

**Ontario Energy
Board**
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27^e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

December 5, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Commodity pricing, load balancing and cost allocation methodologies for
natural gas distributors
Board File No.: EB-2008-0106**

Pursuant to Procedural Order No. 2, please find enclosed Board Staff's interrogatories to Enbridge Gas Distribution.

Yours truly,

Original signed by

Angela Pachon
Regulatory Policy Advisor

cc: Norm Ryckman, Enbridge Gas Distribution.
All Registered Intervenors in EB-2008-0106 Proceeding

Attachment

Interrogatories from Board Staff
to Enbridge

INTERROGATORY # 1

Ref: Exhibit E1, page 12, paragraph 37

- a) Please provide an estimate, with supporting explanatory comment, of the regulatory, administrative, IT billing system, and communication costs that would arise as a result of introducing a monthly reference price adjustment based on a 12 month forecast period, and a 12 month deferral disposition period.

INTERROGATORY # 2

Ref: Exhibit E1, page 17, paragraph 50

- a) What is the rationale for re-valuating the opening gas in inventory? What would be the implications of no longer re-valuating the opening gas in inventory?
- b) Does all the gas in inventory get re-valued or does it get apportioned between gas in inventory held for system supply and gas held for load balancing purposes? If gas in inventory is apportioned: please provide: (i) the rationale for re-valuating gas in inventory held for load balancing purposes; and (ii) an explanation of how the gas in inventory is apportioned between gas in inventory held for system supply and gas held for load balancing.
- c) Please confirm whether gas in inventory re-valuations are allocated to system gas customers.

- d) Please provide an explanation of the allocation of the inventory re-valuation amounts to the various customer rate classes (including the basis and rationale for the allocation).

INTERROGATORY # 3

Ref: Exhibit E1, page 18, paragraph 53

- a) Please provide in detail the methodology that EGD would use to determine the balances in the PGVA that are attributable to commodity, transportation and load balancing costs.
- b) Please provide an illustrative example of how this methodology would be applied.

INTERROGATORY # 4

Ref: Exhibit E1, page 36, paragraph 117

- a) Please provide the proposed threshold for changes to the MDV and the rationale for the proposed threshold.
- b) If the proposed threshold is not available at this time, please indicate when Enbridge expects that it will become available.
- c) Is Enbridge proposing that the threshold be set at its discretion? If so, what is the benefit of that approach relative to an approach where the threshold would be pre-defined?

INTERROGATORY # 5

Ref: Exhibit E1, page 49, paragraph 170

- a) Using the 2007 rebasing year, please provide the system gas fee and DPAC fees on an incremental and fully allocated cost basis.

INTERROGATORY # 6

Ref: Exhibit E1, page 50, paragraph 173

- a) Please confirm that Enbridge will be seeking Board approval to adjust the system gas fee and direct purchase management costs in its 2010 rate adjustment application.

INTERROGATORY # 7

Ref: Exhibit E1, page 51, paragraph 178

- a) Please confirm that Enbridge will be seeking Board approval to adjust the DPAC structure in its 2010 rate adjustment application.

INTERROGATORY # 8

Ref: Exhibit E1, page 55, paragraph 193

- a) Did the focus group discussions include feedback on the line item of the bill that deals with the disposition of the PGVA (i.e. gas cost adjustment)?
- b) If so, what was the outcome?

INTERROGATORY # 9

Ref: Exhibit E1, page 58, paragraphs 202-209

- a) Please provide all calculations and supporting documentation in respect of the estimated implementation costs provided under Issue 11.1.