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June 19, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi,

RE: EB-2024-0111 – Interrogatories of the London Property Management Association for Enbridge Gas Inc.

Please find attached the interrogatories of the London Property Management Association for Enbridge Gas Inc. in the above noted proceeding.

Yours very truly,

Randy Aiken
Aiken & Associates

c.c. EGI, Regulatory Affairs
Intervenors

Enbridge Gas Inc.

Application to change its natural gas rates and other charges beginning January 1, 2024

**INTERROGATORIES OF THE
LONDON PROPERTY MANAGEMENT ASSOCIATION**

1.7-LPMA-1

Ref: Ex. 1, Tab 7, Sch. 1, para. 17

Please provide a full description of all active mitigation measures pursued by EGI.

1.7-LPMA-2

Ref: Ex. 1, Tab 7, Sch. 1, pg. 8

Please update Figure 1 to include as many months of actual data for 2024 as is available.

1.7-LPMA-3

Ref: Ex. 1, Tab 7, Sch. 1, para. 39

What is the relative cost of an ERT meter (including installation) as opposed to a standard meter? If the figures are different by type of customer (eg. Residential vs. small commercial vs. large commercial, etc.), please provide comparisons by customer type.

1.7-LPMA-4

Ref: Ex. 1, Tab 7, Sch. 1, Attachment 1

Is EGI open to increasing the targets for the performance measures where it has exceeded those targets in each of 2019 through 2023? If not, please explain why not.

1.7-LPMA-5

Ref: Ex. 1, Tab 7, Sch. 1, Attachment 2

a) Please update the table on page 2 for April through May 2024 actuals.

b) Please provide a table that shows the actual number of meters, the actual total number of inaccessible meters and the percentage of the total number of inaccessible meters to the total number of meters for 2019 through 2023, and the first few months of 2024 where actual data is available. If monthly data for 2019 through 2021 is not available, but aggregated annual data is, please provide the annual data for those years.

1.7-LPMA-6

Ref: Ex. 1, Tab 7, Sch. 1, Attachment 3

Where meters are inaccessible for the reasons shown in the photos, does EGI move the location of the meter to an accessible area when the meter needs to be replaced? Please explain fully, including whether the customer has to pay for any relocation costs, including changes to indoor piping, if required, or whether EGI adds these costs to rate base.

1.10-LPMA-7

Ref: Ex. 1, Tab 10, Sch. 7, para. 11

Please confirm that EGI will share all of the information and learning from the use of ETTF funds used to accelerate technology development and deployment, drive market adoption and transformation and drive economies of scale with all other utilities, manufacturers, research organizations, industry associations and HVAC companies that request such information, including any company that may be in a competitive market with affiliates of EGI. If not confirmed, please explain fully.

1.10-LPMA-8

Ref: Ex. 1, Tab 10, Sch. 7, para. 23-25

- a) Does EGI have access to the findings of other parties that are noted in this section, including FortsBCEnergy Inc. and SoCalGas and others? If not, has EGI approached any of these companies to get access to the information?
- b) Is there any overlap in the proposed use of the ETTF with that currently undertaken by other parties? If yes, please explain why EGI is proposing to duplicate work under way by others.
- c) Has EGI approached any other parties, government agencies or associations that may be interested in providing funding for the ETTF in exchange for the information gained through the use of the funds? If not why not?

1.16-LPMA-9

Ref: Ex. 1, Tab 16, Sch. 1

- a) Please provide a version of Table 4 for the Union South rate zone and M1 rate.
- b) Please provide versions of Tables 5 & 10 for the Union South rate zone.
- c) Are there any changes to Tables 7 or 8 for the Union South rate zone? If yes, please provide versions of these tables for the Union South rate zone and explain any differences from those in the evidence.
- d) Please provide a version of Table 9 that is based on London Hydro rates.
- e) Please provide a version of Figure 1 based on Union South rates and consumption, London Hydro rates and any changes to the propane and heating oil figures noted above.

1.16-LPMA-10

Ref: Ex. 1, Tab 16, Sch. 1

a) Please expand Tables 2 & 3 to include both ccASHPs and geothermal heat pumps based on the same criteria used in those tables for the other energy sources (i.e. energy costs only, with no inclusion of upfront capital costs).

b) Please provide the electricity cost figures comparable to the response in part (e) of LPMA interrogatory #9 above, for both ccASHPs and geothermal heat pumps, but based on the Union South rate zone and consumption level of 2,200 m³ equivalent and London Hydro rates.

