

ENBRIDGE GAS INC.
Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. A/T3/S1/p. 2

Question:

The evidence set out the annual bill impacts associate with the Application. With respect to those impacts:

- 1) Please explain whether they include the disposition of the DVA balances proposed for 2019. If they do please break out the impacts between the rate adjustment and all other factors;
- 2) Please explain why, if the bill impact of the ICM for the Union North residential customers is \$8.80, why the overall impact is \$6.81 and \$4.88 for each of the Union North rate zones (North East and North West)

Response

- 1) Enbridge Gas is not seeking to dispose of 2019 deferral and variance account ('DVA') balances as part of this application. Consistent with legacy EGD and Union's past practice, Enbridge Gas will seek disposition of its 2019 DVA balances after 2019 financial results are finalized. Similarly, Enbridge Gas will seek disposition of 2018 DVA balances in the coming months.
- 2) The ICM bill impact of \$8.80 for Union North Rate 01 residential customers is higher than the overall Rate 01 residential bill impact because in the absence of ICM, residential customers would experience an overall bill decrease. The estimated bill impact excluding ICM for a Rate 01 residential customer would be a decrease of \$1.99 and \$3.92¹ for Union North West and Union North East, respectively.

¹ Union North East bill impacts excluding ICM provided at Exhibit I.BOMA.1, Attachment 1.

The ICM bill impact of \$8.80 is partly offset by:

- a decrease in the allocation of DSM budget costs to Rate 01, and
- an increase in the forecast billing units used to derive the Rate 01 base unit rates resulting from an increase in the NAC target included in rates.

Other 2019 rate adjustments result in a bill increase to Rate 01, such as PCI, the deferred tax drawdown base rate adjustment, and capital pass-through projects adjustment.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. A/T3/S1/p. 8

Question:

Please explain what relief EGI is seeking from the OEB with respect to the new Conditions of Service. Does EGI have plans to consolidate the Conditions of Service for all of the rate zones (Union and EGD)? If so, what is the timing associated with this initiative?

Response

Enbridge Gas is not seeking relief from the Board with respect to the new Conditions of Services. The revised Conditions of Service were filed in accordance with the Board's Gas Distribution Access Rule ("GDAR"), section 8.5 "Revisions to a Customer Service Policy". Section 8.5 is provided below for convenience.

8.5 Revisions to a Customer Service Policy

8.5.1	A rate-regulated gas distributor shall provide advance public notice of any revisions to its Customer Service Policy. Notice shall be, at a minimum, provided to each residential customer by means of a note on or included with the customer's bill. The notice shall include the timeline for implementation of the revisions to the Customer Service Policy.
8.5.2	A rate-regulated gas distributor shall provide the Board with a copy of its revised Customer Service Policy. The revised Customer Service Policy shall be accompanied by a cover letter that indicates the revisions made and their implementation date.

Enbridge Gas currently has no plans to consolidate its Conditions of Service. Any integration of Enbridge Gas's Conditions of Service must follow the integration of its systems and processes.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. A

Question:

Please provide the most recent Company-wide organization chart down to the Director level.

Response

Please see Attachment 1.



