utility storage accounts especially covering the time of amalgamation and deferred re-basing

- 10) Please provide the Plant Continuity Schedules for the Union Rate zone's non-utility storage for 2020.
- 11) Please provide the Plant Continuity Schedules for the EGD Rate zone's non-utility storage for 2020.

REF: Exhibit B, Tab 1, Schedule 6, line 7 a)

Preamble: We would like to understand the matching of revenue and costs in this schedule.

- 12) Please quantify and describe how the O&M expenses associated with the Open Bill & ABC-T revenue are allocated between utility and non-utility.
 - a) Please provide where the transactions for transfers are evidenced in the application.

REF: Exhibit B, Tab 2, Schedule 3 and EB-2020-0134 Exhibit I.FRPO.10

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.

- 13) 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 3, Schedule 1, page 3 and Table 1

Preamble: EGI evidence states: "*O&M expenses in 2020 were influenced by synergy savings from integration initiatives, labour savings as a result of the merit increase reversal, vacancy freeze, voluntary departures, and cost savings from activities hampered by Covid-19 restrictions. These savings were more than offset by increased severance costs, integration-related costs, and the impact of lower capitalization. Including non-utility eliminations, O&M increased by a total of \$34 million between 2019 and 2020.*"

We understand that there are cost impacts in each direction. However, we would like to understand the 156% increase in integration-related costs.

- 14) Please provide a description of the major components leading to this increase.

- a) Please provide EGI's perspective on if some of these costs could/should be spread over the deferred rebasing period.
- b) Please describe how the cancellation of the Green Investment fund in 2018 causes an impact in 2020 and quantify the impact.

REF: Exhibit B, Tab 3, Schedule 2, page 6

Preamble: EGI evidence states: *"The Hamilton Gate Station and Oxford Gate Station were both large stations requiring capital spend in 2020 in the Union Rate Zone. In the EGD Rate Zone, Cookstown Gate, Blackhorse Gate, and Station B were all significant projects requiring capital spend in 2020."*

We would like to understand the need for capital spending in these projects.

- 15) For each of the projects listed, please provide:
 - a) A description of the project and age of the station
 - b) If it was a complete replacement
 - i) If not a complete replacement, the components replaced
 - c) The forecasted cost
 - d) The actual cost

REF: Exhibit C, Tab 1, Schedule 1, page 1 and Exhibit D1, Tab 1, pg. 2 & Schedule 1

Preamble: EGI evidence states: *"The primary driver for the balance in the 2020 S&TDA is a \$9.4M refund from the Union Rate Zone as part of Union's 2018 deferral disposition, partially offset by higher than forecasted transportation prices and higher than forecasted market-based storage costs in 2020. Transportation prices are determined by the OEB approved M12 Rate Schedule."*

Given that the net balance in the account is \$0.2M, we would like to understand the drivers that created the substantial offset.

- 16) For each driver listed in Schedule 1, please provide the reason for the difference.

REF: Exhibit D, Tab 1, pages 6-7 and EB-2020-0134 Exhibit I.Staff.12

Preamble: We would like to get an update on a historic source of UAF at Vic Square.

- 17) Please provide an update on EGI's assessment of the result of improvements done at Vic Square station to improve UAF.

REF: Exhibit D, Tab 1, Schedule 2

Preamble: EGD Rate Zone annual storage optimization revenues have decreased each year since 2016. We would like to understand what has contributed.

- 18) Do the same EGI staff optimize EGD Rate Zone storage as Union Rate Zone utility storage?
- Do the same EGI staff optimize EGD Rate Zone storage as Union Rate non-utility storage?
 - Please explain how EGI staff prioritize assets sold and revenue allocated?

REF: Exhibit D, Tab 1, Schedule 6

Given the Board's decision on confidentiality dated August 16th, FRPO has submitted a letter directly to the Board copying EGI and those that have signed the confidentiality agreement to allow EGI to answer confidentially.

REF: Exhibit E, Tab 1, page 4, Table 2

- 19) For each respective rate zone, please provide a monthly breakdown of transportation releases providing:
- Description
 - Quantity
 - Unit Cost of Transportation
 - Unit Price Received for Release

REF: Exhibit E, Tab 1, page 8 and Schedule 2 and EB-2020-0134 Exhibit I.FRPO.20

Preamble: EGI evidence states: *"The C1 Short-Term Firm Peak Storage revenues of \$2.715 million were \$5.167 million lower than the 2013 OEB-approved forecast of \$7.883 million. Actual Union Rate Zone utility storage requirements for 2020 were 9.0 PJ higher than the 2013 OEB-approved forecast, resulting in a decrease in the C1 Short-Term Firm Peak Storage available for sale (from 11.3 PJ in 2013 OEB-approved to 2.3 PJ in 2020). Union Rate Zone customers received the value of storage directly through the use of the storage space, rather than through the sale of short-term storage."*

In the above referenced IR response the storage and deliverability by rate class had the following footnote: *"Storage space based on actual W19/20 usage and storage deliverability based on forecast W19/20 requirements"*

We would like to understand better the determination of storage needs to in-franchise customers in the Union Gas rate zones and the ST Storage Deferral Account. In last

year's proceeding the amounts for both space and deliverability were provided by Rate Class but we are seeking the underlying data and the process for determination.

20) For the winters used to determine the needs used in this application, please provide a description of the process, the figures used and derivation of the amount of the following in tabular form with accompanying Excel spreadsheets for:

- 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

21) Please provide a table that provides the amount of storage and deliverability for each and all rate classes (additionally system integrity space) for:

- a) 2019
- b) The amount of storage and deliverability underpinning the 2013 base rates

22) Please provide EGI policy and practice regarding the handling of allocations of space and deliverability for in-franchise customers (past footnotes from I.FRPO.20 do not link).

REF: Exhibit E, Tab 1, page 9 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.

23) 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.

24) Please provide how much non-utility storage space is provided by:

- a) Legacy Union Gas non-utility
- b) Legacy Enbridge Gas non-utility
- c) Other sources