8.1-LPMA-11

Ref: Ex. 8, Tab 1, Sch. 2

a) How are DSM-related costs allocated to rate classes? Please explain fully.

b) Please provide a version of Attachment 1 that shows the allocation of the ETTF cost of \$5 million if the allocation was based on the 2024 forecast of throughput volumes. Please also include the resulting unit rate per m³ for each rate class.

c) Please confirm that under EGI's proposal to recover the costs through the monthly fixed charge that \$4.997 of the \$5.0 cost would be recovered from the general service rates classes (rates 1, 6, 01, 10, M1 & M2). If not confirmed, please provide the estimated amount to be recovered from these rate classes.

d) Please provide a version of Attachment 1 that shows the allocation of the ETTF cost of \$5 million if the allocation was based on a 50/50 weighting of 2024 throughput volumes and number of customers. Please also include the resulting monthly charge per customer by rate class assuming that the recovery of the allocated amounts are recovered through the monthly customer charge for each rate class.

9.1-LPMA-12

Ref: Ex. 9, Tab 1, Sch. 3, para. 10-22

a) Please confirm that the OEB cost assessment variance account would track the difference between the actual costs and the \$9.4 million included in 2024 rates for 2024 and each year in the IRM term. If not confirmed, please explain.

b) Would the \$9.4 million included in 2024 rates be adjusted each year during the IRM term to reflect the application of the price cap? If not, please explain fully.

c) Did EGI consider requesting the OEB to increase the \$9.4 million included in base rates for 2024 to \$12.3 million to reflect the actual OEB costs to EGI? If not why not?

d) If the OEB were to allow EGI to increase the 2024 base rates to reflect the \$2.9 million increase in OEB cost assessment costs, would EGI still require a variance account for 2025 and subsequent years? If yes, please explain why these costs would not be covered through the price cap increases during the IRM years.

e) Please provide a list of all 2024 costs where EGI now expects to be materially below (i.e. \$1 million) from that budgeted for 2024.

9.1-LPMA-13

Ref: Ex. 9, Tab 1, Sch. 3, para. 23-29

Please explain why EGI proposes to carry on the deferral account over the IRM years where it has no evidence to support costs that may arise in those years, rather than treating any such costs as Z factors under its IRM proposal.

10.1-LPMA-14

Ref: Ex. 10, Tab 1, Sch. 1, Attachment 5

For each of the years shown on page 1 of Attachment 5, please provide the detailed calculations for:

- a) line 3, Average Investment, and
- b) lines 9 & 10 for Income Taxes, Equity Return and Utility Timing Differences, respectively.

10.1-LPMA-15

Ref: Ex. 10, Tab 1, Sch. 1, para. 14

Will the calculation of income taxes, including capital cost allowance be the same in 2025 through 2028 for regulatory accounting purposes and for financial reporting purposes and remittance to the government? If not, please explain. If yes, please explain how the removal of \$50 million in assets each year will be dealt with for financial reporting purposes.

10.1-LPMA-16

Ref: Ex. 10, Tab 1, Sch. 1, para. 17

- a) Please confirm that for 2025, EGI will add the base rate adjustment of \$56.9 million to the base rates for 2024 and then apply the price cap index to the modified 2024 base rates. If not, please explain the process.
- b) Will the adjustment to the 2024 costs by rate class as proposed by EGI result in the calculation of adjusted base rates? If no, please explain why not. If yes, will the calculation of the adjusted base rates be based on the approved customer and volume forecast for 2024? If not, please explain.

10.1-LPMA-17

Ref: Ex. 10, Tab 1, Sch. 1, para. 16 & Attachment 5

EGI proposes to allocate the annual base rate adjustment for the indirect overheads to rate classes in proportion to total O&M expenses excluding the cost of gas.