Cynthia Hansen
Executive Vice President

Wendy Zelond
VP Finance

Director Information Systems UG

Director Human Resources

Mark Boyce
Vice President, Law

Director IT Gas Distribution

Malini Giridhar
VP Business Development & Regulatory

Michelle George
VP Engineering

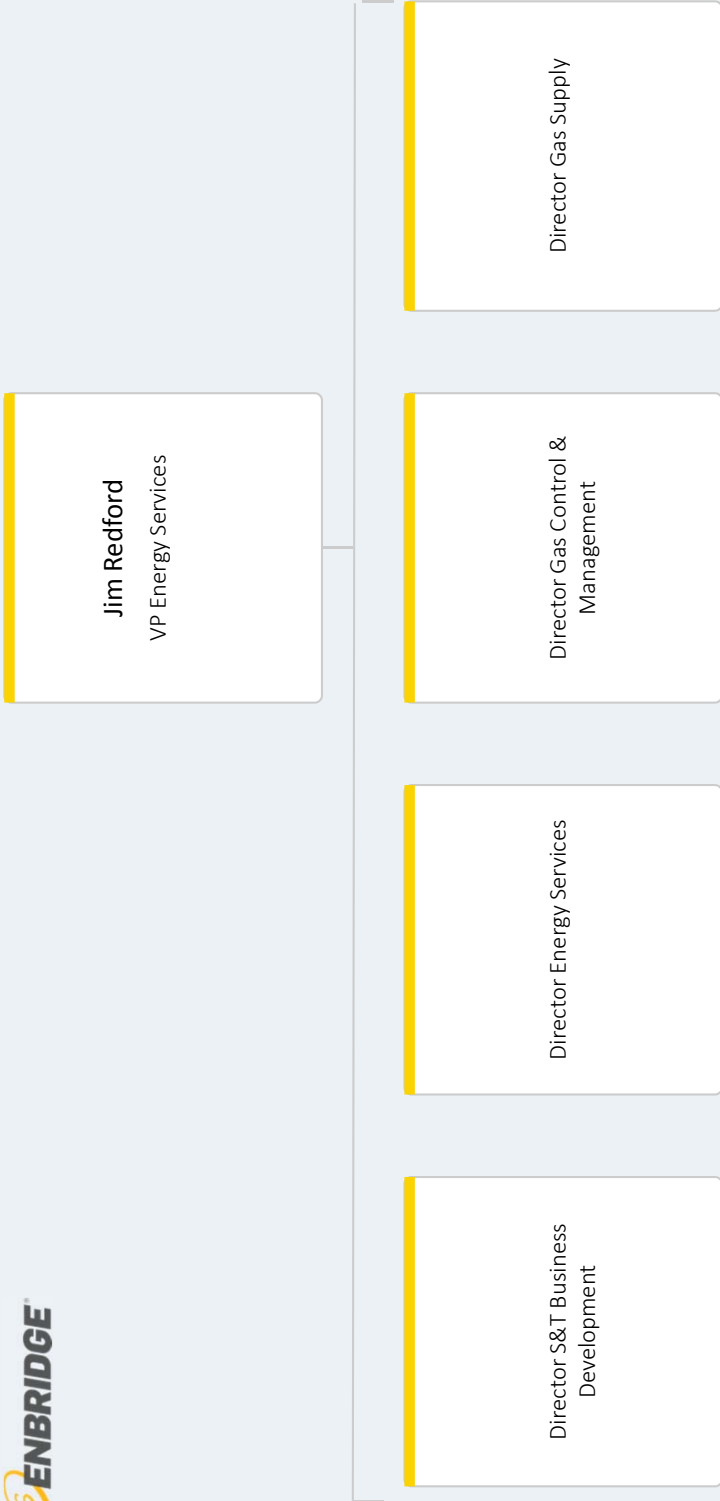
Jim Sanders
SVP Operations

Mike Shannon
VP Storage Transmission & Integration Management Office

Jim Redford
VP Energy Services

Tanya Mushynski
VP Customer Care

★ Shared service Vice Presidents and Directors have a dotted line reporting relationship to Enbridge Gas Inc.'s Executive Vice President.





