Richard Wathy
Technical Manager
Regulatory Applications
Regulatory Affairs

Cell: 519-365-5376
Email: Richard.Wathy@enbridge.com
EGIRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.
P.O. Box 2001
50 Keil Drive N.
Chatham, Ontario, N7M 5M1
Canada

September 8, 2021

**VIA RESS AND EMAIL**

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

Dear Christine Long:

**Re: Enbridge Gas Inc. (Enbridge Gas)**
**Ontario Energy Board (OEB) File No.: EB-2021-0149**
**2020 Utility Earnings and Disposition of Deferral & Variance Account Balances - Interrogatory Responses**

In accordance with the Procedural Order No. 1 dated July 16, 2021, enclosed please find the interrogatory responses from Enbridge Gas in the above noted proceeding.

If you have any questions, please contact the undersigned.

Sincerely,

(Original Signed)

Richard Wathy
Technical Manager, Regulatory Applications

cc: Intervenors (EB-2021-0149)

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Exhibit A, Tab 3, pp. 1-2

Question(s):

In its evidence, Enbridge Gas has proposed that the impact resulting from the disposition of 2020 deferral and variance account (DVA) balances be implemented with the first available Quarterly Rate Adjustment Mechanism application following the OEB's approval of this application, as early as October 1, 2021. The DVA balances along with the interest calculation is presented at Exhibit C, Tab 1, Schedule 1.

a) Please confirm that interest amounts in Exhibit C, Tab 1, Schedule 1 are calculated up to September 30, 2021.
b) Please provide a similar table as Exhibit C, Tab 1, Schedule 1 that calculates interest up to December 31, 2021.

Response:

a) Confirmed. All interest amounts filed in Exhibit C, Tab 1, Schedule 1 were calculated up to September 30, 2021.

b) The following table provides forecast interest to December 31, 2021 (assuming no change to the current OEB prescribed rate of 0.57% in Q4):

ENBRIDGE GAS
DEFERRAL & VARIANCE ACCOUNT
ACTUAL & FORECAST BALANCES

| Line No. | Account Description | Account Acronym | | Col. 1 Principal ($000's) | Col. 2 Interest ($000's) | Col. 3 Total ($000's) | Col.4 Reference |
|---|---|---|---|---|---|---|---|
| | | | | Forecast for clearance at January 1, 2022 | | | |
| | EGD Rate Zone Commodity Related Accounts | | | | | | |
| 1. | Storage and Transportation D/A | 2020 S&TDA | | (229.6) | (29.5) | (259.1) | D-1, Page 2 |
| 2. | Transactional Services D/A | 2020 TSDA | | (3,884.9) | (22.2) | (3,907.1) | D-1, Page 4 |
| 3. | Unaccounted for Gas V/A | 2020 UAFVA | | 221.7 | 0.1 | 221.8 | D-1, Page 6 |
| 4. | Total commodity related accounts | | | (3,892.8) | (51.5) | (3,944.3) | |
| | EGD Rate Zone Non Commodity Related Accounts | | | | | | |
| 5. | Average Use True-Up V/A | 2020 AUTUVA | | (7,883.1) | (45.0) | (7,928.1) | D-1, Page 10 |
| 6. | Gas Distribution Access Rule Impact D/A | 2020 GDARIDA | | - | - | - | D-1, Page 23 |
| 7. | Deferred Rebate Account | 2020 DRA | | 2,518.2 | 30.7 | 2,548.9 | D-1, Page 12 |
| 8. | Transition Impact of Accounting Changes D/A | 2020 TIACDA | | 4,435.8 | - | 4,435.8 | D-1, Page 1 |
| 9. | Electric Program Earnings Sharing D/A | 2020 EPESDA | | - | - | - | D-1, Page 23 |
| 10. | OEB Cost Assessment V/A | 2020 OEBCAVA | | 3,006.4 | 34.3 | 3,040.7 | D-1, Page 13 |
| 11. | Dawn Access Costs D/A | 2020 DACDA | | 2,066.7 | 11.8 | 2,078.5 | D-1, Page 16 |
| 12. | Pension and OPEB Forecast Accrual vs. Actual Cash Payment Di | 2020 P&OPEBFAVACPDVA | | - | - | - | D-1, Page 23 |
| 13. | **Total EGD Rate Zone (for clearance)** | | | **251.2** | **(19.7)** | **231.5** | |
| | Union Rate Zones Gas Supply Accounts | OEB Account Number | | | | | |
| 14. | Upstream Transportation Optimization | 179-131 | 2020 | 12,123.6 | 69.2 | 12,192.8 | E-1, Page 5 |
| 15. | Spot Gas Variance Account | 179-107 | 2020 | - | - | - | E-1, Page 54 |
| 16. | Unabsorbed Demand Costs Variance Account | 179-108 | 2020 | (1,749.6) | (43.4) | (1,793.0) | E-1, Page 1 |
| 17. | Deferral Clearing Variance Account - Supply | 179-132 | 2020 | (1,031.6) | (5.2) | (1,036.8) | E-1, Page 19 |
| 18. | Deferral Clearing Variance Account - Transport | 179-132 | 2020 | 823.1 | 4.1 | 827.2 | E-1, Page 19 |
| 19. | Base Service North T-Service TransCanada Capacity | 179-153 | 2020 | 28.3 | 0.2 | 28.5 | E-1, Page 46 |
| 20. | Total Gas Supply Accounts | | | 10,193.8 | 24.9 | 10,218.7 | |
| | Union Rate Zones Storage Accounts | | | | | | |
| 21. | Short-Term Storage and Other Balancing Services | 179-70 | 2020 | 1,271.8 | 7.2 | 1,279.0 | E-1, Page 7 |
| | Union Rate Zones Other Accounts | | | | | | |
| 22. | Normalized Average Consumption | 179-133 | 2020 | 7,181.8 | 106.7 | 7,288.5 | E-1, Page 11 |
| 23. | Deferral Clearing Variance Account | 179-132 | 2020 | 4,503.1 | 22.9 | 4,526.0 | E-1, Page 19 |
| 24. | OEB Cost Assessment Variance Account | 179-151 | 2020 | 1,233.7 | 14.2 | 1,247.9 | E-1, Page 43 |
| 25. | Unbundled Services Unauthorized Storage Overrun | 179-103 | 2020 | - | - | - | E-1, Page 54 |
| 26. | Gas Distribution Access Rule Costs | 179-112 | 2020 | - | - | - | E-1, Page 54 |
| 27. | Conservation Demand Management | 179-123 | 2020 | - | - | - | E-1, Page 54 |
| 28. | Parkway West Project Costs | 179-136 | 2020 | (470.0) | (4.6) | (474.6) | E-1, Page 23 |
| 29. | Brantford-Kirkwall/Parkway D Project Costs | 179-137 | 2020 | (32.0) | (0.3) | (32.3) | E-1, Page 27 |
| 30. | Lobo C Compressor/Hamilton-Milton Pipeline Project Costs | 179-142 | 2020 | 121.0 | 0.5 | 121.5 | E-1, Page 33 |
| 31. | Lobo D/Bright C/Dawn H Compressor Project Costs | 179-144 | 2020 | (1,189.5) | (9.3) | (1,198.8) | E-1, Page 37 |
| 32. | Burlington-Oakville Project Costs | 179-149 | 2020 | (48.0) | (0.4) | (48.4) | E-1, Page 41 |
| 33. | Panhandle Reinforcement Project Costs | 179-156 | 2020 | (2,100.8) | (6.5) | (2,107.3) | E-1, Page 48 |
| 34. | Sudbury Replacement Project | 179-162 | 2020 | - | - | - | E-1, Page 54 |
| 35. | Parkway Obligation Rate Variance | 179-138 | 2020 | - | - | - | E-1, Page 54 |
| 36. | Unauthorized Overrun Non-Compliance Account | 179-143 | 2020 | - | - | - | E-1, Page 36 |
| 37. | Pension and OPEB Forecast Accrual vs. Actual Cash Payment Di | 179-157 | 2020 | - | (1,005.8) | (1,005.8) | E-1, Page 52 |
| 38. | Unaccounted for Gas Volume Variance Account | 179-135 | 2020 | - | - | - | E-1, Page 29 |
| 39. | Unaccounted for Gas Price Variance Account | 179-141 | 2020 | 4.9 | 0.4 | 5.3 | E-1, Page 31 |
| 40. | Total Other Accounts | | | 9,204.2 | (882.2) | 8,322.0 | |
| 41. | **Total Union Rate Zones (for clearance)** | | | **20,669.8** | **(850.1)** | **19,819.7** | |
| | EGI Accounts | | | | | | |
| 42. | Earnings Sharing D/A | 179-382 | 2020 | - | - | - | |
| 43. | Tax Variance - Accelerated CCA - EGI | 179-383 | 2020 | (16,874.3) | (183.7) | (17,058.0) | C-1, Page 13 |
| 44. | Expansion of Natural Gas Distribution Systems V/A | 179-380 | 2020 | - | - | - | |
| 45. | **Total EGI Accounts (for clearance)** | | | **(16,874.3)** | **(183.7)** | **(17,058.0)** | |
| 46. | **Total Deferral and Variance Accounts (for clearance)** | | | **4,046.7** | **(1,053.5)** | **2,993.2** | |
| | Not Being Requested for Clearance | | | | | | |
| 47. | Accounting Policy Changes D/A - Pension - EGI | 179-120 | 2020 | 181,465.2 | - | 181,465.2 | C-1, Page 2 |
| 48. | Accounting Policy Changes D/A - Other - EGI | 179-120 | 2019 | (1,749.5) | (36.9) | (1,786.4) | C-1, Page 2 |
| 49. | Accounting Policy Changes D/A - Other - EGI | 179-120 | 2020 | (14,789.5) | (115.3) | (14,904.8) | C-1, Page 2 |
| 50. | Incremental Capital Module Deferral Account - EGD | | 2020 | (259.8) | (0.9) | (260.7) | C-1, Page 1 |
| 51. | Incremental Capital Module Deferral Account - UGL | 179-159 | 2019 | (6,869.6) | (133.8) | (7,003.4) | C-1, Page 1 |
| 52. | Incremental Capital Module Deferral Account - UGL | 179-159 | 2020 | (5,683.8) | (40.8) | (5,724.6) | C-1, Page 1 |
| 53. | Covid-19 Emergency Incremental Cost D/A | 2020 COVEICDA | 2020 | 1,377.5 | 7.8 | 1,385.3 | C-1, Page 16 |
| 54. | **Total of Accounts not being requested for clearance** | | | **153,490.5** | **(319.8)** | **153,170.7** | |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Exhibit B, Tab 1, Schedules 1 and 2

Question(s):

At the above-mentioned reference, Enbridge Gas provides a high-level description of adjustments included in column 3. Enbridge Gas made an adjustment to its utility earnings calculation to account for “Reclassification of Union rate zone optimization revenue as a cost of gas reduction” ($15.9 million). The Note of adjustment (i) indicates a total amount of ($33.6) million subtracted from the total Gas sale and distribution.

a) Is the calculation of utility earnings consistent with the methodology used to calculate the earnings in prior years? If not, please explain any differences and provide rationale for any deviations from the approach used in prior years.
b) Please explain in further detail the ($33.6M) adjustment in line 1 column 3 briefly described in note (i) in Schedule 2 (Exhibit B).
c) Please explain the Purchase Price Discrepancy in Note (vi) and provide a breakdown of the underlying transactions resulting in the ($22.5M) adjustment.
d) Please detail the nature of interest income from affiliates ($14.5M) in Note viii and describe the source of funds relied upon to generate the interest.
e) Please explain how the $5.6M storage revenue presented in EGI Utility Income line 3, column 4 reconciles with Exhibit E, Tab 1, Schedule 2.

Response:

a) The overall calculation of utility earnings and earning sharing is consistent with the methodologies utilized by each legacy entity. The calculation and approach to earnings sharing for 2020 is the same as was used for 2019. However, as a result of amalgamating the two entities, as of 2019 the format of supporting schedules differs somewhat, as the presentation now leverages elements from each legacy entity.

b) The first part of the $33.6M adjustment pertains to a reclassification of the $15.9M reclassification of Union Rate Zone Gas Supply Optimization Margin in rates. For external corporate reporting purposes these reductions are classified as part of gas sales and distribution revenue. However, as directed in EB-2011-0210, Union is to recognize optimization revenues as an offset to gas costs, and therefore the reclassification for utility income presentation purposes.

   The second part of the adjustment pertains to the elimination of the $17.7M of EGD Rate Zone revenues reflecting that as an amalgamated utility EGI is recognizing revenues that historically UGL would have generated unregulated revenues from EGD, and those revenues would have been eliminated from utility results. EGD would have then recognized as a gas cost and recovered from its own rate zone customers. Upon amalgamation, the entry between EGD and UGL is eliminated, leaving EGD Rate Zone revenues that need to be eliminated as a utility adjustment as they truly pertain to the unregulated business.

c) The Company has applied push-down accounting with respect to the accounts of Union Gas from February 27, 2017, the date upon which Enbridge acquired common control of EGD and Union Gas. The carrying values of certain assets and liabilities of Union Gas transferred to EGD have been adjusted to reflect Enbridge's historical cost as at February 27, 2017. These adjustments are for external financial statement purposes only in accordance with US GAAP and have no earnings impact to the Utility.

   The fair value of long term debt was estimated using an income approach based on quoted market prices for similar debt instruments. In addition, unamortized debt issuance costs do not meet the definition of an asset and were written off.
   For long term debt held in regulated entities, a regulatory offset was recorded in deferred amounts and other on the external financial statements. Enbridge viewed the regulatory offset upon consummation of the acquisition as a proxy for the regulatory asset that would be recorded in the event such debt was extinguished at an amount higher than the carrying value. Enbridge considered the authorized rate structure for the rate treatment of debt and interest costs by the OEB which are based on the actual cost of the regulated entities borrowings in computing the overall rate of return to support that the premium paid upon extinguishment is probable of recovery and therefore giving rise to the regulatory offset.

   The $22.5M that is eliminated from Utility results in reconciling from the external financial statements represents the annual amortization of the discrepancy noted above. This amortization will continue until the discrepancy is completely eliminated.

d) The $14.5M of interest revenue from affiliates is related to EGI being compensated by its parent Enbridge Inc. (EI) for interest expense incurred by EGI on use of its Commercial Paper program. Cash balances and use of short term debt is managed centrally within EI for the entire organization. The transaction keeps EGI whole with regard to earnings as reported for external financial statement purposes. The amount is eliminated from Utility results since the associated interest expense is eliminated for Utility purposes, and is replaced with deemed interest as approved by the OEB.

e) The Storage revenue presented in EGI Utility Income line 3, column 4 is not meant to reconcile with Exhibit E, Tab 1, Schedule 2 which is a Union Rate Zone deferral schedule for Short Term Storage activity.

EGI Utility Income line 3, column 4 of $5.6M is a combined EGI figure and reconciles to Exhibit B Tab 2 Schedule 3 line 8 Total Regulated Storage Revenue Net of Deferral of $5.630M.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Exhibit B, Tab 3, Schedule 1, pp. 4-5, Table 2

Question(s):

At the above reference, Enbridge Gas states:

"While savings were achieved, there were associated costs that enabled those savings. Integration-related costs (Line 15) comprise severance costs and other post-amalgamation costs to support harmonization and drive synergies. Severance costs increased by $36M over 2019 as a result of the voluntary departure program".

Integrations costs have increased substantially in 2020 as compared to 2019.

a) Please confirm that the 2020 integration costs have increased by 156% as compared to 2019. Please provide reasons for the substantial increase in integration costs.

b) Please provide a more detailed breakdown of the O&M integration costs and the drivers for the changes.

c) Please provide a summary of the savings achieved during 2020 and forecasted savings for 2021.

Response:

a) Confirmed. Integration costs have increased 156% as compared to 2019 largely due to severance costs and the ramp-up of integration efforts in Distribution Operations, Customer Care, Engineering, and Finance areas. Please see paragraphs 13 and 14 which describe the activities driving the major components of the increase, and part b) which provides a more detailed breakdown of those drivers.

b) Table 1 on page 3 provides a breakdown of costs for each of the Distribution Operations, Customer Care, Engineering, and Finance areas.

Within Distribution Operations, EGI Sync provided system implementation, oversight, coordination, and alignment of the Asset & Work Management System (AWS), the Connect initiative, Work and Resource Strategy, and the Customer Information System (CIS) Project. The collective work will deliver a cohesive transformation that integrates systems in support of frontline operational work, scheduling the execution of field work, and maintenance of customer information. It will allow EGI to operate as one utility, supporting safe, efficient, and reliable operations. Much of the work in 2020 involved dedicated resources to align processes, policies, technology, and systems required for the multi-prong integration initiatives. It also involved consultants to assist with benchmarking, cost studies, and project management. Other initiatives included the one-time costs of training, tooling, and building adjustments associated with the outsourcing of meter work for two regions, as well as the harmonization of fleet and heavy equipment maintenance from legacy approaches.

Within Customer Care, the CIS Project updated and integrated systems and processes previously managed in separate systems (SAP and Banner). The first phase of the project involved the upgrade of existing software that was completed in mid-2020. Over the course of 2020, integration work was carried out on detailed planning, system design, and system build.

Within Engineering, much of the work was around the alignment of legacy engineering processes, policies, procedures, design specifications. The Pipeline Risk and Integrity Management (PRIM) system alignment involved the integration of legacy Union Gas transmission pipelines operating at or above 30% SMYS as part of the Transmission Integrity Management Program. Other alignment work involved processes and policies in the metershop program, developing a combined Asset Management Plan which leveraged a combined Risk Management Framework, harmonized asset class definitions and governance structure, and the integration of the change process.

Within Corporate Shared Services, Finance had the largest share of integration costs as combined management reporting was developed across all areas, bridging local legacy systems to a harmonized enterprise system. This work entailed the alignment of financial data into a single source, report consolidation, alignment of reporting processes, and automation where possible.

**Table 1:**
**2020 Integration Costs ($M)**

| | | |
|---|---|---|
| **Distribution Operations** | | |
| Dedicated Integration Resources | | 11.7 |
| Outsourcing of Meter work | | 2.9 |
| EGI Sync/AWS/Connect | | 3.1 |
| Fleet Harmonization | | 0.3 |
| Distribution Operations - Total | $ | 18.0 |
| **Customer Care** | | |
| CIS Project | | 14.3 |
| Labour Support of CIS Project | | 1.2 |
| Customer Care - Total | $ | 15.4 |
| **Engineering** | | |
| Alignment of Policies & Procedures | | 4.2 |
| Dedicated Integration Resources | | 1.5 |
| PRIM Integration | | 0.5 |
| Alignment of Metershop | | 0.5 |
| Alignment of Asset Plan | | 0.2 |
| Integrate Management of Change | | 0.1 |
| Engineering - Total | $ | 6.9 |
| **Corporate Shared Services** | | |
| Finance Alignment of Management Reporting | | 3.4 |
| Dedicated Integration Resources - Finance | | 0.9 |
| Other | | 0.1 |
| Corporate Shared Services - Total | $ | 4.5 |
| **All Other Functional Areas** | $ | 2.6 |
| **Total Integration Initiative Costs** | **$** | **47.5** |
| **Severance** | $ | 77.7 |
| **Total Integration Costs Incl. Severance** | **$** | **125.2** |

c) Savings resulting from integration are estimated at $66M in 2020 and are expected to stay relatively stable in 2021. Table 2 below is a summary of those savings.

