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**BY E-MAIL**

November 4, 2021

Christine E. Long  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Enbridge Gas Inc. 2020 Utility Earnings and Disposition of Deferral and  
Variance Account Balances Supplementary Evidence  
OEB File Number: EB-2021-0149**

In accordance with the direction provided in the OEB's Decision on Settlement Proposal and Procedural Order No. 2, please find attached interrogatories of OEB staff with respect to Enbridge Gas's supplementary evidence dated October 28, 2021.

Yours truly,

*K Viraney*

Khalil Viraney  
Project Advisor

Encl.



## **OEB Staff Interrogatories**

**Enbridge Gas Inc. 2020 Utility Earnings and Disposition  
of Deferral and Variance Account Balances**

**Supplementary Evidence**

**EB-2021-0149**

**November 4, 2021**

## **H.Staff.1**

### **Ref: Supplementary Evidence, p. 1**

The evidence states that the Tax Variance Deferral Account (TVDA) is intended to capture the variance in revenue requirement from CCA changes, in relation to capital that is being recovered through rates. Enbridge Gas's position is that no aspect of the revenue requirement related to the amalgamation/integration project capital additions is currently recovered in rates, and as a result, there is no variance to be captured in the TVDA (or other deferral accounts).

Please indicate whether Enbridge Gas included the variance in revenue requirement in 2019 and 2020 TVDA balances that is related to CCA changes for capital projects (excluding amalgamation/integration projects) that are not currently recovered through rates.

## **H.Staff.2**

### **Ref: Supplementary Evidence, pp. 1 - 2**

The 2020 TVDA balance of \$16.9 million (credit to ratepayers), which is solely comprised of Bill C-97 accelerated CCA impacts, reflects the exclusion of accelerated CCA impacts attributable to capital additions related to amalgamation/integration capital projects.

- a) Please confirm that Enbridge Gas will request the addition of the net value of the amalgamation/ integration capital projects (excluded in the 2020 TVDA balance) to rate base at rebasing (in 2024) and recover the associated revenue requirement through rates.
- b) Please provide the estimated net value of the amalgamation/integration capital projects (excluded from the 2020 TVDA balance) at rebasing (2024) that would be added to rate base.

### H.Staff.3

#### Ref: Supplementary Evidence, p. 3

In its evidence Enbridge Gas noted that the 2020 accelerated CCA revenue requirement impact associated with 2020 amalgamation/integration related capital additions which has been excluded from the 2020 TVDA balance is \$3.7 million. Enbridge Gas's 2019 accelerated CCA revenue requirement impact associated with 2019 amalgamation/integration related capital additions was not consistent with the current proposed treatment of accelerated CCA impacts, as the \$3.3 million impact was included in the 2019 TVDA balance for disposition to ratepayers. The change in treatment results from the evolution of Enbridge Gas's proposed treatment of accelerated CCA impacts as informed by the OEB's findings in the 2019 TVDA Decision and Order dated May 6, 2021. The evidence further states that since the 2019 amalgamation/integration related capital additions were to the Class 12 (100% CCA rate pool), the credit provided to ratepayers through the 2019 TVDA was reversed as part of the determination of the 2020 TVDA balance.

- a) On page 3 of the evidence, Enbridge Gas provided a table outlining the 2020 amalgamation/integration capital project additions. Please indicate when these projects were completed and implemented.
- b) In footnote 3, Enbridge Gas states, "The change in treatment results from the evolution of the Company's believed appropriate treatment of accelerated CCA impacts, as informed by the OEB's findings in the 2019 ESM TVDA decision". Please explain this statement in more detail.
- c) The evidence indicates that the credit provided to ratepayers through the 2019 TVDA was reversed as part of the determination of the 2020 TVDA balance. Please explain the reversal of the credit. Has Enbridge Gas reversed the credit in the 2019 TVDA balance that was approved by the OEB in its May 6, 2021 Decision and Order (EB-2020-0134)? If so, please provide the underlying calculation and explain the reasons for doing so.
- d) Does Enbridge Gas propose to adjust the credit related to 2019 amalgamation/integration related capital additions in the 2020 TVDA balance? If so, please explain how the proposed treatment is not contrary to the OEB's 2019 TVDA Decision and Order of May 6, 2021 that approved disposition of 100% of the 2019 TVDA balance in favour of ratepayers?