Jim Sanders
SVP Operations

Director Operational Services
& Governance

Director GTA West / Niagara
Ops

Director Toronto Region Ops

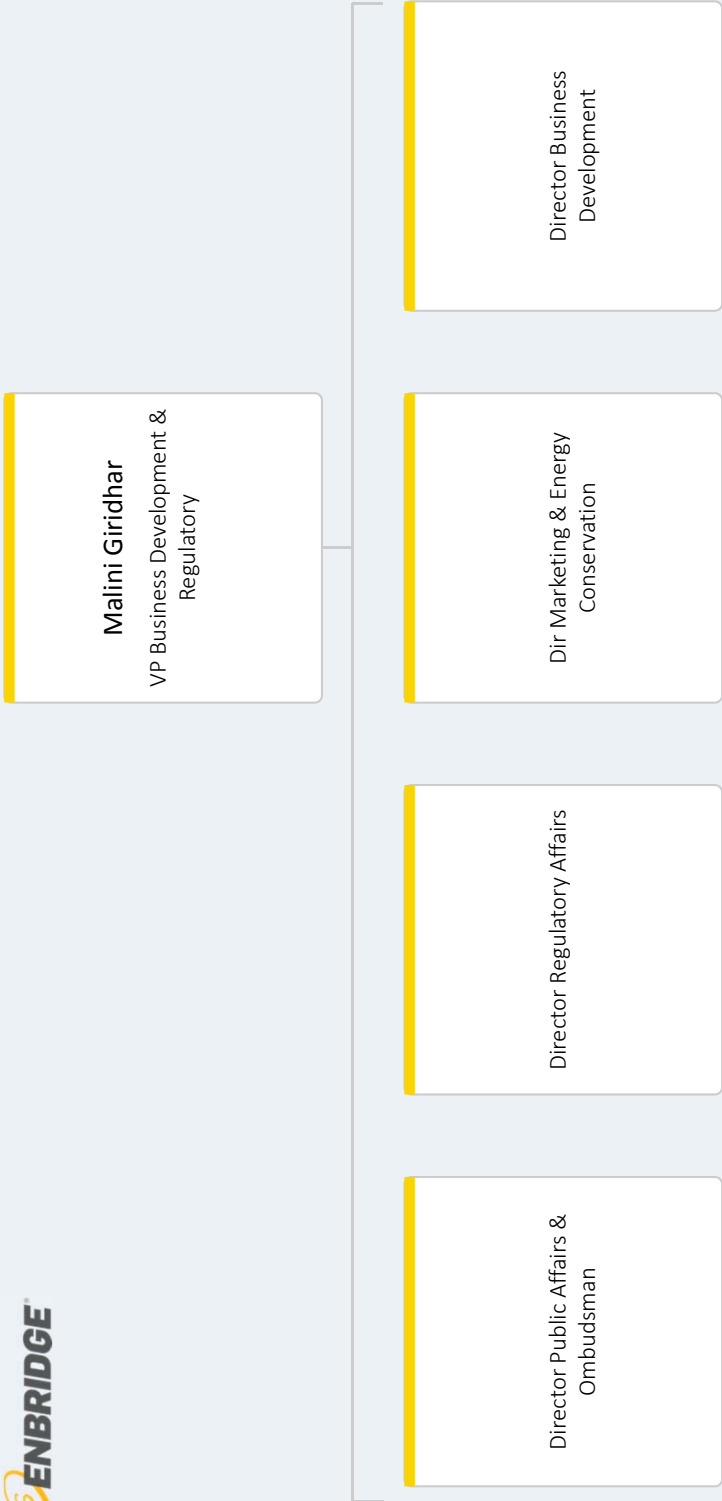
Director Eastern Region Ops

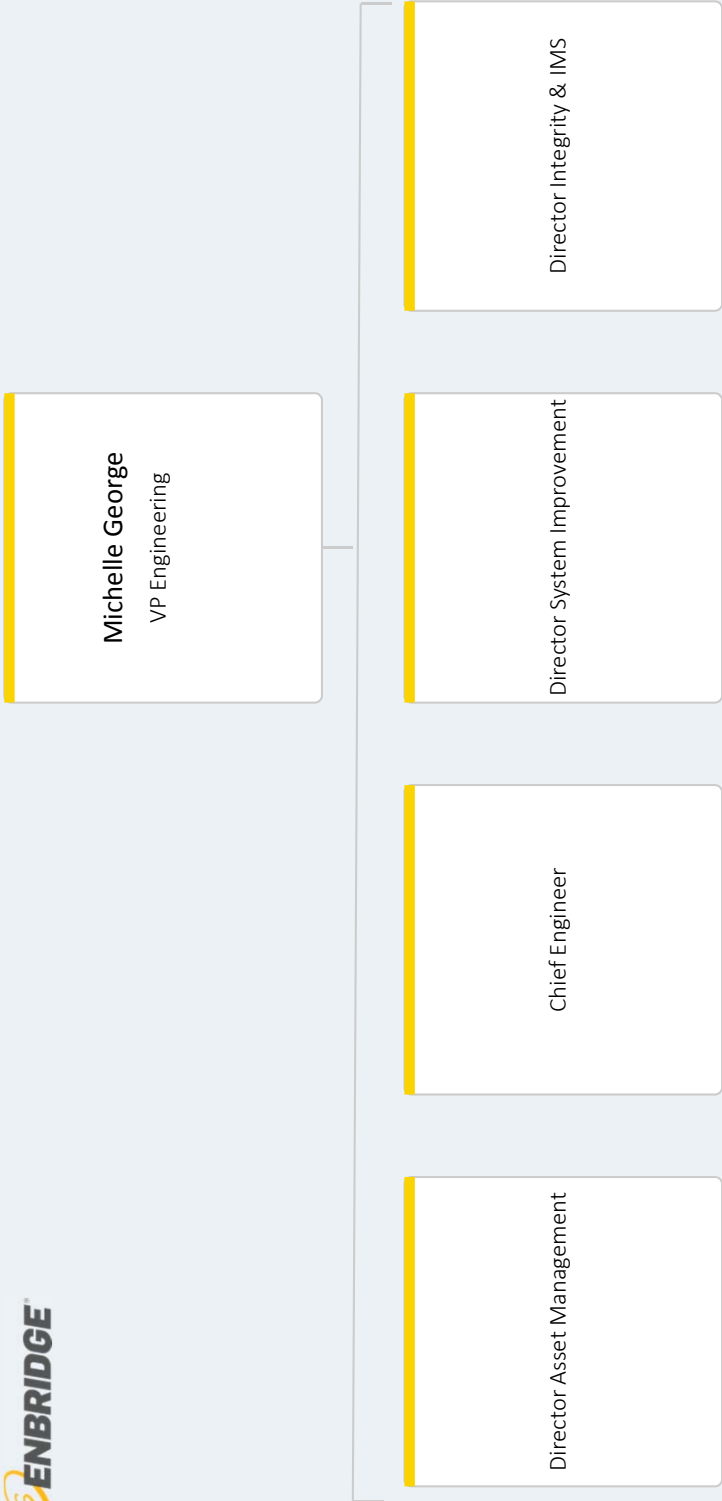
Director Northern Region Ops

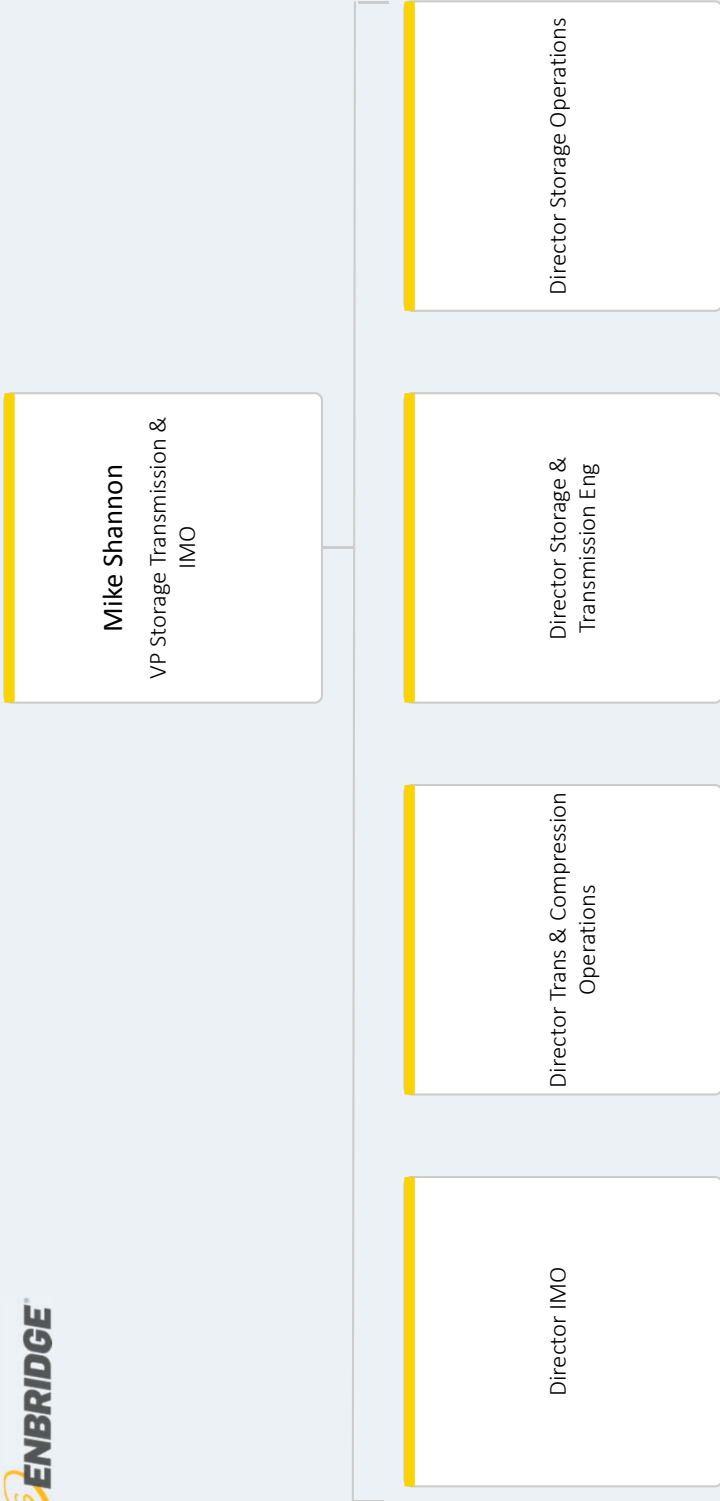
Director Southeast Region
Ops

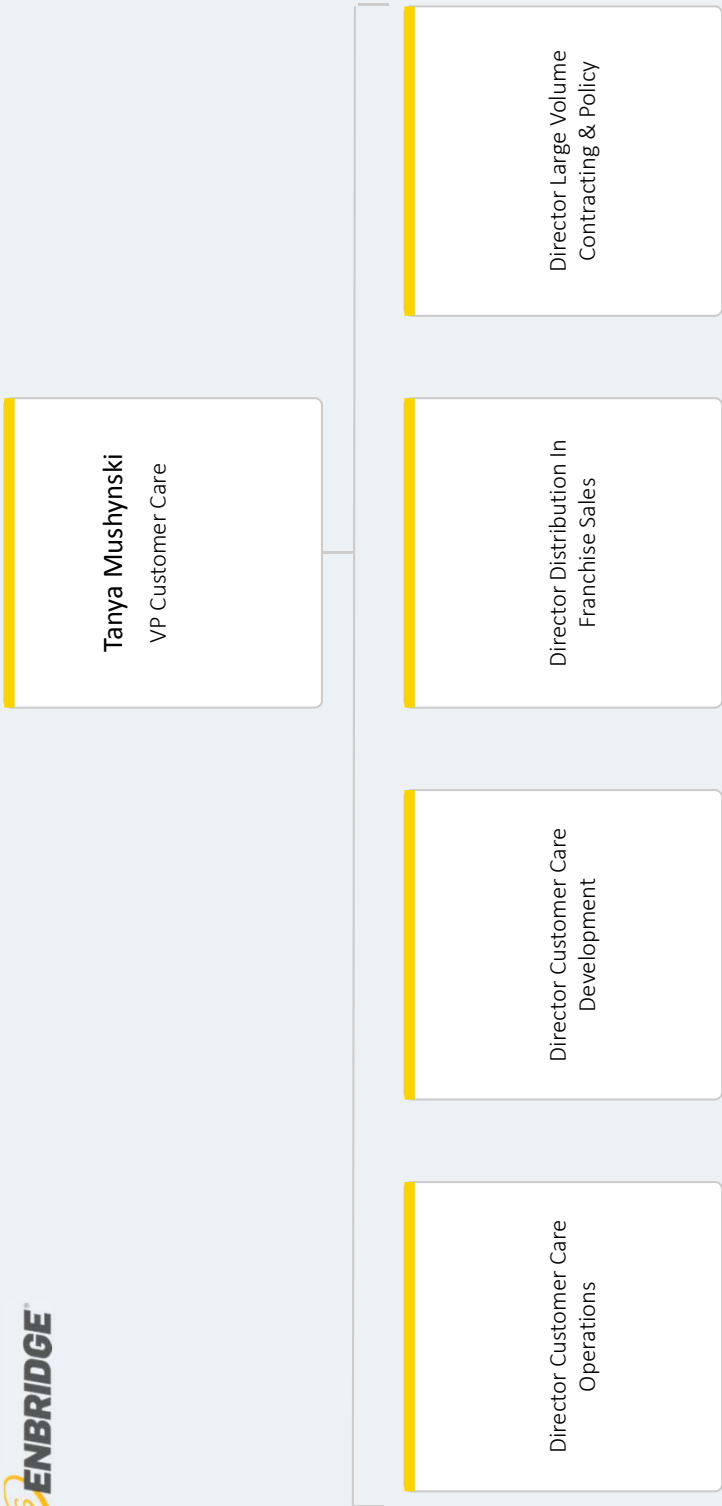
Director GTA East Ops

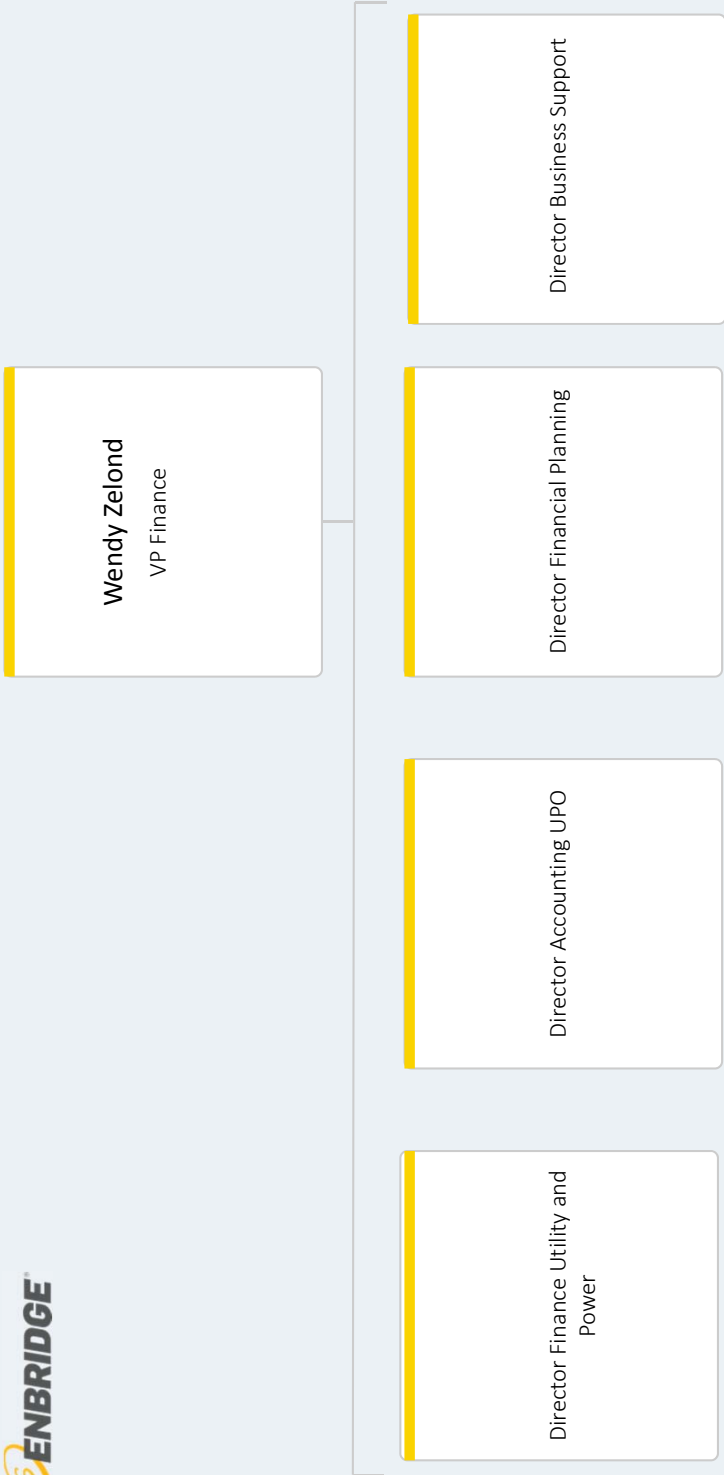