**Table 2:**
**2020 Integration Savings ($M)**

| | |
|---|---|
| Base Pay Savings & Burden Savings from VWO | 54.8 |
| Meter Reading & Vendor Consolidation | 2.7 |
| Emergency Reponse & Call Handling | 2.1 |
| Alignment Synergies in Operations & Engineering | 1.8 |
| Targeted Inspections & WWO | 2.9 |
| Other Savings | 1.7 |
| | 66.0 |

The largest component of savings was driven by base pay reductions from 2020 adjustments (as noted in Exhibit I.FRPO.2) as well as salary and benefits reductions from voluntary departures (or VWO). Integration initiatives in Customer Care associated with vendor consolidation in the areas of meter reading, bill printing, payment processing, and collections resulted in $2.7M in savings. The alignment of emergency response and emergency call handling operations brought about $2.1M in savings. Within the Operations and Engineering groups, warehouse consolidation, metershop integration, Integration Management Systems harmonization, and content management alignment contributed to $1.8M in savings. Similarly, the discontinuation of targeted inspections at legacy Enbridge Gas and the cancellation of the Workflow and Workforce Optimization (WWO) at legacy Union harmonized programs and processes under a single work strategy and achieved $2.9M. Other integration savings across all areas contributed to the balance.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Accounting Policy Changes Deferral Account
Exhibit C, Tab 1, pp. 2-3

Question(s):

Enbridge Gas continues to track the annual revenue requirement impact of accounting policy changes made as of the amalgamation date, January 1, 2019, as well as any further accounting policy changes adopted since that time. The cumulative balance in the Accounting Policy Changes Deferral Account (APCDA) as of December 31, 2020 is a receivable of $164.926 million.

Please indicate if Enbridge Gas implemented any further accounting policy changes in 2020 that are in addition to or different from those made in 2019. If yes, please provide details.

Response:

Yes, as of January 1, 2020 the Company also commenced tracking the annual revenue requirement impacts of accounting policy changes related to overhead capitalization implemented in 2020. Further details can be found in the Company's application and evidence in Exhibit C, Tab 1, pages 8 to 9.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Accounting Policy Changes Deferral Account
Exhibit C, Tab 1, pp. 9-12

Question(s):

As a result of the Enbridge Inc. (EI) and Spectra merger in 2017, EI recorded the acquisition of Union Gas through a purchase price allocation. As a result, Union Gas's pension assets were adjusted on EI's books to fair value and the unamortized Actuarial Losses of $250 million were reclassified from Accumulated Other Comprehensive Income (AOCI) to Goodwill. Approximately, $39 million of Actuarial Losses were amortized between February 27, 2017 and December 31, 2018, resulting in a balance of $211 million remaining on Union Gas's AOCI at amalgamation (January 1, 2019). Enbridge Gas continues to draw down the regulatory asset by amortizing the balance as part of pension expense resulting in a regulatory asset balance of $181 million recognized in the APCDA at December 31, 2020. Enbridge Gas proposes to continue the annual amortization and inclusion as part of the accrual-based pension costs recognized as part of O&M expense. This proposal will draw down the balance in the APCDA throughout the deferred rebasing period.

a) Please confirm if the unamortized Actuarial Losses of $250 million refer to the underfunding of pension assets related to the legacy Union Gas. Please provide a detailed response.

b) The evidence notes that $39 million of Actuarial Losses were amortized between February 27, 2017 to December 31, 2018. Please explain how the amount was amortized. Were these amounts recovered through rates?

c) The regulatory asset balance as of December 31, 2020 was $181 million. It is expected that the balance will be reduced during the deferred rebasing period. Please confirm that the balance will be reduced because pension expenses will be recovered through rates. Is it possible for Enbridge Gas to estimate the balance in the APCDA related to pension amounts at the end of the deferred rebasing period? If yes, please provide the estimated amount.

d) Does the legacy EGD have any unamortized Actuarial Losses or underfunding of its pension as of December 31, 2020. If yes, please provide details including the account in which these balances are recorded.

Response:

a) Not confirmed. The unamortized actuarial losses pertain to the calculation of the Company's Pension Benefit Obligation.

   The funding requirement of the pension benefit obligation is based upon pension regulations. The Company does comply with annual funding requirements and makes annual contributions to the plans accordingly.

b) As noted above, the amortization of actuarial gains/losses and past service costs is a component of accrual based pension expense. Base rates for both the EGD and Union rate zones includes a provision for accrual based pension expenses as part of OM&A.

c) Yes. This pre-2017 legacy UGL balance will continue to be reduced through annual amortization as part of the accrual based pension cost recognized as part of OM&A expense and recovered through rates. It is estimated that the residual unamortized balance at the end of the rebasing period will be approximately $145 million. As part of the Company's 2024 rebasing application, a proposal for the treatment of the residual balance will be included.

d) Yes. Legacy EGD has unamortized Actuarial Losses that have accumulated similar to legacy UGL. As at, December 31, 2020 the balance of these accumulated unamortized losses was $164 million. Similarly, legacy UGL also has additional accumulated losses incurred post February 2017, the balance at December 31, 2020 being $178 million. The two balances noted above, are recorded as part of Deferred amounts and other assets on the EGI 2020 external Consolidated Statement of Financial Position, or USOA Account 179 Other Deferred Charges. These amounts are amortized as part of the accrual based pension cost recognized as part of OM&A expense and recovered through rates.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Enbridge Gas Tax Variance Deferral Account
Exhibit C / Tab 1 / p. 13

Question(s):

The balance in the 2020 Enbridge Gas Tax Variance Deferral Account (TVDA) is a credit of $16.874 million, plus forecast interest to September 30, 2021 of $0.160 million, for a total of $17.034 million. Of the principal balance in the account, $0.285 million relates to a true-up of the 2019 accelerated CCA impact.

Please explain the above mentioned true-up to the 2019 accelerated CCA and identify the timing of the true-up.

Response:

Typically, when the TVDA amounts are booked at year-end, they are based on preliminary capital addition and CCA provision schedules. The preliminary values are, however, subject to change as a result of year end true-ups and the finalization of the Company's tax return, filed in/at the end of June each year. As a result, there is an expectation of true-ups to prior year tax provision and TVDA amounts booked after year-end is closed and ESM evidence submitted. With regards to the $285k true-up relating to the 2019 TVDA, the final balances used in the filing of the Company's T2 return were determined subsequent to the Company filing its 2019 Utility Earnings and Disposition of Deferral & Variance Account Balances Application and Evidence. It was decided, based on the immateriality of the amount, to include the true-up adjustment in the following years application and proposed for disposition along with the 2020 balance.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Enbridge Gas Tax Variance Deferral Account
Exhibit C / Tab 1 / pp. 14-15

Question(s):

The balance in the 2020 TVDA is a credit of $16.874 million plus interest. The accelerated CCA impacts related to Bill C-97 were the only tax rate changes that impacted the 2020 balance. The evidence notes that the TVDA does not include the accelerated CCA impacts related to capital pass-through and incremental capital module projects, and amalgamation/integration capital projects. Enbridge Gas noted that it is expected to fund amalgamation/integration type projects during the deferred rebasing period through synergies. In such cases, Enbridge Gas does not believe that it is appropriate to credit ratepayers for 100% of the accelerated CCA benefit associated with amalgamation/integration projects through the TVDA.

a) Please provide the capital costs incurred for amalgamation/integration type projects in 2020. Please provide a table identifying the specific projects and the accelerated CCA amount associated with each project (that has not been recorded in the TVDA).
b) Did Enbridge Gas incur capital costs for amalgamation/integration projects in 2019? If yes, please provide capital costs incurred and the accelerated CCA benefits associated with such projects. Were the accelerated CCA benefits related to 2019 amalgamation/integration projects included in the 2019 TVDA and cleared to the benefit of ratepayers?
c) In its evidence, Enbridge Gas noted that it funded amalgamation/integration type projects in 2020 through synergies. Please identify the type of synergies referred to in the evidence and explain how these synergies were used to fund amalgamation/integration projects. Please also establish a link between the achieved synergies and the related amalgamation/integration projects.
d) Please confirm that Enbridge Gas will include any undepreciated capital costs associated with integration/amalgamation as part of its opening rate base figures at its next rebasing application, and the undepreciated capital costs would be recovered from ratepayers through the revenue requirement. If not, please provide a detailed response.

e) Please confirm that when Enbridge Gas rebases, absent inclusion of the accelerated CCA impacts in the TVDA, customers will also be responsible for funding a greater amount of taxes payable embedded in the revenue requirement (by virtue of Enbridge Gas having less CCA deductions available in the test year). If this is not the case, please clarify.

Response:

a) The table below contains the 2020 in-service capital for amalgamation/integration projects, the associated accelerated versus regular CCA variance, as well as the resultant income tax (or earnings) impact and grossed up revenue requirement impact which was not recorded in the TVDA.

**2020 Amalgamation/Integration Project Additions**

| | CCA Pool Capital Addition | CCA Class / Rate | Accelerated CCA | Regular CCA | CCA Variance | Earnings Impact (26.5% tax rate) | Grossed-up Earnings Impact |
|---|---|---|---|---|---|---|---|
| Scada and Gas Control Consolidation | 711,933 | Class 12 100% | 711,933 | 355,967 | 355,967 | 94,331 | 128,342 |
| Scada and Gas Control Consolidation | 1,114,524 | Class 50 55% | 919,482 | 306,494 | 612,988 | 162,442 | 221,009 |
| CIS Phase 1 (Hana Upgrade) | 17,020,480 | Class 50 55% | 14,041,896 | 4,680,632 | 9,361,264 | 2,480,735 | 3,375,150 |
| Customer Experience | 44,854 | Class 12 100% | 44,854 | 22,427 | 22,427 | 5,943 | 8,086 |
| Bill Print and Presentment | 20,361 | Class 12 100% | 20,361 | 10,180 | 10,180 | 2,698 | 3,670 |
| | 18,912,152 | | 15,738,526 | 5,375,700 | 10,362,826 | 2,746,149 | 3,736,257 |

b) Yes, Enbridge Gas did have one amalgamation/integration project that was placed into service in 2019 (the Customer Experience project), for which the accelerated CCA benefit was included in the 2019 TVDA for clearance to ratepayers. The table below shows the 2019 in-service capital for the amalgamation/integration project, the associated accelerated versus regular CCA variance, as well as the resultant income tax (or earnings) impact and grossed up revenue requirement impact which was recorded in the TVDA.

**2019 Amalgamation/Integration Project Additions**

| | CCA Pool Capital Addition | CCA Class / Rate | Accelerated CCA | Regular CCA | Variance | Earnings Impact (26.5% tax rate) | Grossed-up Earnings Impact |
|---|---|---|---|---|---|---|---|
| Customer Experience | 18,131,540 | Class 12 100% | 18,131,540 | 9,065,770 | 9,065,770 | 2,402,429 | 3,268,611 |

c) Consistent with Exhibit C, Tab 1, pages 14 to15, the Company's amalgamation projects are to effectively be funded by Enbridge Gas through synergies over the deferred rebasing period. For more discussion on synergy savings realized during 2020, please see the responses at Exhibit I.STAFF.3 part c) and Exhibit I.CCC.3.

d) Confirmed. Undepreciated capital costs associated with integration/amalgamation projects will be included as part of Enbridge Gas' opening rate base figures at its next rebasing application, and the undepreciated capital costs would be recovered from ratepayers through the revenue requirement.

e) Enbridge Gas confirms that at rebasing, absent inclusion of the accelerated CCA impacts in the TVDA, customers will be responsible for funding a greater amount of taxes payable embedded in the Company's revenue requirement (by virtue of Enbridge Gas having less CCA deductions available in the test year).

   The undepreciated capital costs and higher taxes payable (as compared to had accelerated CCA not been taken), related to integration/amalgamation projects that will be included in the Company's revenue requirement at rebasing, reflects the fact that all outstanding costs as well as resultant ongoing synergies previously not reflected in rates, will be included at rebasing.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Transactional Services Deferral Account - EGD
Exhibit D / Tab 1 / p. 4 and Exhibit D / Tab 1 / Schedule 2

Question(s):

Transactional services refer to optimization of storage and transportation assets. Storage optimization transactions rely on the storage of or the loan of gas between two points in time at the same location. The evidence indicates that there was no storage optimization revenues for 2020.

a) Why was Enbridge Gas not able to optimize any storage transactions for the EGD rate zone in 2020?

b) Please provide the total third-party storage capacity contracted for the EGD rate zone in 2018, 2019 and 2020.

Response:

a) Enbridge Gas has not been able to optimize any storage transactions for the EGD rate zone in 2020 because of a reduction in gas price volatility and a reduced demand for short term storage services.

b) The contract period for most of the third-party market-based storage for the EGD rate zone is from April to March. The table below provides the average contracted capacity for each calendar year.

EGD Third-Party Storage Capacity (GJ)

| 2018 | 2019 | 2020 |
|---|---|---|
| 25,695,785 | 26,618,959 | 26,366,291 |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Transactional Services Deferral Account - EGD
Exhibit D / Tab 1 / pp 4-5

Question(s):

During 2020, Enbridge Gas generated a total of $17.6 million in net transactional services revenue applicable to the EGD rate zone. The revenues were generated as a result of available temporary surplus capacity.

The OEB approved the Unabsorbed Demand Cost Deferral Account for the legacy EGD rate zone in the Custom Incentive Regulation proceeding (2014-2018).[1] The account captured the costs of unutilized capacity on contracted long haul TCPL capacity.

a) Please confirm if Enbridge Gas has discontinued the EGD Unabsorbed Demand Cost Deferral Account for the deferred rebasing period. If the account has been discontinued, please identify the account where the unabsorbed demand costs are recorded.
b) Do the current rates of EGD include any costs for unabsorbed demand charges? If yes, please provide the costs included in current rates.

Response:

a) Confirmed, the EGD rate zone Unabsorbed Demand Cost Deferral Account has been discontinued. Any unabsorbed demand costs are captured in the Purchased Gas Variance Account (PGVA).

b) No, current rates of the EGD rate zone do not include any costs for unabsorbed demand charges.

[1] EB-2012-0459

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Unaccounted For Gas Variance Account - EGD
Exhibit D / Tab 1 / pp. 6-9 and FRPO Interrogatory #17 (EB-2019-0194)

Question(s):

Unaccounted for Gas (UAF) is the difference between natural gas delivered into the distribution system and natural gas consumed by customers in the EGD rate zone as well as EGD own use gas and line pack gas. In the 2020 rates application (EB-2019-0194), Enbridge Gas filed the 2019 UAF study. The report found that the primary sources for UAF include physical losses, retail meter variation and gate station meter variations.

In response to an interrogatory (FRPO #17) with respect to the UAF report filed as part of the 2020 rates proceeding (EB-2019-0194), Enbridge Gas confirmed that it is in the process of redesigning the Victoria Square Gate Station in order to reduce gate station meter variations. The project is scheduled to commence in 2020. Please confirm if the Victoria Square Gate Station project has been completed. If yes, please indicate if Enbridge Gas has measured the benefits of redesigning the Victoria Square Gate Station with respect to UAF.

Response:

The Victoria Square Gate Station was completed in September 2020. The benefit of redesigning the Victoria Gate Station has been a significant reduction in the measurement difference between the custody measurement and the check measurement at that station. A comparison of the measurement differences prior to the rebuild versus after the rebuild shows a reduction in volume difference from 12.4 $10^6m^3$ to 2.65 $10^6m^3$. While the UAF benefits can not be directly measured, as noted in the 2019 UAF study completed by ScottMadden, a primary source of UAF is gate station meter variations which improved significantly at Victoria Square Gate Station.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Average Use True-Up Variance Account - EGD
Exhibit D / Tab 1 / p. 11

Question(s):

The Average Use True-Up Variance Account shows a total credit balance of $7.88 million. The refund is attributed to actual Rate 1 (residential) uses being higher than 2020 forecast levels, partially offset by actual Rate 6 (apartment, small commercial and industrial) uses being slightly lower than 2020 forecast levels. Enbridge Gas has attributed the higher average use for Rate 1 customers to “Stay at-home orders” in response to the pandemic.

a) Has Enbridge Gas identified any probable causes for the decrease in Rate 6 average consumption? If yes, please provide details.

b) Does Enbridge Gas have further breakdown of Rate 6 on the basis of consumption for apartments, small commercial and industrial customers. If yes, please provide the data for 2019 and 2020.

Response:

a) Enbridge Gas hasn’t identified causes for the decrease in Rate 6 average use in 2020. Rate 6 customers and their consumption patterns are impacted by the economic conditions and production levels that are often difficult to predict. The outbreak of COVID-19 in 2020 has unexpectedly shocked the global economy and disrupted financial markets and the energy sector. From 2019 to 2020 Enbridge Gas has seen 3.4% and 11.0% decline in Commercial and Industrial average use respectively as seen from the table provided below. Apartment average use increased 2.6% in the same period.

b) Below table includes the breakdown of Rate 6 by sector for 2019 and 2020. Please note that all numbers in the table normalized to 2020 Budget degree days for comparison.

| | Rate 6 Actual Average use (m3) | | | |
|---|---|---|---|---|
| | Apartment | Commercial | Industrial | Rate 6 |
| **2019** | 145,508 | 20,858 | 109,211 | 29,338 |
| **2020** | 149,354 | 20,151 | 97,188 | 28,409 |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

2019 Deferred Rebate Account - EGD
Exhibit D / Tab 1 / p. 13 and Exhibit E / Tab 1 / p. 19

Question(s):

The $2.5 million recorded in the 2020 Deferred Rebate Account reflects the outstanding amount resulting from the clearance of DVAs in the EGD rate zone which occurred during 2020 and the inability to locate all the intended customers.

a) Please explain what the inability to locate all the intended customers means. Will Enbridge Gas try to locate the intended customers or does the balance form part of the overall 2020 DVA balance that will be disposed of according to the proposed methodology in this proceeding?

b) In case of the Union Gas Deferral Clearance Variance Account, the evidence provides a list of all proceedings and the related over and under recovery that has resulted in the overall debit balance. Please provide a similar breakdown and explanation for the EGD Deferred Rebate Account.

Response:

a) The "inability to locate all the intended customers' means that at the time the deferral clearance was billed to customers, some customers, because of moves and other account changes were no longer active. As a result of this "inability to locate the intended customers", the deferral clearance unit rates were not able to be assessed against all the historical customers and or volumes. Therefore, the full deferral balance was not cleared and the difference resides in the 2020 DRA which is requested for disposition as part of this proceeding.

b)

DEFERRED REBATE ACCOUNT - EGD RATE ZONE
2018 ESM (EB-2019-0105), AND 2019 FCP (EB-2019-0247)
CLEARANCE OF DEFERRAL & VARIANCE ACCOUNTS DURING 2020

| Particulars | 2018 ESM & Deferral Disposition EB-2019-0105 | 2019 Federal Carbon EB-2019-0247 | Total |
|---|---|---|---|
| | ($000) | ($000) | ($000) |
| Approved balances for clearance | (33,036.50) | 90,954.96 | 57,918.46 |
| Clearance of balances to EGD Rate Zone customers as billed | 28,792.44 | (84,192.69) | (55,400.25) |
| Total | (4,244.06) | 6,762.27 | 2,518.20 |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Dawn Access Costs Deferral Account - EGD
Exhibit D / Tab 1 / pp. 16-17

Question(s):

The $2.067 million debit balance in the Dawn Access Costs Deferral Account reflects the 2020 revenue requirement associated with the capital spending incurred to accommodate the Dawn Transportation Service (DTS) and heat value changes, which were placed into service in 2017. Capital costs of $6.5 million were incurred to develop, test and integrate enhancements to the functionality of Enbridge Gas's EnTRAC and connected systems.