- a) Please explain the rationale for allocating the change based solely on total O&M.
- b) Please confirm that the Base Rate Adjustment shown on line 13 on page 1 of Attachment 5 is comprised of a base rate adjustment for O&M expenses and a base rate adjustment for capital related expenses (depreciation, return, taxes) as shown in the following table:

('000s)	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
O&M	50,000	50,000	50,000	50,000
Capital Related	<u>6,918</u>	<u>1,963</u>	<u>-2,933</u>	<u>-9,287</u>
Base Rate Adjustment	56,918	51,963	47,067	40,713

If not confirmed, please provide a breakdown of the base rate adjustment between O&M and capital related components of the revenue requirement.

- c) Please provide a version of page 2 of Attachment 5 that adds columns for an allocation based on total utility rate base, and provide the allocation figures for the rate classes shown for each of 2025 through 2028 where the composite allocation is based on the O&M figures from part (b) above using the total O&M allocator used by EGI and the capital related figures from part (b) above that are allocated using the total rate base allocator.

10.1-LPMA-18

Ref: Ex. 10, Tab 1, Sch. 1, pages 10-11

- a) Please confirm that the most recent year of data used to set the price cap index for 2025 will be 2023.
- b) Please provide the current Statistics Canada figures for the FDP IPI FDD, AHE and AWE for the most recent calendar year available (2023).

10.1-LPMA-19

Ref: Ex. 10, Tab 1, Sch. 1

- a) What was the actual revenue requirement, excluding gas costs for EGI in 2019?
- b) What is the approved revenue requirement of EGI for 2024 based on:
- i) the EB-2022-0200 decision, and
 - ii) the EB-2022-0200 decision updated to reflect the EGI proposals in this proceeding.

10.1-LPMA-20

Ref: Ex. 10, Tab 1, Sch. 1, page 17

Please calculate the threshold value for 2025 using the formula shown based on each of the following scenarios (please show all calculations):

- a) based on the OEB approved rate base and depreciation expense from the EB-2020-0200 decision, with the growth rate based on the 2024 approved forecast and actual 2023 revenues,

along with a PCI based on the response to 10.1-LPMA-17 and a productivity + stretch factor of -1.5%;

b) based on the OEB approved rate base and depreciation expense from the EB-2020-0200 decision, with the growth rate based on the 2024 approved forecast and actual 2023 revenues, along with a PCI based on the response to 10.1-LPMA-17 and a productivity + stretch factor of 0%;

c) based on the resulting rate base and depreciation expense for 2024 based on the EB-2022-0200 decision, updated for the EGI proposals in the proceeding along with the growth rate based on the 2024 approved forecast and actual 2023 revenues, along with a PCI based on the response to 10.1-LPMA-17 and a productivity + stretch factor of -1.5%;

d) based on the resulting rate base and depreciation expense for 2024 based on the EB-2022-0200 decision, updated for the EGI proposals in the proceeding along with the growth rate based on the 2024 approved forecast and actual 2023 revenues, along with a PCI based on the response to 10.1-LPMA-17 and a productivity + stretch factor of 0%.

10.1-LPMA-21

Ref: Ex. 10, Tab 1, Sch. 1, para. 49

a) Based on the EB-2022-0200 decision, what is the range, in dollars, of +/- 300 basis points on the ROE?

b) Did EGI consider changing the 300 basis point range (smaller or larger)? If yes, why did it maintain the status quo for an off ramp? If no, why not?

10.1-LPMA-22

Ref: Ex. 10, Tab 1, Sch. 1, para. 50

In paragraph 50, EGI is proposing an additional off-ramp where a regulatory review could be requested where government legislation or policy or a change in OEB policy and requirements causes a change in operating environment/parameters from those upon which base rates were established.

a) Would the request for a review be limited to a request from EGI or could other parties, such as intervenors in this proceeding, request a review?

b) Rather than introducing a new off ramp, did EGI consider changing the proposed term of the IR plan from that currently proposed? If not, why not?

10.1-LPMA-23

Ref: Ex. 10, Tab 1, Sch. 1, para. 51

a) Is the reference to the OEB-approved ROE in paragraph 51 meant to be the OEB-approved ROE built into the 2024 rates (i.e. 9.21%), or to the OEB-approved ROE as adjusted from year to year over the IR term?

b) What costs and/or revenues would be excluded from the calculation of utility earnings for ESM purposes? For example, would any approved ACM/ICM amounts be included in rate base, depreciation, taxes, etc. in the calculation of utility earnings for ESM purposes?