Director Southwest Region
Ops

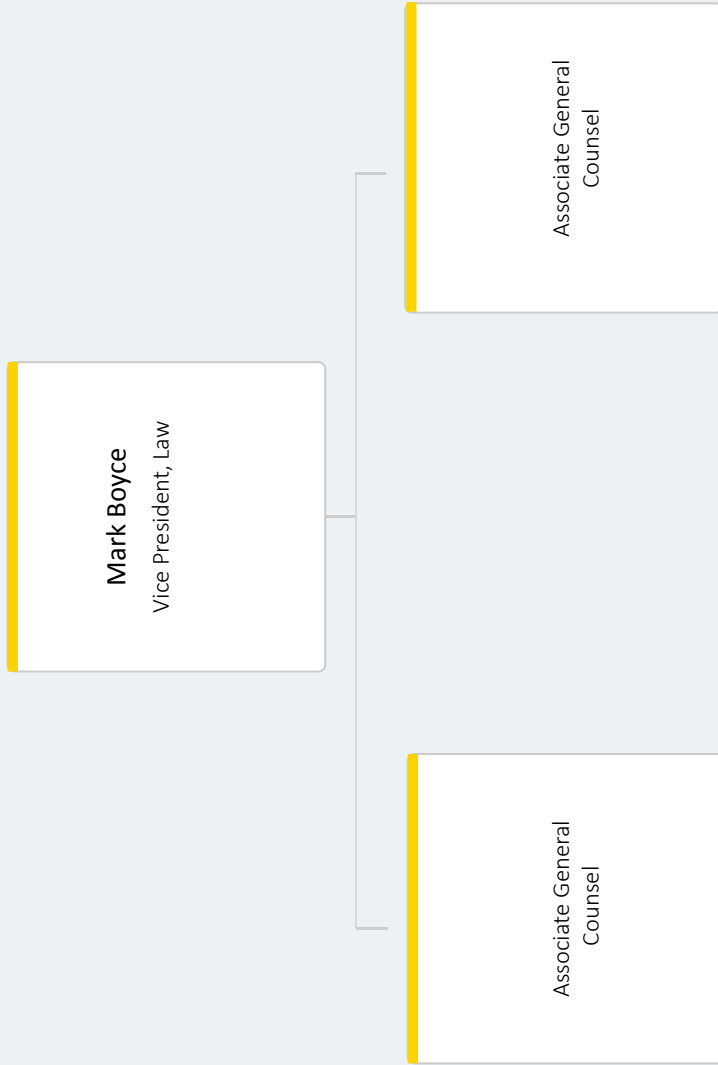












ENBRIDGE GAS INC.
Answer to Interrogatory from
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Reference: Ex. B1/T1/S1

Question:

The Application is based on the OEB's Decision approving the amalgamation of Union and EGD and establishing the rate-setting mechanism (EB-2017-0306/0307). Please indicate if the Application is entirely consistent with all of the elements of the Decision. If it is not, please identify where it is not consistent and the rationale for any alternative proposals.

Response

Yes, the application is consistent with the Board's Decision and Order for the amalgamation and rate setting mechanism dated August 30, 2018. The implications of the Board's Decision are reflected in this rate application.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. B1/T1/S1/p. 23

Question:

Table 9 provides a list of Deferral Account closures that were approved in the MAADs and Rate-setting Decision. What are the current balances in the accounts?

Response

Please see Attachment 1 for balances in the Deferral Accounts listed at Table 9.

The amounts shown are draft. Disposal of the actual amounts will be filed as part of Enbridge Gas's 2018 Earning Sharing Mechanism and Deferral and Variance Account proceeding.