In response to staff interrogatory #17 in EB-2020-0134, Enbridge Gas confirmed that the legacy Union Gas has similar functionality in relation to Large Volume Distribution Contracting and Direct Purchase services. Does Enbridge Gas intend to continue to use two different systems (for legacy EGD and Union Gas) that provide similar functionality? If not, please explain when and how Enbridge Gas intends to integrate the two systems.

Response:

Further to the response provided in EB-2020-0134 Exhibit I.STAFF.17 part b), Enbridge Gas is in the process of scoping plans to align the systems that support legacy Large Volume Distribution Rates and Direct Purchase services, driven by service harmonization and integration. The results are expected to be included in the Asset Management Plan to be filed with 2024 Rebasing and will be impacted by the OEB's review of Enbridge's service harmonization proposals.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Unabsorbed Demand Costs (UDC) Variance Account – Union Gas
Exhibit E / Tab 1 / pp. 1-2

Question(s):

The 2020 Union Gas rates included planned unutilized pipeline capacity of 11.3 PJ in Union North West, 3.1 PJ in Union North East and 0 PJ in Union South. The actual unutilized capacity in 2020 was 28 PJ. The level of unutilized capacity experienced in 2020 was largely due to planned unutilized capacity (and resulting UDC) and warmer than normal weather.

a) Please provide the actual unutilized capacity in 2020 for Union North West, Union North East and Union South rate zones.

b) Enbridge Gas noted that the level of unutilized capacity experienced in 2020 resulted from warmer than normal weather. Were there any other reasons for the level of actual unutilized capacity in 2020?

Response:

a) Please see table below for actual unutilized capacity by rate zone.

| | Unutilized capacity (PJ) |
|---|---|
| Union North West | 5.7 |
| Union North East | 4.8 |
| Union South | 17.5 |

b) Yes, factors driving unutilized capacity other than weather include planned UDC and lower than forecast unaccounted for gas and company use. In addition, inventory was more full than planned entering November 1, 2019 and therefore that additional length also had to be mitigated using UDC.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Upstream Transportation Optimization Variance Account – Union Gas
Exhibit E / Tab 1 / p. 5

Question(s):

Consistent with the method approved in EB-2011-0210 Decision and Rate Order, the legacy Union Gas credited $15.943 million in rates to ratepayers during 2020 with respect to the Upstream Transportation Optimization Variance Account, $2.517 million greater than the OEB-approved amount of $13.426 million.

Please provide the detailed calculation supporting the $15.943 million amount credited in 2020 rates.

Response:

| | Volumes Total | | Rate (cents/m*3) | Dollars Total |
|---|---|---|---|---|
| **Total Rate 01** | **982,735,971** | - | **0.4229** | **$ (4,155,990)** |
| **Total Rate 10** | **337,654,573** | - | **0.3906** | **$ (1,318,879)** |
| **Subtotal Rate 20 Demand** | **8,106,724** | - | **4.1642** | **$ (337,580)** |
| **Subtotal Rate 20 Transport** | **73,290,554** | - | **0.2597** | **$ (190,336)** |
| **Total Rate 25** | | | | **$ (81,572)** |
| **Subtotal North** | | | | **$ (6,084,357)** |
| | | | | |
| **Total Rate M1** | 2,815,939,775 | - | **0.2824** | **$ (7,952,214)** |
| **Total Rate M2** | 571,024,562 | - | **0.2824** | **$ (1,612,573)** |
| **Total South Contract** | 104,121,085 | - | 0.2824 | **$ (294,038)** |
| **Subtotal South** | **3,491,085,421** | | | **$ (9,858,825)** |
| | | | | |
| **Total North and South** | | | | **$ (15,943,182)** |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Upstream Transportation Optimization Variance Account – Union Gas
Exhibit E / Tab 1 / p. 6

Question(s):

Enbridge Gas has noted that the 2020 actual Upstream Optimization revenue in the Union rate zones is lower than 2013 OEB approved revenue primarily due to the elimination of the TransCanada FT-RAM program ($5.8 million) and changing market dynamics.

a) Does Enbridge Gas expect to continue to recognize lower transportation optimization revenues during the deferred rebasing period as compared to the revenues calculated according to the methodology approved in EB-2011-0210?

b) Please elaborate on the changing market dynamics and explain how these market dynamics have impacted optimization revenue opportunities.

Response:

a & b)

Yes. Changing market demands impacting optimization revenue opportunities include, but are not limited to, weather, market spreads and price volatility in downstream markets. Reduced volatility and market spreads limit Enbridge Gas's ability to earn optimization revenue.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Short-Term Storage & Other Balancing Services – Union Gas
Exhibit E / Tab 1 / p. 9 – Figure 1

Question(s):

The graph on short-term firm peak storage values at Dawn (2012-2020) shows an increase in the price of storage for 2020.

a) What are the reasons for the increase in the price of storage?

b) Does Enbridge Gas expect storage prices to remain strong in 2021?

Response:

a) Storage prices are market driven primarily by the difference between summer and winter pricing and the level of market demand for storage.

b) While noting that this question is not relevant to this proceeding, Enbridge Gas can indicate that it expects storage prices in 2021 to be slightly lower than what had been experienced in 2020.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Normalized Average Consumption Deferral Account – Union Gas
Exhibit E / Tab 1 / p. 11

Question(s):

The 2020 target Normalized Average Consumption (NAC) used to calculate base rates for each rate class was approved by the OEB in Enbridge Gas's 2020 rates proceeding. The 2018 actual NAC (weather normalized using the 2020 weather normal) was used to determine the 2020 target NAC for each rate class to calculate base rates.

Please provide a rate class graphical representation of normalized average use per customer for the historic years (2014 to 2020) showing forecast and actual.

Response:

Please refer to the response at Exhibit I.EP.10 a) for a table showing historical actual and forecast NAC normalized at each respective year, and Exhibit I.EP.10 b) for a graphical representation of NAC for each rate class calculated using the 2020 weather normal.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Normalized Average Consumption Deferral Account – Union Gas
Exhibit E / Tab 1 / pp. 12-15

Question(s):

The NAC deferral account balance is calculated by multiplying the variance between the weather normalized target NAC and the weather normalized actual NAC by the 2013 OEB-approved number of customers and the 2020 OEB-approved delivery and storage rates for each general service rate class. For the rate classes M1, M2, 01 and 10, two variances have been calculated for each rate class to determine delivery and storage revenues: one is the variance between target and actual NAC for base rates and the other similar variance for Y-factor rates.

a) Please explain why two variances are calculated for each rate class and why the target NAC defers for the two calculations (Base Rates and Y-Factor Rates)?

b) Please explain why the resulting variance is a credit for some rate classes in the Y-factor calculation but is a debit balance for all rate classes under the base rate calculation.

Response:

a) The base rates and Y factor rates approved in Enbridge Gas's 2020 Rates application (EB-2019-0194) were derived using different forecasts each with a different underpinning NAC assumption.

   The NAC assumption underpinning 2020 base rates was based on the 2018 actual NAC for each rate class, weather normalized using the 2020 weather normal. The 2020 target NAC and billing units calculation is detailed at EB 2019-0194, Exhibit D, Tab 2, Working Papers, Schedule 13.

The NAC assumption underpinning 2020 Y factor rates was based on Enbridge Gas's 2020 annual forecast. Y factor rates are derived on the 2020 DSM and PDO costs and are designed to pass through the costs to customers using the Company's test year forecast. The derivation of DSM unit rates can be found at EB 2019-0194, Exhibit D, Tab 2, Working Papers, Schedule 10, pages 2 to 4. The derivation of PDO unit rates can be found at EB 2019-0194, Exhibit D, Tab 2, Working Papers, Schedule 11, pages 8 to10.

The calculation of the 2020 NAC Deferral Account balance using base rates and Y factor rates is consistent with the 2019 NAC Deferral Account disposition approved in EB-2020-0134.

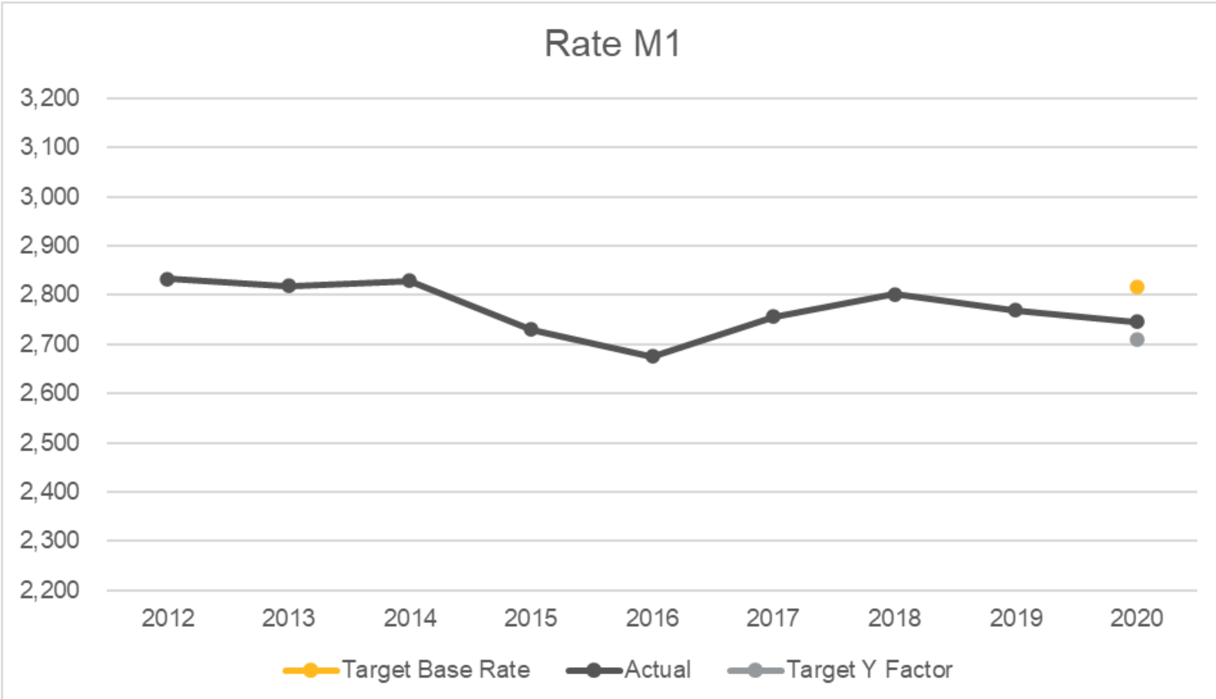
b) The resulting variance is a credit balance in the Y factor calculation for Rate M1 and Rate 01 whereas for Rate M2 and Rate 10 and all the rate classes under the base rate calculation, the variance is a debit balance in the Deferral Account.

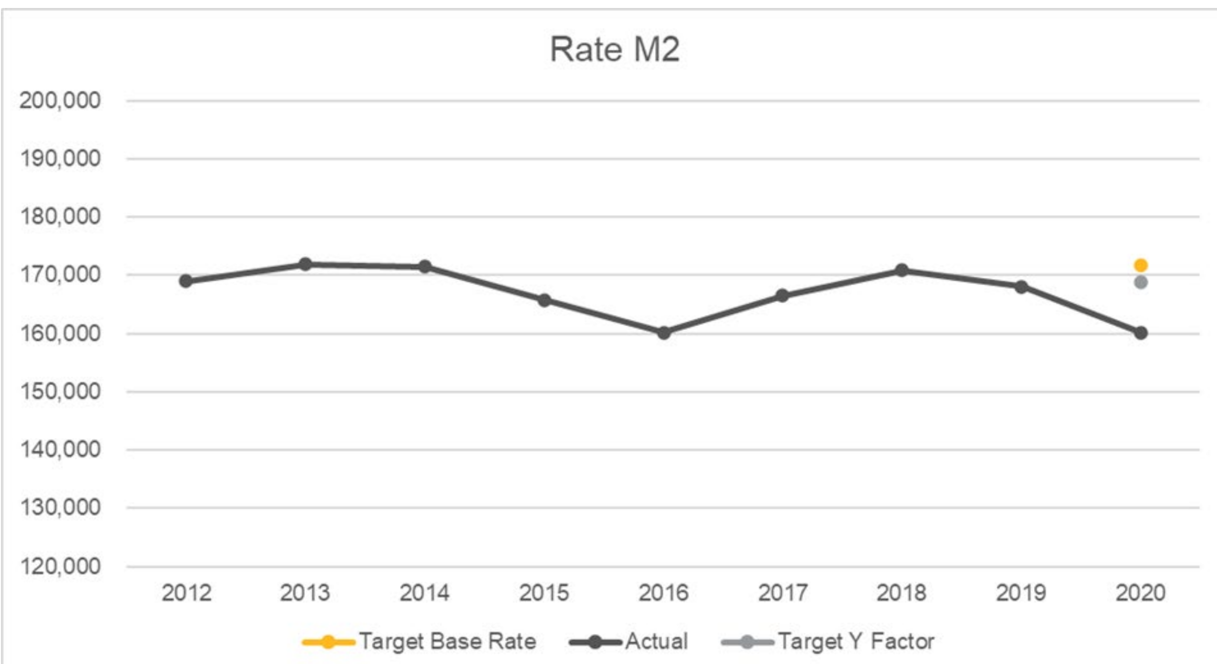
A credit balance in the NAC Deferral Account reflects that the actual NAC is greater than the target NAC, while a debit balance in the NAC Deferral Account reflects that the actual NAC is less than the target NAC (EB 2021-0149, Exhibit E, Tab 1, page 13).

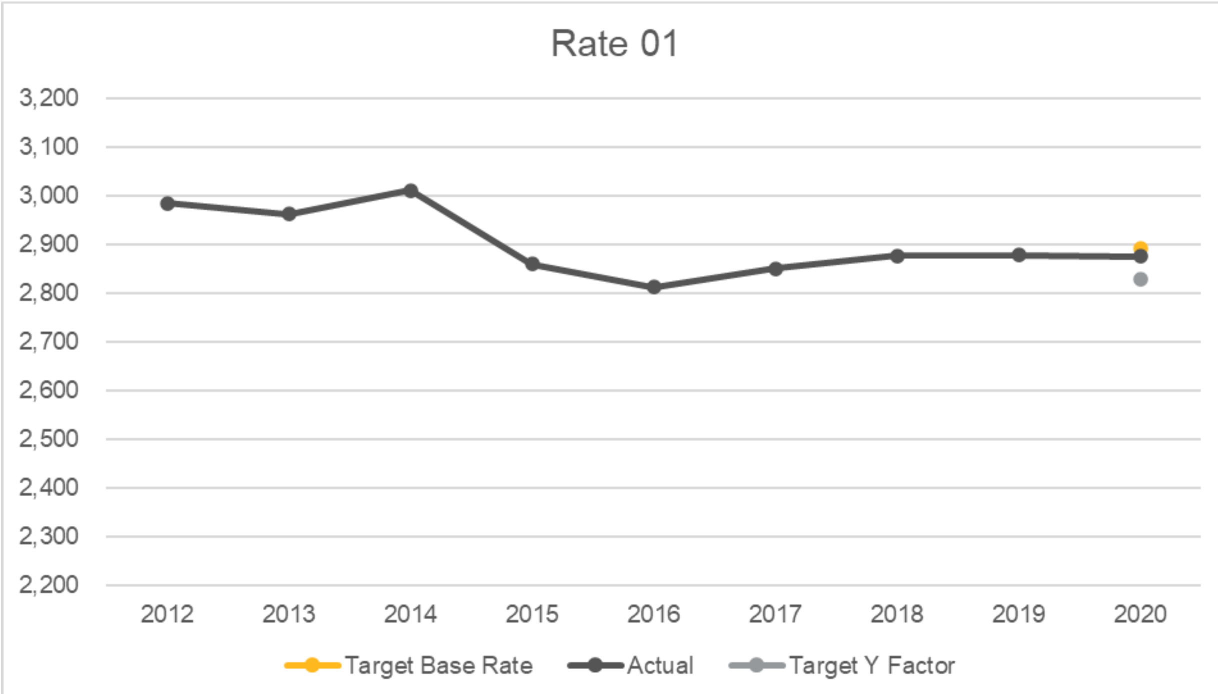
The actual NAC for the Y factor was 36 $m^3$ (or 1.3%) higher than the target NAC for Rate M1 and 46 $m^3$ (or 1.6%) higher than the target NAC for Rate 01.

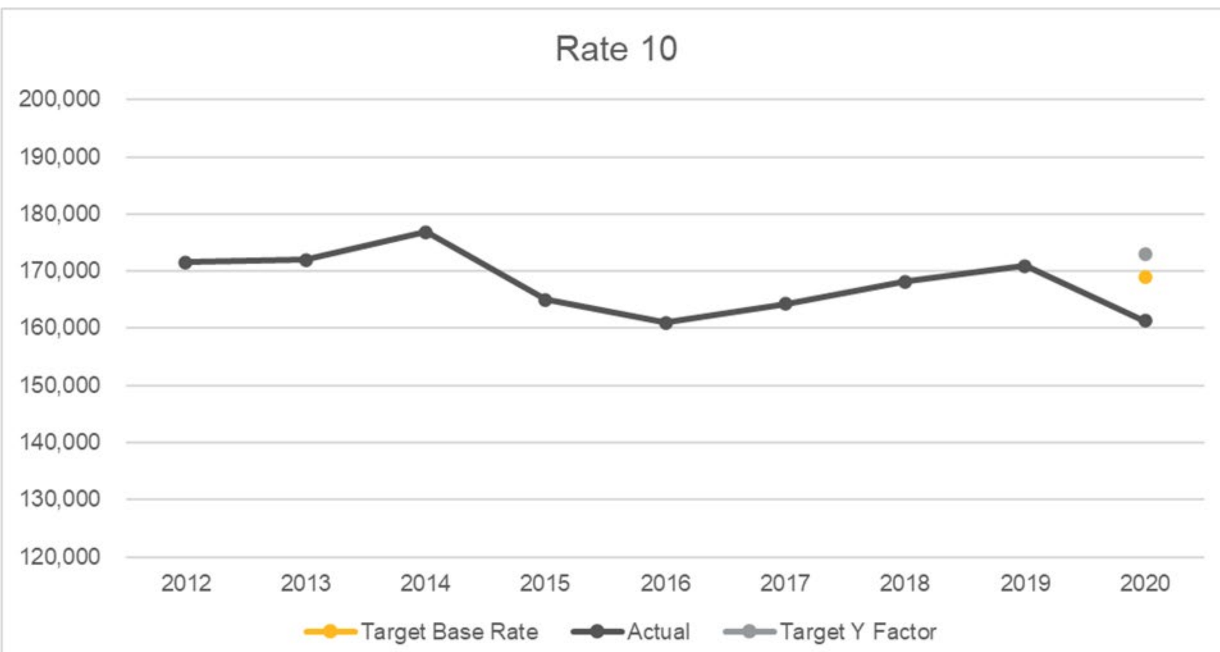
A declining NAC was forecasted for the Y factor target in both Rate M1 and Rate 01. The base rates were derived using the 2018 actual NAC, weather normalized using the 2020 weather normal, resulting in a higher target.

The actual NAC for 2020 followed a lower trend from the previous year. The actual NAC was not as low as the target NAC for the Y factor but was lower than the target NAC for the base rate. Please see charts below (actual NAC is weather normalized at 2020 weather normal).


Rate M1
3,200
3,100
3,000
2,900
2,800
2,700
2,600
2,500
2,400
2,300
2,200
2012
2013
2014
2015
2016
2017
2018
2019
2020
Target Base Rate
Actual
Target Y Factor


Rate M2
200,000
190,000
180,000
170,000
160,000
150,000
140,000
130,000
120,000
2012
2013
2014
2015
2016
2017
2018
2019
2020
Target Base Rate
Actual
Target Y Factor


Rate 01
3,200
3,100
3,000
2,900
2,800
2,700
2,600
2,500
2,400
2,300
2,200
2012
2013
2014
2015
2016
2017
2018
2019
2020
Target Base Rate
Actual
Target Y Factor


Rate 10
200,000
190,000
180,000
170,000
160,000
150,000
140,000
130,000
120,000
2012
2013
2014
2015
2016
2017
2018
2019
2020
Target Base Rate
Actual
Target Y Factor

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Unaccounted for Gas (UFG) Volume Deferral Account – Union Gas
Exhibit E / Tab 1 / pp. 29-30

Question(s):

The OEB approved UFG % is 0.219% and actual UFG for 2020 was 0.208%. Based on 2020 actual volumes, Enbridge Gas recovered $7.9 million in UFG costs for 2020. In comparison, Enbridge Gas's actual 2020 UFG costs were $7.5 million.

a) Please confirm that the UFG included in existing rates is 0.219%.

b) Please provide the actual UFG for the years 2014 to 2020 in tabular and graphical format.

c) Please provide detailed calculations supporting the 2020 actual UFG costs.

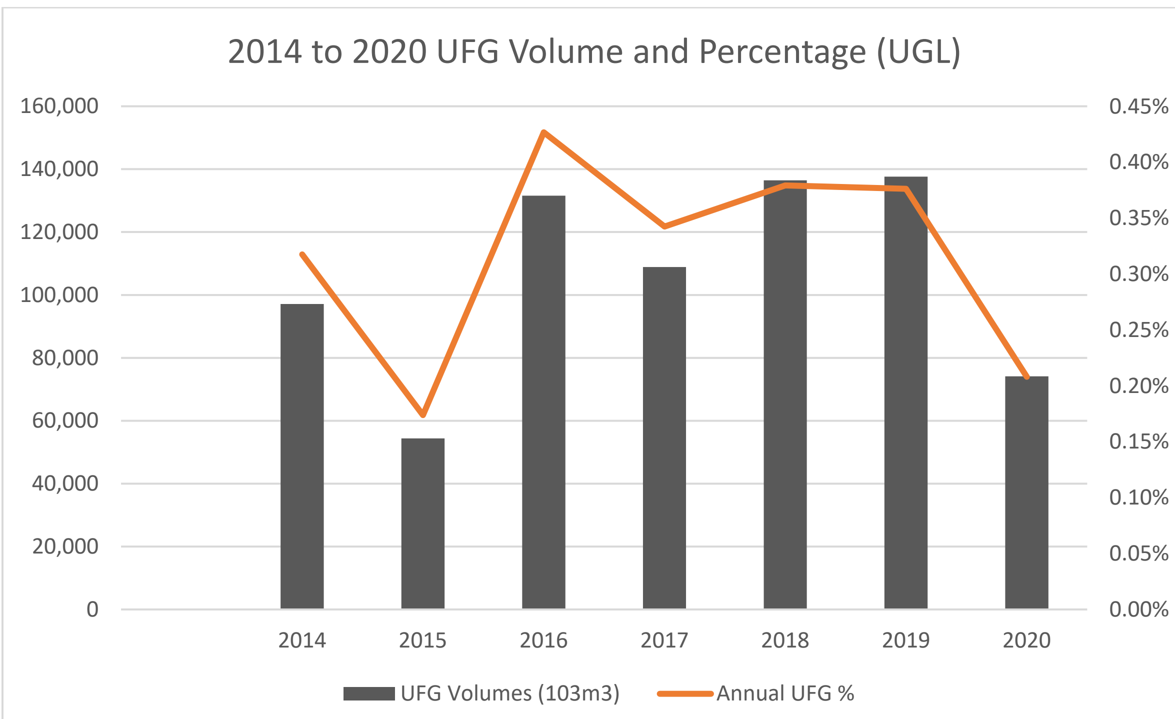
Response:

a) Confirmed.

b) Please see the table and the chart below.

**UFG Volumes and Percentages (Union Rate Zone)**

| Year | UFG Volumes ($10^3m^3$) | Annual UFG % |
|---|---|---|
| 2014 | 97,109 | 0.318% |
| 2015 | 54,408 | 0.174% |
| 2016 | 131,588 | 0.427% |
| 2017 | 108,901 | 0.342% |
| 2018 | 136,447 | 0.379% |
| 2019 | 137,652 | 0.376% |
| 2020 | 74,120 | 0.208% |



c) The table below provides the detailed calculations of the 2020 actual UFG cost of $7.5 million.

**Enbridge Gas Inc. - Legacy UGL**
**2020 Unaccounted for Gas**

| Line No. | | 2020 Actual | Notes |
|---|---|---|---|
| 1 | UFG % | 0.208% | Line 2 / Line 3 |
| 2 | Throughput ($10^3m^3$) | 35,620,343 | |
| 3 | UFG Volume ($10^3m^3$) | 74,120 | |
| 4 | Approved Reference Price (WACOG) | $113.442 | 2020 weighted average cost |
| 5 | 2020 UFG Expense | $8,408,332 | Line 3 * Line 4 |
| 6 | Less: L/T Non-Utility Allocation | $801,314 | |
| 7 | S/T Excess Utility Allocation | $113,512 | |
| 8 | **Net 2020 Utility UFG Expense** | **$7,493,505** | |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

UFG Price Variance Account – Union Gas
Exhibit E / Tab 1 / pp. 31

Question(s):

Enbridge Gas noted that the actual cost of UFG purchases for the Union South rate zone in 2020 was $6.744 / $10^3m^3$ higher than the OEB-approved reference prices included in rates, which results in a $0.005 million balance to be collected from ratepayers.

Please provide a detailed calculation supporting the price variance of $6.744 / $10^3m^3$.

Response:

The price variance of $6.744 / $10^3m^3$ is the average of the 12-month variances between the applicable OEB-approved Reference Price and the average Union South purchase cost from January through December 2020. Please see Attachment 1, which outlines the detailed calculation of the price variance.

| Item | Union South Rate Zone | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average Price |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.0 | Board Approved Reference Price ($ / $10^3m^3$) | $ 118.19 | $ 118.19 | $ 118.19 | $ 102.17 | $ 102.17 | $ 102.17 | $ 102.17 | $ 102.17 | $ 102.17 | $ 124.05 | $ 124.05 | $ 124.05 | $ 111.64 |
| 2.0 | Actual Purchase ($) | $ 41,725,948 | $ 35,403,001 | $ 32,353,781 | $ 28,620,199 | $ 26,354,549 | $ 27,633,040 | $ 23,154,008 | $ 24,554,137 | $ 37,141,201 | $ 33,886,251 | $ 47,911,427 | $ 50,753,900 | |
| 3.0 | Purchase Volumes ($10^3m^3$) | 332,400 | 310,941 | 260,104 | 266,388 | 232,159 | 268,000 | 252,714 | 248,806 | 286,573 | 321,694 | 315,576 | 325,936 | |
| 4.0 | Average Purchase Cost (Union South) ($ / $10^3m^3$) | $ 125.53 | $ 113.86 | $ 124.39 | $ 107.44 | $ 113.52 | $ 103.11 | $ 91.62 | $ 98.69 | $ 129.60 | $ 105.34 | $ 151.82 | $ 155.72 | $ 118.39 |
| **5.0** | **Union South Price Variance ($ / $10^3m^3$)** | **$ (7.342)** | **$ 4.330** | **$ (6.201)** | **$ (5.271)** | **$ (11.353)** | **$ (0.942)** | **$ 10.545** | **$ 3.479** | **$ (27.438)** | **$ 18.709** | **$ (27.776)** | **$ (31.671)** | **$ (6.744)** |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Lobo C Compressor/ Hamilton Milton Pipeline Project Costs Deferral Account – Union Gas
Exhibit E / Tab 1 / pp. 33-35

Question(s):

The Lobo C Compressor/ Hamilton Milton Pipeline Project Costs Deferral Account tracks the difference between the actual revenue requirement related to costs for the Project and the revenue requirement included in rates. The balance in the account is a debit from ratepayers of $121,000. Operating and maintenance expenses were $238,000 higher than the costs included in 2020 OEB-approved rates as a result of higher overtime costs (salaries/wages).

a) Please provide the actual overtime costs related to salaries/wages incurred for the project.

b) Please explain why the overtime salaries/wages costs that are referred to in the evidence not capitalized.

c) Why were the additional overtime costs not captured in the forecasted contingency costs?

Response:

a) As stated in Exhibit E, Tab 1, page 35, "Operating and maintenance expenses were $0.238 million higher than the costs included in 2020 OEB-approved rates. The increase is a result of higher salaries/wages as the budget did not account for overtime costs and higher utility costs." Of the $238,000 variance, the main drivers were $86,000 in overtime costs and $98,000 in higher utility costs.

b) The overtime salaries/wages costs referred to in this interrogatory were not capitalized as they were incurred for the annual operations and general maintenance of the equipment and assets. They are considered 100% O&M.

c) The forecasted contingency costs are related to the capital expenditure costs of the project. As stated above, the overtime salaries/wages costs referred to in evidence are appropriately classified as O&M costs and therefore are not included as part of the forecasted contingency costs.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Lobo D / Bright C / Dawn H Compressor Project Costs Deferral Account – Union Gas
Exhibit E / Tab 1 / pp. 38-40

Question(s):

The account tracks the difference between the actual revenue requirement related to costs for the project and the revenue requirement included in rates. Operating and maintenance expenses were $685,000 higher than the costs included in 2020 OEB-approved rates. The increase is a result of higher salaries/wages as budget did not account for overtime costs, higher general maintenance costs and higher utility costs than budgeted.

a) Please explain why the increases in salaries/wages not capitalized and not captured in contingency costs.

b) Please explain how the forecasted contingency costs were accounted for in the total project costs.

c) Please provide a breakdown and comparison of actual 2020 operating and maintenance costs versus OEB-approved.

Response:

a) The salaries/wages costs referred to in this interrogatory were not capitalized or captured in contingency costs as they were incurred for the annual operations and general maintenance of the equipment and assets. They are considered 100% O&M.

b) The forecasted contingency costs are part of total budget costs. When comparing actual costs to budget for this project, forecasted contingency costs were used to offset higher actual construction and materials cost than originally budgeted.

c) Please see the chart below

TABLE 1
2020 DAWN H/LOBO D/BRIGHT C COMPRESSOR PROJECT OPERATING AND MAINTENANCE EXPENSES

| Line No. | Particulars ($Millions) | Col. 1<br>2020 Board-approved<br>(a) | Col. 2<br>2020 Actuals<br>(b) | Col. 3<br>Difference<br>(c) = (b - a) |
|---|---|---|---|---|
| 1. | Salaries & Wages | 0.8 | 1.2 | 0.3 |
| 2. | HR Costs | 0.4 | 0.5 | 0.2 |
| 3. | Fleet Costs | 0.1 | 0.2 | 0.1 |
| 4. | Training, travel, and PPE | 0.1 | 0.0 | (0.1) |
| 5. | Other O&M (Contract Services) | 0.2 | 0.3 | 0.1 |
| 6. | Company Used Fuel | 0.1 | 0.0 | (0.1) |
| 7. | Utility Costs | 0.1 | 0.2 | 0.2 |
| 8. | Total Operating and Maintenance Expenses | 1.7 | 2.4 | 0.7 |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Panhandle Reinforcement Project Costs Deferral Account – Union Gas
Exhibit E / Tab 1 / pp. 48-51

Question(s):

The account tracks the difference between the actual net revenue requirement related to costs for the project and the net revenue requirement included in rates. The balance in the deferral account is a credit to ratepayers of $2.104 million. The credit balance results from higher than forecast incremental revenue from the greenhouse sector.

a) Please provide the underlying calculation supporting the actual incremental revenue of $7.1 million in 2020.

b) Please provide the number of new customers added within the greenhouse sector in 2020.

Response:

a) See Table 1 for the support of the actual incremental revenue of $7.1 million in 2020.

Table 1 – 2020 Actual Panhandle Incremental Revenue

| Market/Rate Class | Incremental Customers | Fixed Revenue | Volumetric Revenue | Total Revenue |
|---|---|---|---|---|
| Rate M1 | 5,184 | 1,144,703 | 571,132 | $ 1,715,835 |
| Rate M2 | 56 | 43,080 | 362,109 | $ 405,188 |
| Total General Service | 5,240 | $1,187,783 | $933,240 | $ 2,121,023 |

| Contract Market | Demand/Volume | Total Revenue |
|---|---|---|
| Revenue from firm demand | 1,841 $10^3m^3$/day | $ 6,385,851 |
| Reduction in volumetric revenue from interruptible to firm conversions | 83,304 $10^3m^3$ | ($ 1,491,787) |
| Project identified new volumetric load | 20,104 $10^3m^3$ | $ 88,896 |
| Total Contract Market | | $ 4,982,960 |
| Total 2020 Actual Incremental Revenue | | $ 7,103,983 |

b) There was a net increase of 3 greenhouse contract accounts in 2020. Most of the incremental greenhouse growth is a result of expansions from existing customers.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Performance Scorecard
Exhibit G / Tab 1 / p. 1 and Exhibit G / Tab 1 / Schedule 1

Question(s):

The measure Time to Reschedule Missed Appointments (TRMA) tracks the percentage of customers contacted to reschedule the work within two hours of the end of the original appointment time. The annual standard for TRMA is 100% and Enbridge Gas achieved 97.0% in 2019 and 97.3% in 2020. The company is striving to meet this target and has transitioned to the Click Mobile system in order to make it easier for employees and third-party providers to record appointments. However, this measure has not positively impacted the metric.

a) Please provide a brief explanation of the Click Mobile system and how it intends to help Enbridge Gas improve the TRMA metric.

b) In Enbridge Gas's opinion why has the implementation of the Click Mobile system not achieved its intended benefit?

Response:

a) The Click Mobile system is a field mobility solution (an application in the WAMS suite of applications) which is used to complete work orders and update asset information. The Click Mobile system's intended purpose was to replace an existing mobile tool that was at the end of its technical life. Over the last three years (prior to the merger with Union Gas Limited), TRMA results have experienced improvement:

- 2018 – 98.7%
- 2017 – 96.8%
- 2016 – 94.2%

Efforts towards meeting the target of 100% are on-going, however, based on actual practice, Enbridge Gas does recommend that the TRMA target be reviewed.

b) The primary reason for implementation of the Click Mobile tool was to replace an existing mobile tool that was at the end of its technical life. The Click Mobile application is a critical tool being used daily by field technicians to perform their work and as such, the intended benefit of this implementation has been achieved.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

Performance Scorecard
Exhibit G / Tab 1 / p. 1 and Exhibit G / Tab 1 / Schedule 1

Question(s):

The measure Meter Reading Performance represents the number of meters with no read for four consecutive months or more divided by the total number of active meters to be read. The target for the metric is 0.5% and Enbridge Gas achieved a level of 0.7% in 2019 and 4.4% in 2020. The evidence indicates that Enbridge Gas was unable to meet the Meter Reading Performance Measurement metric due to two main factors: extreme weather and the COVID-19 pandemic.

a) Is there a difference in the achieved performance between the former EGD and Union Gas service areas?
b) What are the reasons for further deterioration of the metric in 2020 as compared to 2019?
c) What measures has Enbridge Gas implemented or intends to implement to ensure that it is able to meet the metric in the future? Please provide a detailed response.

Response:

a) Yes, there is a difference in the achieved performance between the legacy EGD rate zone and Union Gas rate zone. The primary reason for the difference between the two legacy utility results is due to the vendor driven contract termination in the Union Gas rate zone and the new vendor transition. See the Meter Reading Performance results shown by legacy utility in the chart below.

Meter Reading Performance Measurement Results by Legacy Rate Zones

| | Enbridge Gas Inc. | Legacy Union Gas Rate Zone | Legacy Enbridge Gas Distribution Rate Zone |
|---|---|---|---|
| 2020 | 4.4% | 7.6% | 2.1% |
| 2019 | 0.7% | 0.8% | 0.6% |

b) The Meter Reading Performance Measurement (MRPM) metric further deteriorated in 2020 for the following reasons:

2020 reasons for not meeting the MRPM metric:

- Covid 19 pandemic resulting in closed businesses, increased customer sensitivity over contact with meter readers, access issues such as inability to read inside meters, and during the early onset of Covid 19, Enbridge Gas faced several challenges around meter reading, and had considered pausing meter reading activity due to questions from the public and law enforcement around the safety of meter reading activity. Enbridge Gas directed its meter reading partners to ensure that all staff were working as safely as possible and to avoid close contact with the public and customers based on the sensitivity of Covid 19;
- Extreme weather events such as freezing rain, polar vortex, heavy snowfall and flooding which limited the ability to travel to properties and access meters safely; and
- New vendor was still transitioning and learning the business, while also faced challenges with staffing due to the Covid 19 Pandemic.

c) Due to the ongoing Covid 19 Pandemic and “Covid fatigue”, Enbridge Gas is still facing many challenges in meeting the meter reading performance metric. Meter readers are facing more challenges in the field over the past 18 months than ever before. Customers are refusing access to their meter in their yard or inside their home, as well as meter readers not feeling safe entering properties where meters are located inside. The Company has also seen an increase in the number of dog bite incidents in the field for both meter reading vendors. The number of dogs on customer premises has significantly increased since COVID 19, making reading meters increasingly difficult and resulting in safety concerns. The number of vacant properties (closed businesses) due to Covid 19 has also increased and is contributing to the unread meter count. Enbridge Gas is actively working with its meter reading vendors to offer overtime to target areas that require consecutive reads. Additionally, the Company is working within its customer care team to contact customers through email or text to submit a meter read where required to meet this metric. The 2020 results of 4.4% and the ongoing Covid 19 Pandemic will make it hard for Enbridge Gas to reach the 0.5% target in 2021. Given the unprecedented challenges impacting meter reading, Enbridge Gas suggests that a reset to this metric should be considered.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association (BOMA)

Interrogatory

Reference:

Exhibit A, Tab 3, Page 2 of 4, Paragraph 8

Preamble:

Integration of the legacy billing systems for EGD and Union Gas enables Enbridge Gas to dispose of balances in the 2020 deferral and variance accounts as a one-time adjustment for all customers. Enbridge Gas proposes to dispose of the 2020 deferral and variance accounts as a one-time adjustment for all general service, in-franchise contract and ex-franchise rate classes.