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>	<u>Interest*</u>	<u>Total</u>
EGD Rate Zone				
179.16_	Customer Care CIS Rate Smoothing Deferral Account	219,260	(32,375)	\$ 186,885
179.34_	Constant Dollar Net Salvage	-	-	\$ -
179.96_	Adjustment Deferral Account	-	-	\$ -
	Relocations Mains Variance Account	-	-	\$ -
179.98_	Replacement Mains Variance Account	-	-	\$ -
	Earnings Sharing Mechanism Deferral Account (replaced by new Enbridge Gas account)	(27,350,000)	(167,519)	\$ (27,517,519)
Union Rate Zones				
179-120	CGAAP to IFRS Conversion Costs Tax Variance Deferral Account (replaced by new Enbridge Gas account)	-	-	\$ -
179-134		(413,448)	(4,783)	\$ (418,231)

*Includes interest to March 31, 2019.

ENBRIDGE GAS INC.
Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. B1/T1/S1/p. 27

Question:

EGL has a forecast of \$117.238 million for the Capital Pass-Through Projects for 2019. Will this amount be trued up based on actual costs? If not, why not? If so, how will the amounts be trued up?

Response

Enbridge Gas does not propose to true up the 2019 revenue requirement for Union's capital pass-through projects in 2019 rates to actual costs during the deferred rebasing period with the exception of utility tax timing differences which will continue to be captured in the capital pass-through deferral accounts. Please see Exhibit I.STAFF.8, part (a).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. B1/T2/S1/p. 19

Question:

Please set out all project costs for the Sudbury Replacement Project. What is the expected revenue requirement impact for each year 2019-2023? Please explain why it is appropriate for the 2018 costs to be part of the 2019 ICM.

Response

Please see Exhibit I.EP.16 for the project costs for the Sudbury Replacement Project.

Please refer to Exhibit B1, Tab 2, Schedule 1, Appendix E, page 2 for the revenue requirement for each year 2019-2023.

Please see Exhibit I.STAFF.24 part (a) for appropriateness of including 2018 costs as part of 2019 ICM.

ENBRIDGE GAS INC.

Answer to Interrogatory from
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Reference: Ex. B1/T2/S1/p. 24

Question:

With respect to the Sudbury Replacement Project \$3.4 million is expected to go into service in 2019. What is the month in which it is expected to be in-service?

Response

Please see Exhibit I.APPrO.2.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. B1/T2/S1/p. 22

Question:

With respect to the NPS 30 Don River Replacement Project what were the costs that were presented in the LTC proceeding? What are the current cost projections? Please explain, in detail, all variances. Please provide the construction schedule that was filed in the LTC proceeding and the current construction schedule. What is the most current projected in-service date? What factors could impact that schedule?

Response

Please see Exhibit I.EP.16.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. B/T2/S1/p. 27

Question:

With respect to the Kingsville Reinforcement Project what were the costs that were presented at the LTC proceeding. What are the current cost projections? Please explain, in detail, all variances. Please provide the construction schedule that was filed in the LTC proceeding. What is the most current projected in-service date? What factors could impact that schedule?

Response

Please see Exhibit I.EP.16.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. B/T2/S1/p. 27

Question:

What is the current status of the LTC Application regarding the Stratford Reinforcement Project? What is the most current projected in-service date? What factors could impact that date?

Response

On March 28, 2019 the Ontario Energy Board approved the Stratford Reinforcement project. Construction of the project is proposed to start in May 2019 with an in service date in November 2019. Based on the past history of constructing projects of this type, Enbridge Gas does not anticipate any factors which would delay the in-service date of the project.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. B/T2/S1/p. 31

Question:

EGI has set out the Total Incremental Revenue Requirement by rate zone for each of the ICM requested projects. Does EGI propose a true-up process regarding these projects? If not, why not? If so, how would that true-up process work?

Response

The applicant is requesting the opening of new deferral accounts for each rate zone to capture any variances between actual revenue requirement of the ICM projects and the actual revenue collected through the ICM rate as filed on page 16 of Exhibit B1, Tab 1, Schedule 1. Also, as noted on page 33 in the MAADs Decision (EB-2017-0306 EB-2017-0307) and as per section 7.4 in the Report of the Board (EB-2014-0219), the Board will make a determination on the treatment of any differences between forecast and actual ICM projects at the time of rebasing.

ENBRIDGE GAS INC.
Answer to Interrogatory from
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Reference: Ex. C1/T1/S1/p. 55

Question:

Please file the Customer Connection Policy that was revised in 2015. Please explain the nature of the changes made in 2015 and the rationale for those changes. Please specifically identify how the Contribution in Aid of Construction was changed. Please explain the extent to which EGD undertook any customer engagement with respect to these changes.

Response

Enbridge Gas's feasibility policy has always been aligned with the requirements of E.B.O. 188. In 2015, the EGD rate zone enhanced its process for estimating the service cost used for assessing feasibility of residential conversion customers. The current policy has been filed with this application as Exhibit B1, Tab1, Schedule 1, Appendix H.