Question(s):

(a) Why is Enbridge Gas seeking to dispose of balances in the 2020 deferral and variance accounts as a one-time adjustment for all customers?

(b) Why would Enbridge Gas not seek to spread out the adjustment over a period of time?

Response:

(a) In prior years, Enbridge Gas's practice has been to dispose of deferral balances as a one-time adjustment to all customers with the exception of the Union rate zone general service customers. Due to limitations in the system used to bill Union rate zone general service customers at the time, a prospective recovery disposition methodology was used. Beginning October 1, 2021, the Company's billing systems and processes have been aligned and it is now able to implement a common one-time adjustment disposition methodology for all customers.

The one-time adjustment disposition methodology uses customers' actual volumes to derive clearing unit rates as opposed to a prospective recovery approach which uses forecast volumes to derive clearing unit rates.

The Company proposes to dispose of the deferral balances using a one-time adjustment to align the disposition approach across all customers. Benefits of a one-time adjustment disposition methodology include:

- Alignment of the cost incurrence of the deferral account balance with cost recovery by customer due to the use of actual customer volumes rather than forecast volumes, and
- Elimination of the forecast variance that results from disposing of deferral account balances prospectively.

(b) The Company did not propose to spread out the adjustment over a longer period of time because the bill impacts for the EGD and Union rate zones can be managed through a one-time adjustment for the vast majority of customers. Residential customers in all rate zones will pay no more than $8 as part of the one-time adjustment.

Contract class customers have an option to contact their Account Manager to request alternative payment arrangements, for a maximum period of 6 months, if the one-time adjustment cannot be managed. These requests will be considered depending on the customers unique circumstances on a case by case basis.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association (BOMA)

Interrogatory

Reference:

Exhibit B, Tab 1, Page 4 of 5, Paragraph 15

Preamble:

The calculation of utility earnings and any earnings sharing requirement starts with financial results contained within the Enbridge Gas corporate trial balance. The Company notes that corporate trial balance includes the elimination of transactions between each of the rate zones. This predominantly relates to the elimination of regulated and unregulated storage and transmission revenues that would have been reflected in the Union rate zones, offset by a corresponding elimination of gas costs that would have been reflected for the EGD rate zone. This reflects the fact that from a corporate perspective, EGD rate zone delivery revenues are contributing to the costs of Union rate zones regulated and unregulated storage and transmission services.

Questions:

(a) Please explain how EGD rate zone delivery revenues are contributing to the costs of Union rate zones regulated and unregulated storage and transmission services.

(b) Please explain in detail which specific transactions have been eliminated between each of the rate zones, and why the transaction was eliminated.

Response:

a) Prior to amalgamation, UGL acquired assets and incurred operating costs to provide regulated and unregulated transmission and storage services. EGD, as a customer of UGL, acquired those services on behalf of its customers. This was reflected as a revenue to UGL and a cost to EGD. EGD in turn recovered that cost through revenues/rates charged to EGD rate zone customers. Upon amalgamation, UGL and EGD combined to form one entity (EGI), and as a result, transactions between the legacy entities are eliminated to avoid double counting of the costs and revenues (i.e. UGL's revenue from EGD, and EGD's cost from UGL offset each other upon amalgamation). As a result, what remains are revenues from EGD Rate Zone customers that recover asset and operating costs that originated in the UGL Rate Zone. To a smaller extent, similar transactions occurred where costs originating in legacy EGD were recovered from UGL RZ customers.

b) In accordance with the eliminations described in part a), EGI eliminated the following within in its combined results:
   i. Regulated M12 and Other Transportation revenue of $136.0 million (UGL to EGD)
   ii. Unregulated Storage Services revenue of $17.7 million (Long Term and Other Storage, and Dehydration services) (UGL to EGD)
   iii. Rate 325 Transmission, Compression, & Storage (including Dow Moore Operating Charge) revenue of $2.0 million (EGD to UGL)

The revenues above were eliminated by way of offsetting impacts to Gas Costs.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association (BOMA)

Interrogatory

Reference:

Exhibit B, Tab 1, Page 5 of 5, Paragraph 17

Preamble:

In addition, Enbridge Gas has made the appropriate adjustments in relation to non-standard legacy EGD and Union rate regulated items which the OEB has either decided in the past or are required in order to determine an appropriate utility return on equity. Examples are:

- …
- …
- elimination of approved shareholder incentives (such as Demand Side Management incentives, amounts related to Transactional Services, short-term storage, and net optimization incentives, and amounts related to Open Bill program incentives).

Question(s):

(a) What are the appropriate adjustments in relation to non-standard legacy EGD and Union rate regulated items which are required in order to determine an appropriate utility return on equity? Please provide examples as well as explain why these items are required to be adjusted to determine an appropriate utility return on equity.

(b) How is Enbridge Gas defining "an appropriate utility return on equity" in this instance?

(c) Why is Enbridge Gas eliminating the previously approved shareholder incentives listed above?

Response:

a) The list of appropriate adjustments being referred to are identified in the “Notes on Adjustments” section in Exhibit B, Tab 1, Schedule 2. Specific examples include:

1. Shareholder incentives on DSM and Optimization activities
    - As shareholder incentives these amounts are inherently meant to be 100% to the benefit of the shareholder and therefore should not be included in Utility results subject to earnings sharing;
2. Elimination of donations
    - These amounts are discretionary spend for EGI and therefore should not be included as a reduction to Utility Earnings for sharing purposes;
3. Elimination of amortization on PPD
    - This amount relates only to transactions required for external financial reporting purposes under US GAAP and draws down a balance sheet item over a long term period, and should not have any impact on Utility earnings for sharing purposes – please also refer Exhibit I.STAFF.2 part c, for further details;
4. Elimination of the revenue indemnification received from Enbridge Inc.
    - The $6.3M represents a reimbursement to EGI, by EI, to ensure EGI did not bear any negative economic or financial statement consequences as a result of the incurring Part VI.1 tax on EI's behalf. The revenue transfer has been eliminated from the calculation of utility results, as the calculation of utility stand-alone income taxes excludes the impact of the transferred Part VI.1 tax liability/expense, and corresponding income tax deduction. Please refer to Exhibit I.FRPO.7 for further details.

b) Enbridge Gas defines "an appropriate utility return on equity" as per the decision in EB-2017-0306/EB-2017-0307 where the OEB approved an asymmetrical earnings sharing mechanism that will share earnings on a 50/50 basis between shareholder and ratepayer for all earnings in excess of 150 basis points from the OEB approved return on equity. In order to determine Utility Income as a basis for applying the appropriate rate of return for sharing purposes, EGI is required to adjust and eliminate the transactions as noted above.

c) As noted in the response to a) above, the shareholder incentives are intended to be 100% to the benefit of shareholders and therefore the amounts are removed from Corporate results arriving at Utility results for earnings sharing purposes.

## ENBRIDGE GAS INC.

### Answer to Interrogatory from
### The Building Owners and Managers Association (BOMA)

Interrogatory

Reference:

Exhibit B, Tab 3, Page 5 of 10, Paragraph 14

Preamble:

Up-front costs in 2020 and 2021 are expected to deliver the bulk of the savings in 2022 and 2023.

Question(s):

(a) Why are the costs being spent upfront now, instead of spread over the four years?

(b) What are the anticipated savings expected for 2022 and 2023?

Response:

a) The Customer Information System (CIS) Project is required to harmonize the systems platform of customer support and to realize the synergies of amalgamating legacy customers into a single utility. These costs reflect the upgrade and integration work that was carried out in 2020 to enable the completion of the project in 2021 and deliver savings in 2022 and 2023, in advance of rebasing.

b) Please the response at Exhibit I.CCC.3 for the anticipated savings.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association (BOMA)

Interrogatory

Reference:

Exhibit B, Tab 3, Page 6 of 10, Paragraph 16

Preamble:

Following amalgamation, the Company sought to harmonize its overhead capitalization mythology and enlisted Ernst and Young (EY) to carry out the study. EY's assessment was informed by historical legacy approaches, the amalgamated structure, US GAAP, the OEB's Uniform System of Accounts, and Enbridge's Enterprise Capitalization Policy. Recommendations of the study were implemented in January 2020.

Question(s):

(a) What were the specific recommendations and/or changes implemented, and what were the basis for these recommendations and/or changes?

Response:

Enbridge Gas sought to establish a harmonized methodology that clearly links cost causation and capital activity in the new business structure while guided by US GAAP, the OEB Uniform System of Accounts, and Enbridge’s Capitalization Policy.

EY was enlisted to facilitate the assessment of a harmonized methodology. With amalgamation and the ensuing restructuring of people, roles, and responsibilities across the organization, the overhead capitalization methodology was refreshed to reflect the nature of capital activity and capital support provided by the amalgamated groups. The recommendations that were adopted follow the same guiding principles that were in place in the legacy utilities, and now consistently applied under combined capital activity considerations within broader geographic regions.

The recommendations largely resulted in the creation of four cost groupings with common cost elements and determinants, effectively streamlining capitalization rates from over 400 discrete legacy rates to about 25. Those cost groupings are described in paragraphs 17, 18, and 19 of the above reference:

- Operations costs relate to regional costs for field workers and front-line staff within the operations groups where capital costs may differ by region. To reflect the unique aspects of capital activity, which is the driver of costs within each region, overhead capitalization rates are calculated at the regional level based on the proportion of capital spend to total spend for each group.

- Business costs relate to groups that perform key support activities like engineering, record keeping, and asset research. Because each activity is highly varied depending on the nature of the work, time study analysis was deemed to be the best indicator of work effort in support of different activities. Activities were assigned to O&M or capital in accordance with accounting principles and the enterprise capitalization policy. The proportion of labour hours engaged in capital activity to total labour hours determined the overhead capitalization rate.

- Support Costs represent administrative groups that support all activities of the business where expenses are tracked at an aggregate level. Time study analysis is not practical for this type of grouping because of the number of employees engaged in these functions. Instead, a weighted average rate is applied representing the Operations and Business costs engaged in capital activity as a proxy for the overall capital activity supported by these administrative groups.

- And finally, Pension and Benefits costs for capitalized labour (through overhead) are capitalized through a burden rate. An appropriate rate based on actual costs will be applied to indirect labour and capitalized through overheads to account for the pension and benefits components of labour cost.

ENBRIDGE GAS INC.

Answer to Interrogatory from
The Building Owners and Managers Association (BOMA)

Interrogatory

Reference:

Exhibit C, Tab 1, Page 3 of 18, Paragraph 3

Preamble:

The Company continues to track the annual revenue requirement impact of accounting policy changes made as of the amalgamation date, January 1, 2019, as well as any further accounting policy changes adopted since that time. The cumulative balance of the APCDA as of December 31, 2020 is a receivable of $164.926 million, driven by the revenue requirement impact of five accounting changes arising from (and since) amalgamation, which are detailed in the table below.

Question(s):

(a) While BOMA understands that the APCDA Account is not being deferred until 2023, are there any other policies that the Company is anticipating implementing which would expect to have an impact on the APCDA account? Is the APCDA only limited to the give accounting changes already implemented?

(b) What steps is the Company taking to mitigate the revenue impact of the accounting policy changes?

Response:

a) The APCDA is not limited to tracking only the accounting changes that have already been implemented. For example, as noted in Exhibit C, Tab 1, pages 8 and 9, the impacts of overhead capitalization policy changes were implemented as of January 1, 2020 and included for the first time as part of the 2020 APCDA cumulative balance. At this time the Company is not aware of any further accounting policy changes expected to be implemented during the remainder of the deferred rebasing period. However, if the Company does implement any further harmonization of accounting policies the revenue requirement impact would be included in the cumulative balance and presented for disposition at the end of the current deferred rebasing term.

b) The purpose of the Accounting Policy Changes deferral account is to record the impact of any accounting changes that affect revenue requirement, which are required as a result of the amalgamation of Enbridge Gas Distribution and Union Gas Limited into Enbridge Gas Inc. By recognizing and recording revenue requirement impacts on a cumulative basis in the APCDA, the Company is removing the impacts of accounting policy changes that would otherwise be present in utility results. The Company has agreed to defer the review, allocation and disposition of all balances in the APCDA until the end of the deferred rebasing term.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Interrogatory

Reference:

Exhibit B/T1/p. 2

Question:

The evidence states that in 2020 EGI experienced a deficiency of $63.6 million. Please provide detailed explanation as to what contributed to the deficiency.

Response:

As confirmed in the response to LPMA interrogatory #1 (Exhibit I.LPMA.1), and as noted in Exhibit B, Tab 1, paragraphs 7 and 13, the net or after-tax deficiency of $63.6 million (or before-tax gross deficiency of $86.5 million) is in relation to the 2020 OEB formula ROE of 8.52% plus EGI's 150 basis point deadband before earnings sharing is triggered (as was approved by the OEB as part of the EB-2017-0306 / EB-2017-0307 Decision and Order). Removal of the 150 basis point deadband from EGI's 2020 return on rate base and return on equity calculation, results in a net sufficiency of $9.6 million (or a gross sufficiency of $13.1 million), as compared to the 2020 Board formula ROE.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Interrogatory

Reference:

Exhibit B/T3/S1/p. 5

Question:

The evidence states that there were $77.7 in severance costs in 2020 as a result of the voluntary departure program. Are these one-time costs or will they persist for a number of years? What is the forecast level of severance costs for the 2021 and 2022? Please provide a detailed explanation as to how the $77.7 amount was calculated.

Response:

Following the unprecedented events of COVID-19 and the advancement of synergies through the implementation of a voluntary workforce options (VWO) program, operating costs to manage the impacts to the business were reduced. The VWO saw a large number of exits in 2020. The total severance cost of $77.7M includes the costs associated with VWO.

Severance costs were driven by the VWO, hence are one-time costs expensed in 2020. These costs are not expected to persist.

Absent any other unforeseen developments, the severance forecast for 2021 and 2022 is expected to average $3M per year.

Severance costs were calculated by summing the total amount of severance costs paid to each employee that was eligible for said payments upon their departure from the organization. The amounts are calculated by employee, considering unique factors such as length of service, age, and level within the organization. It captures all amounts that would make up the employer requirements under Ontario's Employment Standards Act (e.g. notice period and severance) as well as any common law notice requirements.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Interrogatory

Reference:

Exhibit B/T3/S1/p. 5

Question:

The evidence states that within Customer care, the CIS Project which delivers a common system for Enbridge Gas accounted for $14.3 million of the integration costs in 2020. Up-front costs in 2020 and 2021 are expected to deliver savings in 2022 and 2023. Please explain how the $14.3 million was derived. Please provide the annual level of savings expected in 2022 and 2023.

Response:

Within Customer Care, the CIS Project updated and integrated systems and processes previously managed in separate systems (SAP and Banner). The first phase of the project involved the upgrade of existing software that was completed in mid-2020. The cost of this portion of the work was about $8.7M. Over the course of 2020, integration work was also carried out on detailed planning, system design, and system build. Costs for the integration portion in 2020 amounted to about $5.6M. While project costs amounted to $14.3M, additional staffing costs for CIS project support were $1.2M, bringing total 2020 CIS costs to $15.4M.

With the completion of the CIS Project, the Banner system is no longer required. Savings from the end of the Vertex contract for Banner are estimated at $15.3M per year in 2022 and 2023.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Consumers Council of Canada (CCC)

Interrogatory

Reference:

Exhibit C/T1/p. 18

Question:

On June 17, 2021, the OEB released its Report – Regulatory Treatment of Impacts Arising from the COVID-19 Emergency. Given the OEB's Report what is the expected balance in the COVID-19 Deferral Account? When does EGI expect to dispose of the amounts in the account?

Response:

Please refer to the response at Exhibit I.LPMA.8.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit B, Tab 3, Schedule 1, Page 2; Page 4, Schedule 1, and Table 1

Preamble:

The Utility O&M schedule (Table 1, page 4) has been modified from the previous application (EB-2020-0134 Exhibit B, Tab 3 Schedule 1, page 1) to provide transparency to Corporate Shared Services (CSS), Demand Side Management ("DSM"), and Integration-related costs which were previously embedded in other expense categories (i.e., other O&M line items).

Question(s):

a) The 2019 Settlement Agreement [EB-2020-0134 Exhibit N1,Tab 1, Schedule 1, Page 2] states EGI will provide:

> 3. A year-over-year comparison of utility O&M expenditures from the prior year, in the format found at Exhibit I.EP.3, Attachment 1, Table 3. The presentation of Internal Allocations and Recoveries amounts (line 13 in the referenced exhibit) will also include two sub-lines – one showing the total amount, and a second line showing the portion of the total amount that is capitalized (and not included in net utility O&M expenditures).

Please provide Exhibit B, Tab 3, Table 1, in the same format as EB-2020-0134, Exhibit I. EP.3, Attachment 1 Table 3.

b) Please provide the amounts and discuss the changes in RCAM and Union Rate Zone Corporate Service amounts from 2018-2020.

c) Please reconcile these amounts to those provided in Table 1.

Response:

a) Exhibit B, Tab 3, Schedule 1,Table 1 is presented in a similar format to EB-2020-0134 at Appendix A, page 9. Columns 2 and 6 were added to provide the continuity for 2019 and 2020 actuals to show how they would have been presented in the previous format.
The change to the new format as found at Table 1 was carried out to provide more transparency to CSS, DSM and Integration-related costs. Instead of each being embedded in multiple line items as before, they have been isolated to their own line item in the schedule for ease of comparison.

b) The RCAM and Union Rate Zone Corporate Service amounts from 2019 and 2020 were presented in evidence in Exhibit B, Tab 3, Schedule 1, page 10, “Appendix B” where both Inbound costs and Outbound recoveries are presented. Appendix B is reproduced below to include 2018 actuals.

**UTILITY O&M**
Reconciliation of 2020-2019 Allocations and CSS

| | 2018 | 2019 | 2020 | 18 vs 19 Variance | 19 vs 20 Variance |
|---|---|---|---|---|---|
| Inbound | 101 | 133 | 158 | 32 | 25 |
| Outbound | (30) | (34) | (29) | (4) | 5 |
| Subtotal (ADR 3 2019)[1] (line 12, columns 3 & 7)* | 71 | 99 | 129 | 28 | 30 |
| Other line items at gross (lines 1-11, columns 3 & 7)* | 181 | 189 | 164 | 8 | (25) |
| Total CSS Gross | 252 | 288 | 293 | 36 | 5 |
| Capitalization (line 17, columns 3 & 7)* | (81) | (97) | (105) | (16) | (8) |
| Net CSS (line 13, columns 5 & 9)* | 171 | 191 | 188 | 20 | (3) |

To assess the full picture of corporate costs, it is necessary to focus on the Total Corporate Shared Service (CSS) costs. CSS costs include: Finance, Human Resources, Technology and Information Systems, Real Estate and Workplace Services, Supply Chain Management, Legal, Corporate Development Office, Public Affairs and Communications, Executive, Safety, and Aviation.

Prior to the Enbridge-Spectra merger in 2017 these services were provided by utility based employees and augmented by additional services provided by the corporate team as necessary. The services provided by the corporate team were allocated to the business units using an appropriate allocation methodology.

After the merger there were reorganizations that resulted in centralization of shared services. The services are now provided by a combination of employees that are utility based and/or part of the Corporate organization. The makeup of this combination will vary from year to year, but the service itself does not. For a complete picture of these costs, one must look at the Corporate Shared Service costs in total – not just those allocated from the corporate team.

Therefore, as can be seen in Appendix B above, although there was an increase in Inbound charges (or amounts charged from Corporate) 2020 over 2019, this was offset by a related decrease in utility based costs for CCS (represented in the "Other line items at gross"). Incorporating together the lines noted, CSS costs at gross increased by only $5 million 2020 over 2019, considered immaterial but further explained below.

Between 2019 and 2020, the increase of $5M in CSS costs primarily related to the increased cost of insurance and the administration of Safety & Reliability programs at EGI. Aside from these drivers, CSS remained relatively flat with various functional areas offsetting one another such as in Finance, Supply Chain, TIS and Legal costs.

Please see the response provided in EB-2020-0134, Exhibit I.ADR.3 request which discussed the changes between 2018 and 2019.

To bridge from the presentation provided last year to the one proposed going forward, Enbridge Gas provided the schedules on in Appendix A and B, noted above.

c) Exhibit B, Tab 3, Schedule 1, page 9 "Appendix A" provides the reconciliation which (1) replicates what was previously provided in the EB-2020-0134 format for 2019 (column 2), (2) backs out CSS costs resident in each of the previous line-items co-mingled with business-unit specific costs (column 3) and expresses CSS costs in a single line (Line 13), and (3) similarly backs out DSM and integration costs previously embedded in line-items so they are expressed in isolation (Lines 14 and 15, respectively).

Columns 6 through 9 carry out the same reconciliation for the 2020 year of actuals. The variance columns in 10 and 11 are based on the revised formats (column 5 and 9).

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit B, Tab 3, Schedule 1, Page 3, Tables 1 and 2

Preamble:

"The Company experienced a $40M reduction in Compensation and Benefits which includes STIP & Pension (Line 1). This is the single largest cost decrease resulting from the combination of
(1) the claw back of a 3% merit increase slated for April 1,2020,
(2) a hiring freeze which suspended recruitment for vacancies in the year, and
(3) a voluntary workforce departure program which saw a reduction of close to 250 FTEs and expedited synergy savings that were anticipated in future years as integration benefits were realized."

Question(s):

a) Please provide the Total FTE for 2018, 2019 and 2020.
b) Please provide the breakdown of the 2020 $40 million reduction in Compensation and Benefits into its components and sub-components.
c) Did the reduction in Compensation and Benefits lead to an increase/decrease in Corporate Costs? If so please describe and discuss this in more detail.
d) Please confirm that the severance cost related the 250 FTE reduction is $77.7million? Is this cost a component of the ~$34 million net increase in OM&A? Is it shown in line 15 of Table 1?
e) Was the severance all expensed in 2020 or are there deferred future payments such as share buy back? If the latter, show the estimated severance costs by year.
f) Will EGI reduce FTE in 2021 or increase FTE? If latter indicate number of FTEs.
g) Please provide the 2020 reduction/increase in STIP and executive LTIP performance pay.

Response:

a) Combined FTE are as follows:

| | **Combined FTE** |
|---|---|
| 2018 | 4,115 |
| 2019 | 3,798 |
| 2020 | 3,471 |

b) The breakdown of 2020 Compensation and Benefits is shown below:

**2020 Compensation & Benefits**

| | ($M) |
|---|---|
| Base Pay | 12.1 |
| Hourly Pay | 11.1 |
| Overtime Pay | 2.0 |
| Vacation/Sick Pay | 1.1 |
| STIP, Pension, Benefits | 13.9 |
| | 40.3 |

c) The Compensation and Benefits amounts shown at Line 1 relate to salaries, wages, and benefits for employees that directly report into EGI. These amounts exclude employees that are centralized under Corporate Shared Services (CSS) who provide dedicated support to EGI. As such, the reduction in compensation and benefits for EGI employees did not affect Corporate Costs. All Corporate Cost impacts are shown at Line 13.

d) The total severance cost of $77.7M includes the costs associated with about 250 FTEs who elected to take the voluntary workforce option. It is confirmed that the $77.7M severance cost is included at Line 15 and is part of the $33.9M net increase in O&M.

e) The full severance cost is expensed in 2020.

f) The voluntary workforce option served to advance the timeline of when FTE synergies would have been achieved through integration efforts. As the Company continues to still work through integration initiatives, it is not yet known what the impact will be to 2021 FTEs as work is being absorbed and reassessed under changing conditions.

g) STIP increased by $6.8M between 2019 and 2020, whereas LTIP decreased by $1.2M. The net impact of both STIP and LTIP is an increase of $5.6M.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit B, Tab 3, Schedule 1, Page 2; B.3.1. Page 10, Appendix B

Preamble:

Appendix B provides a reconciliation of the ADR response to the total CSS category (Line 13) in Table 1. Between 2020 and 2019, CSS costs remained relatively flat.

Question(s):

a) Confirm that before Capitalization, the net change in Corporate Support Services from 2019-2020 was a $30 million increase.

b) Provide more detail of the material change in CSS.

c) If the CSS had not increased, what would have been 2020 Net Income and Earnings for 2020 compared to that in Exhibit B Tab 1Schedule 1 (Summary of ESM)?

Response:

a) Not confirmed. As shown in Exhibit B, Tab 3, Schedule 1, page 10, and noted in Exhibit I.EP.1, part b, Total Corporate Shared Services (CSS) costs need to be viewed holistically beyond just Inbound or Outbound costs which only provide a component of the total costs. Total CSS costs (before capitalization) increased by $5M, not $30M.

b) The increase of $5M in CSS costs from 2019 to 2020 primarily related to the increased cost of insurance and the administration of Safety & Reliability programs at EGI. Aside from these drivers, CSS remained relatively flat with various functional areas offsetting one another such as in Finance, Supply Chain, TIS and Legal costs. With capitalization, CSS decreased by $3M. As discussed in Exhibit I.EP.1, b), CSS costs must be looked at in total for a meaningful analysis. Again, please refer to Exhibit I.EP.1, b) for further details.

c) Had CSS costs not decreased by $3M, the impact to Utility Income before Income Tax would have been an increase of $3M to $844.1M.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit B, Tab 3, Schedule 1, page 8, Table 3; EB-2020-0181 Decision and Order, May 6, 2021, page 8.

Question(s):

a) Please confirm that Enbridge Gas adopted a new overhead capitalization policy on January 1, 2020, and that the new policy has not been approved by the OEB as noted in the EB-2020-0181 Decision.

b) Are the amounts shown for 2020 in Table 3, based on the overhead capitalization policy that the OEB has not approved?

Response:

a) Confirmed. The new overhead capitalization policy will be brought forward for consideration as part of the rebasing application. Until then, policy impacts are being tracked in the Accounting Policy Changes Deferral Account (APCDA).

b) Confirmed. Amounts shown in Table 3 reflect the implementation of the new overhead capitalization policy that will be reviewed by the OEB at rebasing.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit B, Tab 3, Schedule 2, Pages 2&3, Tables 1&2, Line(s) G Real Estate & Workplace Services

Question(s):

a) Please provide the extract from the Asset Management Plan related to Real Estate and Workplace Services that shows the multi-year investment plan for each of Legacy EGD and Union RZ from 2018-2024.

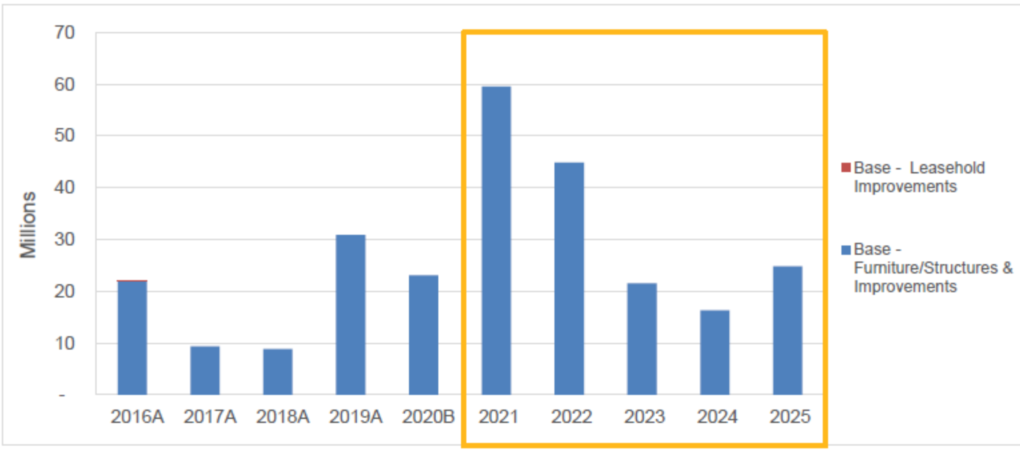
b) Please provide a schedule that shows additions and disposals and account balances for each year 2018-2020 and a forecast for forward years.

Response:

a) Below is the extract from the 2021-2025 Asset Management Plan filed in EB-2020-0181 Exhibit C, Tab 2, Schedule 1, pages 274 to 275. Note that years 2021 to 2025 are inclusive of indirect overheads, years 2016 to 2020 do not include overheads and all dollars represent capital expenditures.

### 6.2.8 Real Estate and Workplace Services

EGI has spent an average of $19M and $12M annually in the EGD and Union rate zones respectively for the Real Estate and Workplace Services (REWS) asset class. The total average capital spend is forecasted to be $36M (EGD RZ) and $34M (Union RZ) over the five years identified. The historical and projected five-year spend profiles are presented in **Figure 6.2-16** and **Figure 6.2-17**.



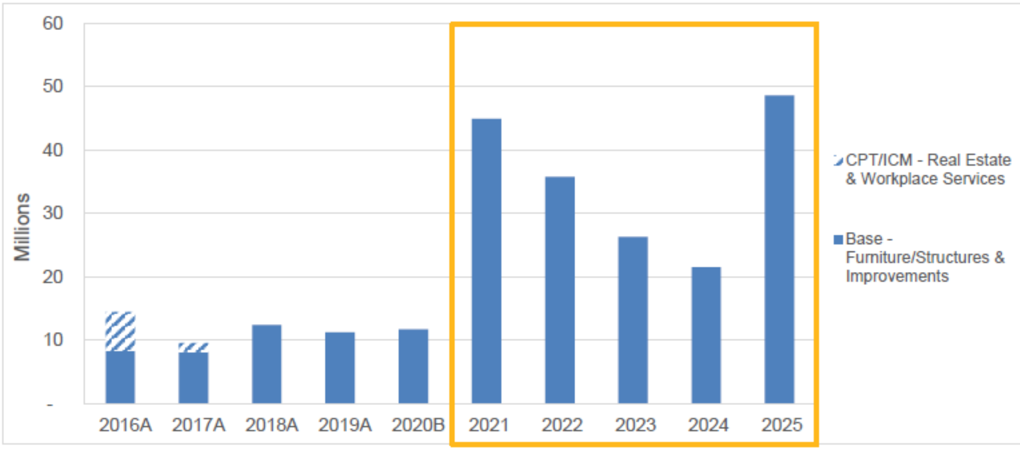

*Note: Overheads excluded in historical spend.*

**Figure 6.2-16: Capital Expenditure over Time for REWS - EGD Rate Zone**

EGI continues to respond to the needs of its operations and growing customer needs, leveraging the facility assessment process to best determine whether existing facilities should be upgraded or replaced.

Specific ICM-eligible projects include for the EGD rate zone include:

- Kennedy Road Expansion (2024 ISD)
- Station B New Building (2021 ISD)
- SMOC/Coventry Facility Consolidation (2027 ISD)
- Kelfield Operations Centre Obsolescence (2023 ISD)
- VPC Core and Shell Obsolescence (2025 ISD)




*Note: Overheads excluded in historical spend.*

**Figure 6.2-17: Capital Expenditure over Time for REWS - Union Rate Zones**

Projects for the Union rate zones include improvements to 50 Keil Drive and the Micro-Operations Sites program as well as specific ICM-eligible projects including:

- Thunder Bay Regional Operations Centre (2026 ISD)
- New Site No. 4 (2023 ISD)

Refer to **Section 5.6** for further details on the REWS asset class.

b) Please refer to the tables below for the actual in-service additions and disposals for 2018 to 2020 and the forecasted capital additions as filed in EB-2020-0181, Exhibit B, Tab 2, Scheule 1. Note that disposals are not forecasted at a detailed level as part of the EGI budget process.

| EGD Rate Zone - Real Estate and Workplace Services Assets | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget | 2025 Budget |
|---|---|---|---|---|---|---|---|---|
| Additions | 4.1 | 33.1 | 15.2 | 56.5 | 10 | 67.7 | 16.1 | 23.7 |
| Retirements | 1.7 | 0.5 | 0.0 | | | | | |
| Balance | 203.2 | 235.8 | 251.0 | 307.5 | 317.5 | 385.2 | 401.3 | 425.0 |

| UG Rate Zone - Real Estate and Workplace Services Assets | 2018 Actual | 2019 Actual | 2020 Actual | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget | 2025 Budget |
|---|---|---|---|---|---|---|---|---|
| Additions | 19.9 | 10.6 | 19.5 | 30.9 | 25.5 | 51.2 | 21.4 | 46.2 |
| Retirements | 5.0 | 0.7 | 3.8 | | | | | |
| Balance | 586.5 | 596.4 | 612.1 | 643.0 | 668.5 | 719.7 | 741.1 | 787.3 |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit C, Tab 1, Page 11, paragraph 21

Preamble:

"Accordingly, Enbridge Gas adjusted the opening balance sheet at January 1, 2019, to record the $211 million balance previously recognized as AOCI in the financial records of Enbridge Gas as a regulatory asset (within the APCDA), instead of Goodwill. Enbridge Gas continues to draw down the regulatory asset by amortizing this balance as part of pension expense resulting in a regulatory asset balance of $181 million recognized in the APCDA at December 31, 2020."

Question(s):

a) How is a regulatory asset different from other assets? Please discuss.

b) Is Enbridge seeking OEB approval of the accounting entries that resulted in the regulatory asset balance of $181 million at December 31, 2020? If the answer is yes, please file a schedule showing all 2010 entries into the account, together with supporting calculations and assumptions. If the answer is no, please explain the purpose of this evidence.

Response:

a) Generally, EGI uses the same accounting policies and practices used by non rate-regulated companies for financial reporting under U.S. GAAP. However, to recognize the economic effects of the actions of the regulator (OEB), the timing of recognition of certain revenues and expenses in regulated operations may differ from that otherwise expected under U.S. GAAP for non rate-regulated entities. When this occurs, EGI must defer certain regulated revenues and expenses on its Consolidated Statement of Financial Position as regulatory assets and liabilities. In the absence of rate regulation, EGI would generally not recognize regulatory assets or liabilities and the earnings impact would be recorded in the period the expenses are incurred or revenues are earned.

b) No, the Company is not seeking OEB approval of the accounting entries that resulted in the regulatory asset balance of $181 million at December 31, 2020. The inclusion is for information purposes during the deferred rebasing period. The change in accounting policy has not altered the fact that Union Gas incurred the actuarial losses and should recover these costs over time, as is currently approved by the OEB. The Company is continuing to amortize these actuarial losses as pension expense on an annual basis, just as it has in prior years. This amortization expense is part of pension cost that is recognized annually in rates. The Company will continue to amortize and draw down this regulatory asset, within the APCDA, through the end of the deferred rebasing period, at which point the regulatory asset balance is expected to be drawn down to approximately $145 million. As part of the Company's 2024 rebasing application, a proposal for the disposal of the residual balance will be included.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit C, Tab1, Lines 28-33; Exhibit E, Tab 1, Pages 23-28; EB-2020-0134
Exhibit I.EP.7 Plus Attachment

Preamble:

179-136 Parkway West Project Costs
179-137 Brantford-Kirkwall/Parkway D Project Costs
179-142 Lobo C Compressor/Hamilton-Milton Pipeline Project Costs
179-144 Lobo D/Bright C/Dawn H Compressor Project Costs
179-149 Burlington Oakville Project Costs
179-156 Panhandle Reinforcement Project costs

Question(s):

For the listed projects, please update the Summary Table (Excel) in the third reference that provides:

a) The LTC Approved cost
b) Changes to approved cost and final cost
c) Planned and actual In-service dates
d) Planned and actual In-service costs
e) Incremental Capacity- Planned and Actual
f) Comments on material changes

Response:

Please see the chart below

| Capital Pass-Through Project | LTC Approved Cost | Actual Cost To 2020 | Planned In-Service Dates | Actual In-service Dates | Incremental Capacity - Planned and Actual |
|---|---|---|---|---|---|
| Parkway West | $219 million | $231.7 million | 2014-2015 | Multi-phased project | LCU compressor |
| Brantford-Kirkwall/Parkway D | $204 million | $197.4 million | Nov. 2015 | Nov. 2015 | 433 TJ/d |
| Lobo C Compressor/Hamilton-Milton Pipeline | $390.7 million | $347.1 million | Nov. 2016 | Nov. 2016 | 442,770 GJ/d |
| Lobo D/Bright C/Dawn H Compressor | $622.5 million | $620.1 million | Nov. 2017 | Jul, Sep & Oct 2017 | 456,647 GJ/d |
| Burlington Oakville | $119.5 million | $83.3 million | Nov. 2016 | Oct. 2016 | 222 TJ/d |
| Panhandle Reinforcement | $264.5 million | $228.6 million | Nov. 2017 | Nov. 2017 | 106 TJ/d |

There were no material changes to the information or cumulative balances noted above from the information provided in EB-2020-0134, Exhibit I.EP.7, page 2 of 2.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit D, Tab 1, Page 10, paras 2 and 3; Exhibit D, Tab 1, Schedule 4, Page 1;
EB-2020-0134, Exhibit I.EP.9, Pages 2-3

Question(s):

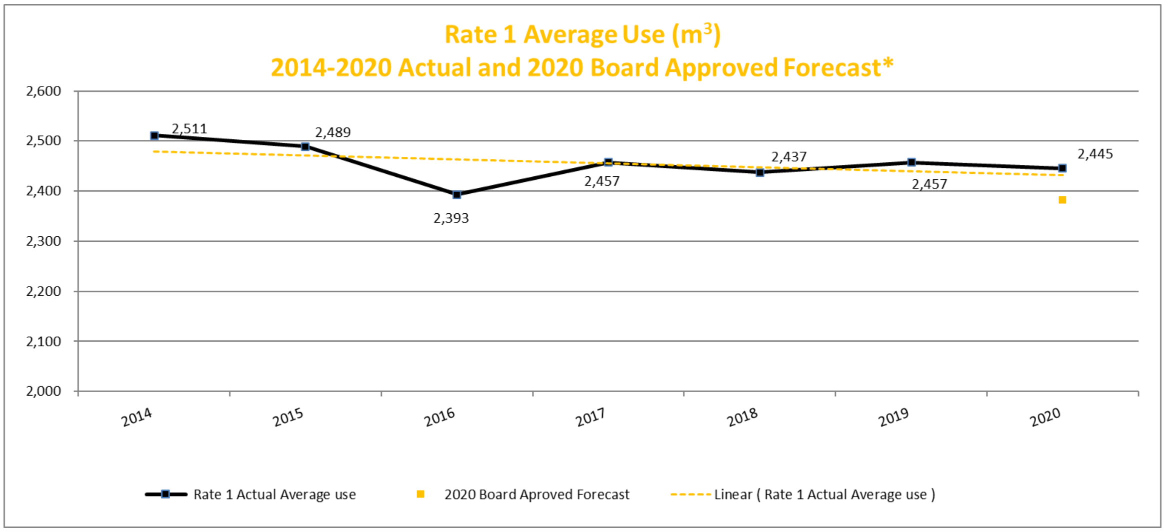
a) Please update the charts and the table provided in the interrogatory in reference 2.

b) How much is price a factor producing the 2020 62 m3 increase in NAC in Rate 1?

c) How is price addressed in the Rate 1 forecast model? Has the coefficient changed?