Prior to the enhancement in 2015, as noted in Exhibit B1, Tab 1, Schedule 1, Appendix H, paragraph 9, EGD applied a simplified approach to assess economic feasibility which assumed consistent or like circumstances for standard residential service connections.

The underlying assumptions of like circumstances and sufficient cost recovery which allowed EGD to maintain the simplified approach have changed. There is now recognition of increased variability in the cost associated with residential customer attachments which warrants a more precise assessment of individual project costs. The EGD rate zone now accounts for this variability in customer circumstances through assessments by using an individually estimated volumetric allowance and a regionally tailored cost estimate based on historical data from similar services in the same area where available or based on a specific field estimate where necessary. CIAC is now calculated based on customer specific volumetric allowance and cost estimates.

Please see Exhibit I.STAFF.2, part (b) for the customer communication process that was undertaken by the EGD rate zone with respect to this change.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. A/T3/S1/ p. 4

Question:

Please indicate what relief EGI is seeking from the OEB with respect to the Utility System Plan and the Asset Management Plans for the EGD and Union rate zones.

Response

Enbridge is not seeking approval of the Utility System Plan and Asset Management Plans (“USP” and “AMPs”). Subsequent to the filing of this IR the Board issued its Decision and Procedural Order No. 2 which confirms this:

“The OEB confirms that it will not be approving the USP or AMPs in this proceeding. The review of the USP and AMPs is to provide context for whether the ICMs should be approved.”¹

¹ Decision and Procedural Order No. 2, April 1, 2019, pages 5 to 6.

ENBRIDGE GAS INC.
Answer to Interrogatory from
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Reference: Ex. B1/T2/S1/p. 5

Question:

Please explain why EGI has excluded Community Expansion amounts from System Access Capital?

Response

Community Expansion is categorized under the System Access Capital investment category in Enbridge Gas's Utility System Plan.¹

Despite their opportunities being evaluated using the same investment valuation framework, opportunities outside of core business activities that have different funding mechanisms and are driven and supported through public and governmental policies/regulations do not flow through this process (such as Community Expansion, renewable natural gas, etc.) [emphasis added].²

As such, footnotes were included for Table 1 and Table 2 in Enbridge Gas's Incremental Capital Module: "System Access capital presented here does not reflect Community Expansion."³

¹ Exhibit C1, Tab1, Schedule 1 page 36.

² Exhibit C1, Tab1, Schedule 1, page 29.

³ Exhibit B1, Tab 2, Schedule 1, Tables 1 and 2, pages 4 to 5.

ENBRIDGE GAS INC.
Answer to Interrogatory from
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Reference: Ex B1/T2/S1/p. 2

Question:

The evidence states that, “As there are finite resources to complete capital projects, projects are selected for the AMP on the basis of their relative priority. All projects are evaluated and prioritized/optimized to ensure that capital resources are employed to address the highest priority items across all asset categories.” Please explain if this comment pertains to planning with respect to the two rate zones individually or to the consolidated Company. When does EGI intend to undertake capital planning across the Company as a whole?

Response

The comment pertaining to planning is relevant to the EGD and Union rate zones. Conversely each AMP was created individually with unique prioritization/optimization methodology. The following excerpt highlights the common considerations included in both planning methodologies:

“Enbridge Gas’s methodology for project prioritization/optimization considers risk, customer input and preferences, resource availability and asset portfolio strategies.”¹

As per the response at Exhibit I.STAFF.34, Enbridge Gas is still assessing its future asset management processes.

¹Exhibit, B1, Tab 2, Schedule 1, page 3.

ENBRIDGE GAS INC.
Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. B1/T2/S1/p. 9 and Ex. C1/T1/S1/p. 3

Question:

Does EGI intend to use a Company-wide materiality threshold for its ICM requests for 2021?

Response

Enbridge Gas does not intend to use a Company-wide materiality threshold for its ICM requests for 2021. Please see Exhibit I.VECC.7.

ENBRIDGE GAS INC.
Answer to Interrogatory from
Consumers Council of Canada (CCC)

Reference: Ex. A/T3/S1/p. 5

Question:

Please explain what relief EGI is seeking from the OEB with respect to the customer consultation undertaken by both EGD and Union.

Response

Enbridge Gas is not seeking any specific relief from the Board with respect to the customer engagement filed at Exhibit D1. The Board confirmed this in its Decision and Procedural Order No. 2:

The OEB agrees with Enbridge Gas that customer engagement is relevant to the USP and AMP planning processes, and therefore is a consideration for the review of the ICMs. It is generally not a requirement to file the results of customer engagement with IRM applications that do not include ICMs, given the mechanistic nature of the Price Cap IR rate adjustments. A new issue on customer engagement has not been added to the Issues List, as proposed by VECC, because the customer engagement will be considered as part of whether the projects are eligible for ICM funding.¹

¹ Decision and Procedural Order No. 2, April 1, 2019, page 6.