Response:

a) Please see a graphical representation of Actual Rate 1 and Rate 6 Normalized Average Use per Customer for the historic years 2014-2020 and the OEB Approved forecast for 2020. Please note that average uses seen in charts are all normalized to 2020 OEB approved degree days.



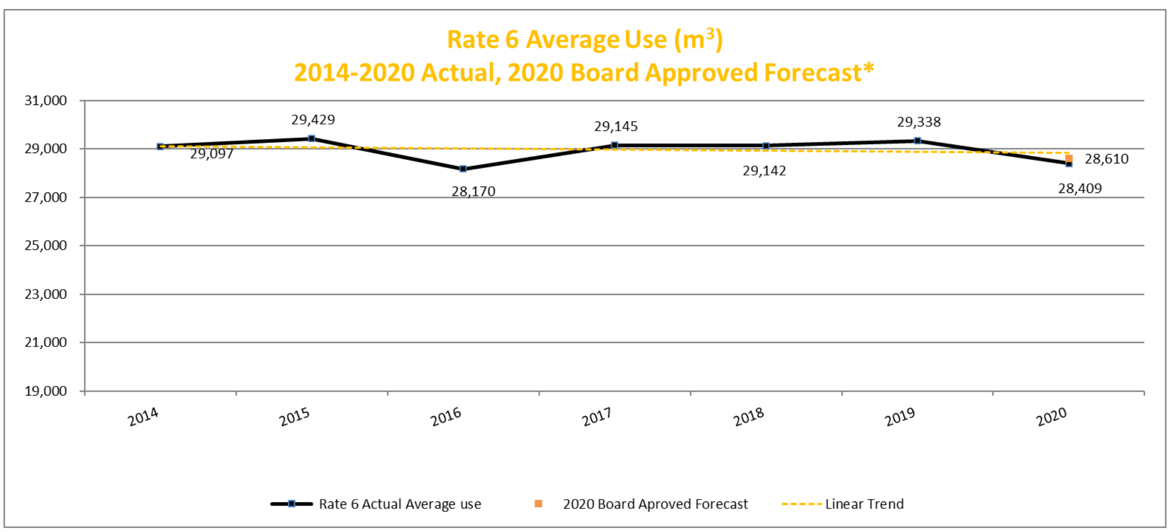



Table below also shows actual versus forecast (OEB approved) Rate 1 and Rate 6 Normalized Average Uses per Customer that are normalized to relative years' OEB approved degree days for the historic years 2014-2020.

| | Rate 1 | | Rate 6 | |
|---|---|---|---|---|
| Year | Actual Normalized Average Use Per Customer | Board Approved Normalized Average Use Per Customer | Actual Normalized Average Use Per Customer | Board Approved Normalized Average Use Per Customer |
| | ($m^3$) | ($m^3$) | ($m^3$) | ($m^3$) |
| 2014 | 2,475 | 2,433 | 28,634 | 28,383 |
| 2015 | 2,427 | 2,419 | 28,600 | 28,341 |
| 2016 | 2,401 | 2,480 | 28,203 | 28,753 |
| 2017 | 2,485 | 2,472 | 29,462 | 29,058 |
| 2018 | 2,456 | 2,358 | 29,377 | 28,656 |
| 2019 | 2,463 | 2,412 | 29,348 | 29,154 |
| 2020 | 2,445 | 2,383 | 28,409 | 28,610 |

b) Rate 1 weather-normalized average uses in 2020 were 62 $m^3$ higher than the forecast. Rate 1 burner tip gas prices in 2020 were approximately 9% lower than were forecast relatively. As stated at EB 2020-0134, Exhibit D, Tab 1, page 1, paragraph 3; lower gas prices are expected to lead to higher average use than was forecast. Overall, the impact of a 10% lower real gas price would lead to an incremental 0.2%-0.4% higher average use per customer forecast, assuming all other variables in the model are held constant.

c) Gas price is used as one of the driver variables in Rate 1 average use models. Historical gas prices up to 2018 and an updated gas price forecast for 2019 and 2020 were used to develop 2020 Rate 1 average use forecast. Please refer to EB-2019-0194, Exhibit KT1.1, page 8 for the regression equations used for 2020 forecast. The price coefficients in Rate 1 models haven't changed materially from the previous update that was done for the 2021 rate application.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit E, Tab 1, Page 10; Exhibit E, Tab 1, Schedule 4.

Preamble:

In 2020, Enbridge Gas sold a total of 2.3 PJ of short-term peak storage (legacy Union). The total 2.3 PJ was excess utility space, calculated by deducting 97.7 PJ of in-franchise utility requirement (as per the Gas Supply Plan) from the total 100 PJ of in-franchise utility storage. There was no sale of short-term peak storage from nonutility space. Total revenue from the sale of C1 Short-Term Peak Storage (Utility) in 2020 was $2.715 million. Details of the above sales are reflected in Exhibit E, Tab 1, Schedule 4.

Question(s):

a) Please provide a table showing the forecast and actual space and average price since 2014.

b) Indicate how much was sold to Enbridge Gas Distribution.

c) How does Union produce the forward year forecast? Please describe in detail.

d) Please provide the forecast for 2021.

Response:

a)

| Excess Utility Space: | 2013 Board Approved Volume (PJ) | 2013 Board Approved Average Annual Price ($CAD/gj) | Actual Volume (PJ) | Actual Average Annual Price ($CAD/gj) |
|---|---|---|---|---|
| 2014 | 11.3 | 0.70 | 6.4 | 0.50 |
| 2015 | 11.3 | 0.70 | 5.0 | 0.99 |
| 2016 | 11.3 | 0.70 | 6.4 | 0.88 |
| 2017 | 11.3 | 0.70 | 6.8 | 0.68 |
| 2018 | 11.3 | 0.70 | 7.6 | 0.66 |
| 2019 | 11.3 | 0.70 | 2.9 | 0.73 |
| 2020 | 11.3 | 0.70 | 2.3 | 1.17 |

b) No space was sold to Enbridge Gas Distribution.

c) As part of the Gas Supply Planning process, Enbridge Gas determines its in-franchise storage needs using the aggregate excess methodology (EB-2019-0137: 5 Year Gas Supply Plan, page 81) and thus, the excess utility space. Excess utility space for the upcoming winter is not known until as late as the 3rd quarter, subsequent to the development of the gas supply plan.

d) The 2021 forecast level of excess utility short term peak storage for legacy Union is 3.0 PJ.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit E, Tab 1, Page 12; EB-2020-0134 Exhibit I.EP.6 Page 2 of 2 c) and Exhibit I.EP.11 Pages 2-3

Question(s):

a) Please update the table provided in the interrogatory related to reference 2.

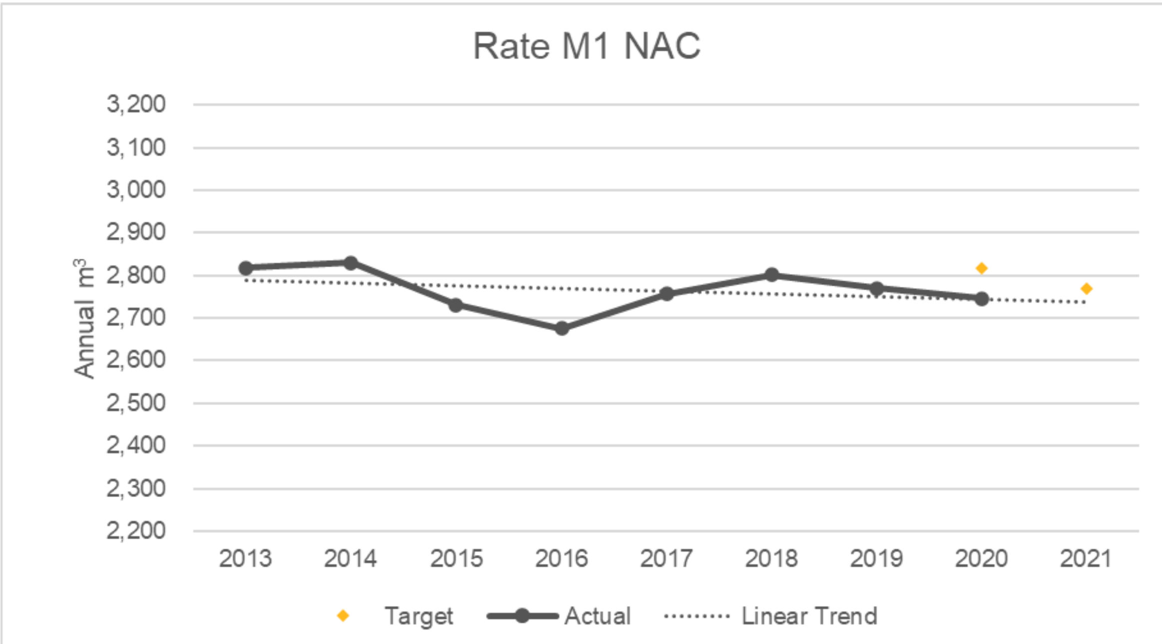
b) Please Update the charts provided in IRR in the third reference

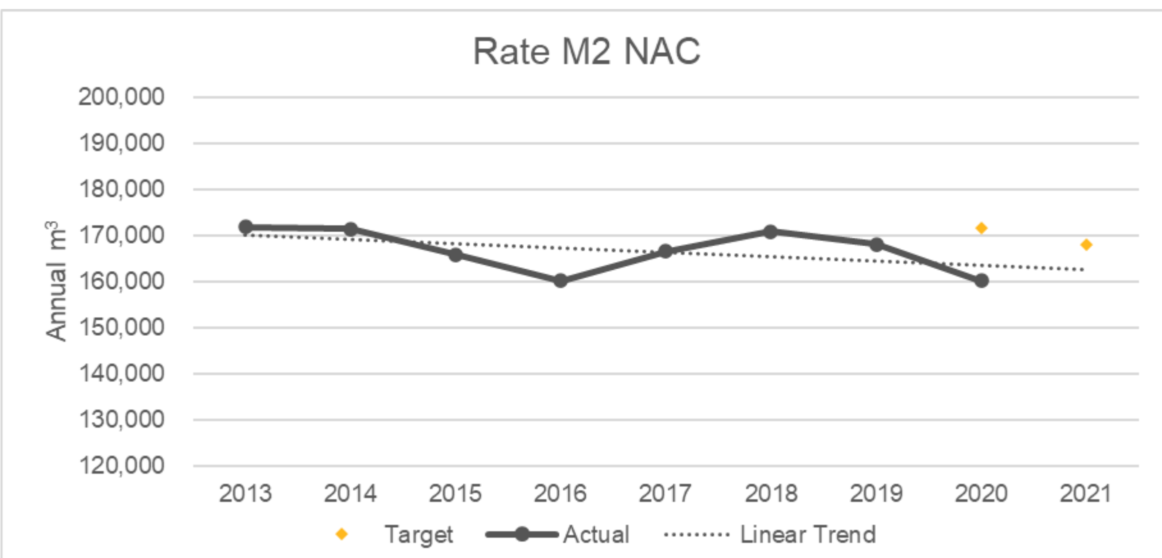
Response:

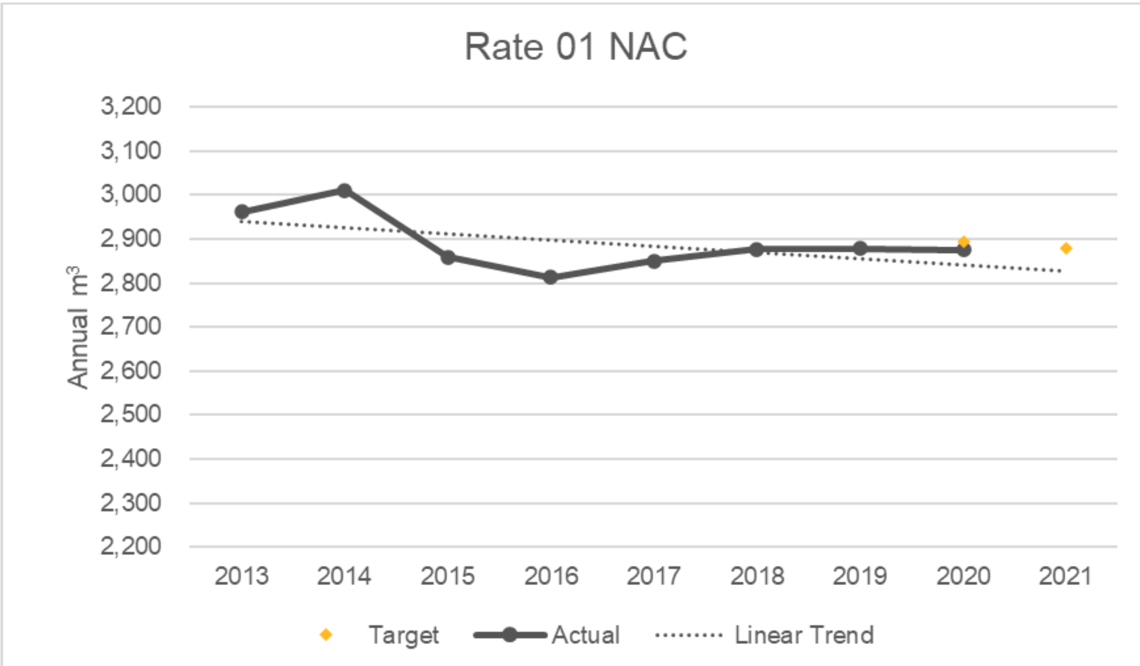
a) The table below also shows the actual and OEB-approved target NAC for each rate class for 2014-2020. The figures below are weather normalized to the OEB-approved weather normal in each respective year.

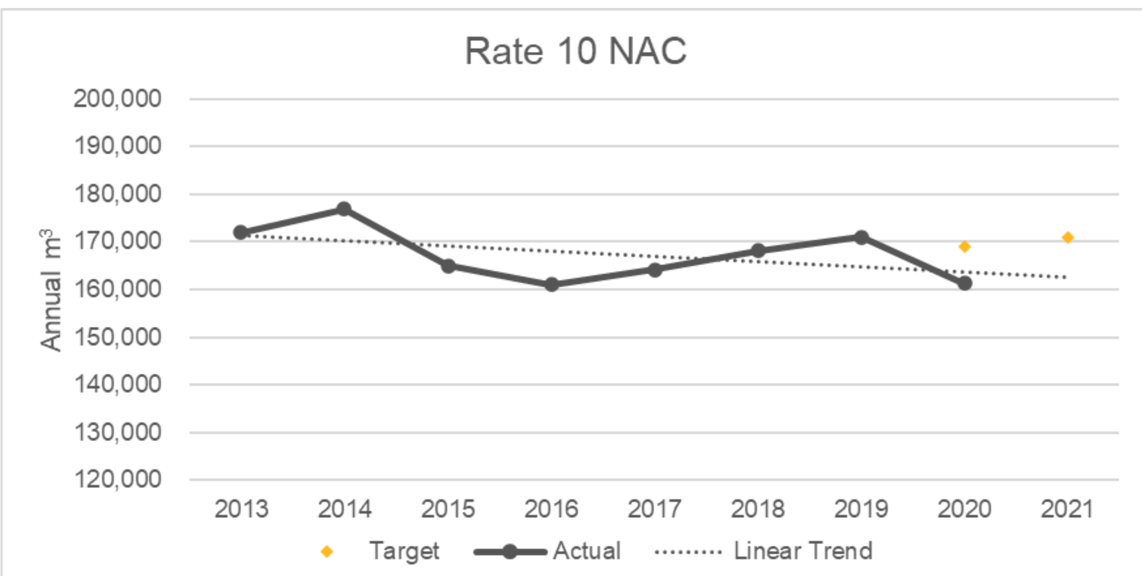
| | Rate M1 | | Rate M2 | | Rate 01 | | Rate 10 | |
|---|---|---|---|---|---|---|---|---|
| Year | Actual NAC | Board Approved Target NAC | Actual NAC | Board Approved Target NAC | Actual NAC | Board Approved Target NAC | Actual NAC | Board Approved Target NAC |
| | ($m^3$) | ($m^3$) | ($m^3$) | ($m^3$) | ($m^3$) | ($m^3$) | ($m^3$) | ($m^3$) |
| 2014 | 2,748 | 2,751 | 167,537 | 165,085 | 2,923 | 2,898 | 172,516 | 167,443 |
| 2015 | 2,676 | 2,761 | 163,129 | 169,121 | 2,799 | 2,901 | 162,078 | 169,025 |
| 2016 | 2,667 | 2,852 | 159,933 | 172,694 | 2,788 | 3,015 | 159,855 | 177,214 |
| 2017 | 2,764 | 2,738 | 166,969 | 166,297 | 2,835 | 2,844 | 163,483 | 164,329 |
| 2018 | 2,810 | 2,654 | 171,248 | 159,319 | 2,864 | 2,771 | 167,467 | 158,894 |
| 2019 | 2,780 | 2,767 | 168,624 | 167,039 | 2,880 | 2,853 | 171,056 | 164,301 |
| 2020 | 2,746 | 2,817 | 160,140 | 171,679 | 2,875 | 2,893 | 161,276 | 168,964 |

b) The charts below illustrate the actual NAC for each rate class for 2013-2020, and the target NAC for 2020 and 2021. Note that the actual NAC, and 2020 and 2021 target NAC are all weather normalized to the 2020 OEB-approved weather normal for comparison.


Rate M1 NAC
3,200
3,100
3,000
2,900
2,800
2,700
2,600
2,500
2,400
2,300
2,200
Annual m3
2013
2014
2015
2016
2017
2018
2019
2020
2021
Target
Actual
Linear Trend


Rate M2 NAC
200,000
190,000
180,000
170,000
160,000
150,000
140,000
130,000
120,000
Annual m3
2013
2014
2015
2016
2017
2018
2019
2020
2021
Target
Actual
Linear Trend


Rate 01 NAC
Annual $m^3$
3,200
3,100
3,000
2,900
2,800
2,700
2,600
2,500
2,400
2,300
2,200
2013
2014
2015
2016
2017
2018
2019
2020
2021
Target
Actual
Linear Trend


Rate 10 NAC
Annual $m^3$
200,000
190,000
180,000
170,000
160,000
150,000
140,000
130,000
120,000
2013
2014
2015
2016
2017
2018
2019
2020
2021
Target
Actual
Linear Trend

ENBRIDGE GAS INC.

Answer to Interrogatory from
Energy Probe (EP)

Interrogatory

Reference:

Exhibit G, Tab 1, Page 1, OEB Scorecard

Preamble:
Enbridge Gas was unable to meet the Meter Reading Performance Measurement metric due to two main factors: 1) The Covid-19 pandemic resulting in closed businesses and increased customer sensitivity over contact with meter readers, and 2) Extreme weather events such as freezing rain, polar vortex, heavy snowfall. and flooding which limited the ability to travel to properties and access meters safely.

Question(s):

What steps are being taken to meet the target in 2021?

Response:

Please see the response to Exhibit I.STAFF.26 part c).

# ENBRIDGE GAS INC.

## Answer to Interrogatory from Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit E, Tab 1, Schedule 7

Preamble:

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

Question(s):

Should the Table be for 2020?

a) Please confirm or correct the unit rates and monetary impacts.

Response:

The table on page 1 of Exhibit E, Tab 1, Schedule 7 is for 2020. Page 2 shows the 2019 table and page 3 the 2018 table. The rates used in each table are correct for the year each table represents.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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".*

Question(s):

We would like to understand better the "merit increase reversal".

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.).

Response:

a) In response to the unprecedented events of COVID-19, Enbridge sought to reduce 2020 operating costs to manage impacts to the business. The "merit increase reversal" refers to base pay reductions implemented effective June 1, 2020 for all non-union employees. The amount of each employee's base pay reduction was determined by their role. The largest component of the savings relative to budget came from a 3% reduction in base pay for all non-union employees up to, and including, the manager level. This effectively reversed the merit increase that was built into the budget and kept salaries and wages at 2019 levels for the balance of the year.

   Employee communication confirmed the Company's continued commitment to total compensation competitiveness and that continued monitoring of market trends and market competitiveness would remain a primary consideration in determining merit budgets in the future. No further adjustments are contemplated.

# ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

## Interrogatory

Reference:

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."*

Question(s):

We would like to understand more about the reduced recoveries.

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

## Response:

Please see the table below for the breakdown of drivers contributing to the $12.6M variance in the Allocation & Recoveries line. Explanations are provided in the paragraphs that follow.

**Allocation & Recoveries Variance Drivers ($M)**

| | |
|---|---|
| 1. Reduced GIF Recoveries | 10.0 |
| 2. COVID-related Allocations | 0.7 |
| 3. Reduced Operations Recoveries | 0.8 |
| 4. Reclassification of CNG Rental | 0.6 |
| 5. Other Recoveries | 0.5 |
| Total Variance | 12.6 |

1. As noted in Exhibit. I.FRPO.14 part b, the Green Investment Fund (GIF) had recoveries flowing in 2019 from rebates and incentives that were processed following the end of the program in 2018. This created a positive variance of $10M as no GIF recoveries impacted 2020.

2. In 2020, a specific account was created to track incremental costs resulting from COVID-19. These costs were considered to not have any overhead capitalization impact as they were outside normal controllable operations, and as such did not qualify for recoveries. The allocations included overtime associated with increased safety protocols, as well as downtime from delayed projects where costs could not be assigned to capital work. Under normal circumstances, such costs would have received overhead capitalization treatment and contributed to recoveries. But because they were associated with non-capitalized activities stemming from COVID-19, recoveries were lower than in 2019.

3. Recoveries in Operations reflect work performed for affiliates as well as damage recoveries. 2020 saw a lower level of recovery resulting from fluctuations in affiliate work performed as well as damages compared to 2019, contributing to $0.8M in reduced recoveries.

4. Compressed Natural Gas (CNG) Rental recoveries were reclassified as revenue instead of cost offsets, resulting in $0.6M lowered recoveries.

5. There was a decrease in Other Recoveries stemming from lower affiliate recovery and internal labour recovery changes leading to an additional $0.5M reduction.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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."*

Question(s):

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.

Response:

a) Please see table below:

**Enbridge Gas Inc. - Legacy UGL**
**2020 Unaccounted for Gas - Non-Utility Expense**

| Line No. | | 2020 Actual | Notes |
|---|---|---|---|
| 1 | Total Utility Throughput ($10^3m^3$) | 35,620,343 | |
| 2 | Non-utility Throughput ($10^3m^3$) | 3,394,619 | |
| 3 | Non-utility % | 9.53% | |
| 4 | 2020 UFG Expense | $8,408,332 | Refer to Staff IR #20 part c) |
| 5 | **Non-utility UFG Cost** | **$801,314** | Line 4 * Line 3 |

b) The additional costs attributable to the UGL Rate Zone allocated to the non-utility business pertain to approximately $17M of third party storage costs purchased at market based rates in order to meet the needs of ex-franchise customers in the absence of available UGL storage capacity, offset partially by an allocation of net customer supplied fuel.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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."*

Question(s):

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.

Response:

a) The table below provides the detailed calculations for the allocation of LUF to the "non-utility" storage for the EGD rate zone.

**Enbridge Gas Inc. - Legacy EGD**
**2020 Unaccounted for Gas - Non-Utility Expense**

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Unregulated LUF volume | 283.2 | 283.2 | 283.2 | 283.2 | 283.2 | 283.2 | 283.2 | 283.2 | 283.2 | 283.2 | 283.2 | 283.2 | 3,398.2 |
| OEB Approved Ref. Prices | $ 144.880 | $ 144.880 | $ 144.880 | $ 131.754 | $ 131.754 | $ 131.754 | $ 131.754 | $ 131.754 | $ 131.754 | $ 152.489 | $ 152.489 | $ 152.489 | |
| **Non-utility LUF Cost** | **$ 41,027.60** | **$ 41,027.60** | **$ 41,027.60** | **$ 37,310.54** | **$ 37,310.54** | **$ 37,310.54** | **$ 37,310.54** | **$ 37,310.54** | **$ 37,310.54** | **$ 43,182.34** | **$ 43,182.34** | **$ 43,182.34** | **$ 476,493.05** |

b) The additional gas costs allocated as non-utility to the EGD Rate Zone relate to approximately $400,000 identified as fuel and carbon facility costs.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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”.

Question(s):

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.

Response:

The Unregulated Adjustments referenced in both schedules represents the portion of total EGI Operations & Maintenance (O&M) expense that is attributable to the Unregulated Storage operations of EGI. As noted, the O&M attributable to Unregulated Storage operations in 2020 & 2019 was as follows:

2020 - $16.6M
2019 - $19.5M

O&M expense is incurred by EGI in relation to the storage operations, including both the regulated and unregulated operations. The costs related to operating storage assets are primarily variable in nature and therefore are tied to the level of activity within the storage operations. For the unregulated operations, this means that the costs attributable can fluctuate year over year depending on the level of activity.

In 2020, O&M attributable to the unregulated storage operations decreased by $2.9M, the variance primarily driven by decreased activity in the unregulated storage business as a result of the COVID pandemic. This resulted in lower general and variable support costs attributed to the storage business.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 2, footnote viii

Question(s):

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.

Response:

The Company notes that the description included at Exhibit B, Tab 1, Schedule 2, Footnote viii, Line 4 was accidently truncated and should have read as follows: "Elimination of the revenue indemnification received from Enbridge Inc. related to a non-utility Corporate tax planning Part VI.1 tax transfer to EGI." A description of the transaction and associated revenue indemnification is described below.

During 2020, Enbridge Gas Inc. (EG") entered into a corporate tax transaction with Enbridge Inc. (EI), whereby EGI agreed to have approximately $86.9M of EI's Part VI.1 tax and corresponding Part I income tax deductions transferred to them. The purpose of this transaction was to reduce the overall 2020 cash tax expense of the Enbridge group of companies.

The effect of the transaction was such that while EGI paid approximately $86.9M of Part VI.1 tax it also reduced its Part I federal and provincial income tax for the year by approximately $80.6M. The net differential of approximately $6.3M was reimbursed to EGI, by EI, to ensure EGI did not bear any negative economic or financial statement consequences as a result of the transaction.

The Canadian Income Tax Act imposes a special refundable tax (Part VI.1 tax) on the payer of preferred share dividends. The tax is refundable by way of a reduction to Part I federal and provincial income taxes. The reduction to Part I tax does not, however, result in an equal and offsetting recovery of the Part VI.1 tax and therefore there is a net cost of issuing these preferred shares. Wherein EI is the issuer of the preferred shares it incurs the net cost of the difference between the Part VI.1 tax paid and the reduction of the Part I federal and provincial income taxes. Further, where EI does not have a Part I income tax burden in a particular year it can, in accordance with income tax law, transfer the liability and corresponding deduction to a related party such as EGI. This has the effect of reducing the overall cash tax burden in a particular year for EI and its subsidiary companies.

The following attachment details the calculation of the Part VI.1 tax expense/liability transferred to EGI, the corresponding corporate income tax deduction and income tax expense reduction, and the resultant net tax variance, which led to the $6.3M million revenue transfer (which is not subject to tax). The calculation also illustrates how EGI is left in a neutral earnings position.

The $6.3M revenue transfer has been eliminated from the calculation of utility results, as the calculation of utility stand-alone income taxes excludes the impact of the transferred Part VI.1 tax liability/expense, and corresponding income tax deduction.

The Company notes that the treatment of the 2020 Part VI.1 tax transfer, and corresponding revenue transfer elimination, are consistent with the treatment of comparable transactions that were reflected in legacy EGD's 2016 and 2018 utility financial results.

**Enbridge Gas Inc.**

**2020 Transferred Part VI.1 Tax Calculations**

| | | |
|---|---|---|
| Actual EI Pref Dividends Paid | | 217,250,675 |
| Part VI.1 tax liability/expense transfer to EGI @ 40% | **A** | 86,900,270 |
| Sec 110(1)(k) corporate income tax deduction<br>(Gross-up of Part VI.1 Tax--x 3.5) | | 304,150,945 |
| Part I Federal & Provincial income tax expense reduction @26.5% | **B** | 80,600,000 |
| Net tax differential resulting from Part VI.1 tax transfer | **A - B** | 6,300,270 |

**EGI Earnings Impact:**

| | |
|---|---|
| Earnings before Income Taxes - Non Taxable Reimbursement | 6,300,270 |
| Part VI.1 Tax | 86,900,270 |
| Part I Tax Reduction | (80,600,000) |
| Total Tax Expense | 6,300,270 |
| After-Tax Earnings | - |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

For each individual project over $1M for EGD storage, please provide:

a) A description of the project
b) The rationale for allocation to the utility vs. non-utility
c) Please provide a description and cost allocation including rationale of all multi-year storage projects in progress in 2020.

Response:

a) The well projects included in line 4 of the referenced exhibit that meet the $1M threshold are:

- WLK MOP Remediation (IC 101017) – The Wilkesport MOP Assessment, completed in 2019, identified that a number of records were missing. In order to maintain the current established MOP, the scope of this work includes field verifications, to address missing records, replacement of specific pipe and fittings and to pressure test TW10 lateral in-place. 2020 capital additions $7.9M

- PMKC:TKC67H New Hwell (IC 6363) - Horizontal Well – TCK 67H. The drilling of well TKC 67H is a 'like for like' replacement and will not result in an increase in storage capacity or an increase in deliverability in the Kimball-Colinville Storage Pool. The horizontal gas storage well is needed to replace the deliverability lost in the Kimball-Colinville Storage Pool due to the abandonment of three gas storage wells. One well was abandoned in 2002 and two wells were abandoned in 2018. The abandoned wells were a part of regulated storage operations. The new horizontal well will form part of regulated storage operations. 2020 capital additions $1.4M

b) Utility and non-utility allocations are based upon the 2006 OEB NGEIR decision which resulted in a study to provide an allocation of the assets between utility and non-utility. In the 2010 Earning Sharing Mechanism and Deferral Disposition Proceeding (EB-2011-0008)[1] parties agreed that EGD would commission an independent study of its cost allocation methodology for allocation of costs between its regulated and unregulated storage activities. In the 2013 Rates Proceeding (EB-2011-0354), EGD presented the findings of Black & Veatch in its Fully Allocated Cost Study[2]. In Settlement, all parties accepted Enbridge's Utility Cost Allocation Study, including the methodologies and judgments used. The OEB accepted the Settlement Agreement on November 2, 2012. EGD has maintained the same allocation since the Study for all their storage projects.

c) WLK MOP Remediation (IC 101017) – The Wilkesport MOP Assessment, completed in 2019, identified that a number of records were missing. In order to maintain the current established MOP, the scope of this work includes field verifications, to address missing records, replacement of specific pipe and fittings and to pressure test TW10 lateral in-place. 100% Regulated. 2020 capital expenditure $7.8M.

   PMKC:TKC67H New Hwell (IC 6363) - Horizontal Well – TCK 67H. The drilling of well TKC 67H is a ‘like for like’ replacement and will not result in an increase in storage capacity or an increase in deliverability in the Kimball-Colinville Storage Pool. The horizontal gas storage well is needed to replace the deliverability lost in the Kimball-Colinville Storage Pool due to the abandonment of three gas storage wells. One well was abandoned in 2002 and two wells were abandoned in 2018. The abandoned wells were a part of regulated storage operations. The new horizontal well will form part of regulated storage operations. 100% Regulated. 2020 capital expenditure $0.7M.

[1] EB-2011-0008 Settlement Agreement, June 28, 2011, P. 15
[2] The full report can be found in EB-2011-0008 Pre-filed evidence, June 8, 2011, Exhibit G2, Tabs 1-7.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

For each individual project over $1M that generated regulatory overheads in the Union Gas rate zone storage, please provide:

a) A description and actual cost of the project
b) The rationale for allocation to the utility vs. non-utility and the resulting allocations
c) Specifically, for each project that generated regulatory overheads, how much overhead was charged to the non-utility?
d) The Board's approval of each project and its generation of regulatory overheads

Response:

a) Dawn J Compressor Blade Failure and Overhaul – Damage was found on the leading edge of a compressor stage blade and the compressor exit guide vanes in the Plant J Engine. The project included the removal and exchange of the engine with a running engine from the Original Equipment Manufacturer (OEM). The project was completed as an emergent issue as there was an imminent risk of unit failure if it continued to run with the damage. The Dawn J Plant compressor is required to operate in order to meet injection and withdrawal requirements. The project is 58% Regulated and 42% Unregulated. Total cost: $1,565,349

   Land Purchase – Land purchased adjacent to the Dawn Storage Hub assets in order to provide additional setback and buffer from existing neighbours to reduce risk of future development of noise receptors and incompatible builds on the property. This property was severed from a parcel many years ago which UGL had previously purchased, therefore completing the property acquisition. The project is 62% Regulated and 38% Unregulated. Total cost: $1,013,123

Terminus Pool NPS 20/24 –Installation of permanent launcher and receiver facilities. The scope of work included installation of a permanent launcher barrel and associated kicker piping and a permanent receiver barrel, filter, drip tank and associated piping. The installation at both sites consisted of site excavation, concrete fabrication and facility bolt up, followed by site remediation in advance of planned In-Line Inspection activities on the asset. The installation is required in order to maintain compliance with the Integrity Management Program. The project is 62% Regulated and 38% Unregulated. Total cost: $1,297,486

b) Utility and non-utility allocations are based upon the 2006 OEB NGEIR decision which resulted in a study to provide an allocation of the assets between utility and non-utility. In the 2009 Earning Sharing Mechanism and Deferral Disposition Proceeding (EB-2010-0039)[1] parties agreed that Union would commission an independent study of its cost allocation methodology for allocation of costs between its regulated and unregulated storage operations. In the 2010 Earning Sharing Mechanism and Deferral Disposition Proceeding (EB-2011-0038), Union presented the findings of Black & Veatch[2] on the matter of cost allocation in Exhibit A, Tab 4, pages 3 to 4, where Black & Veatch finds,

> “the conceptual underpinnings and resulting methodologies upon which Union’s cost allocation process is based are well-conceived, thorough and reasonable in their treatment of storage-related plant and expenses”[3].

In its Decision and Order dated January 20, 2012, the OEB found that Union’s cost allocation methodology was formulated in a manner which reflects how particular systems were designed when they were built and assigns the related costs on that basis.[4]

Each year, UGL reviews the new additions to the storage asset classes and adjusts the allocation as per what had been added to the asset database. The new adjusted allocations are then applied to any additions in the following year.

c) Capitalized overheads are only applicable to regulated projects and would not be applicable to non-utility capital. Under US GAAP, these types of overheads costs

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[1] EB-2010-0039 Settlement Agreement, July 30, 2010, pp. 9-10
[2] The full report can be found in EB-2011-0088 Pre-filed evidence, November 18, 2011, Exhibit A, Tab 4, Attachment 1.
[3] EB-2011-0088 Pre-filed evidence, November 18, 2011, Exhibit A, Tab 4, P. 4
[4] EB-2011-0088, Decision and Order, January 20, 2012, P. 11.

would be expensed. The overhead costs for non-utility projects are captured through the unregulated O&M allocations.

d) These projects did not go through the OEB approval process as would not have required LTC.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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:

We would like to understand the significant increase in regulatory overheads associated 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

Question(s):

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

Response:

See Plant Continuity Schedules for the EGD and Union rate zones' non-utility storage below.

TABLE 1
EGI UNREGULATED GAS PLANT
CONTINUITY OF PROPERTY, PLANT AND EQUIPMENT
2020 ACTUAL

| Line No. | | Col. 1<br>Opening Balance Dec.2019 | Col. 2<br>Additions | Col. 3<br>Retirements | Col. 4<br>Closing Balance Dec.2020 |
|---|---|---|---|---|---|
| | | ($Millions) | ($Millions) | ($Millions) | ($Millions) |
| | **EGD Rate Zone** | | | | |
| 1. | Production assets | 8.7 | - | - | 8.7 |
| 2. | Land rights intangibles | 8.2 | - | - | 8.2 |
| 3. | Storage | 94.6 | 1.7 | (0.2) | 96.1 |
| 4. | ARO on oil assets | 13.3 | - | - | 13.3 |
| 5. | EGD Rate Zone Total | 124.8 | 1.7 | (0.2) | 126.3 |
| | **Union Rate Zone Underground Storage Plant** | | | | |
| 6. | Land | 2.2 | 0.8 | - | 3.0 |
| 7. | Land rights | 29.9 | - | - | 29.9 |
| 8. | Structures and improvements | 25.9 | (0.1) | - | 25.8 |
| 9. | Wells and lines | 147.8 | 4.1 | (0.0) | 151.8 |
| 10. | Compressor equipment | 162.6 | 1.6 | (1.5) | 162.6 |
| 11. | Measuring and regulating equipment | 27.3 | 0.1 | - | 27.4 |
| 12. | Base pressure gas | 30.2 | - | (0.2) | 30.0 |
| 13. | Other equipment | - | - | - | - |
| 14. | Sub-Total | 425.9 | 6.5 | (1.8) | 430.6 |
| | **Union Rate Zone General Plant** | | | | |
| 15. | Land | 0.0 | - | - | 0.0 |
| 16. | Structures & improvements | 2.8 | 0.0 | (0.0) | 2.8 |
| 17. | Office furniture and equipment | 0.6 | (0.2) | - | 0.4 |
| 18. | Office equipment - computers | 4.4 | 0.5 | - | 4.9 |
| 19. | Transportation equipment | 2.4 | 0.2 | (0.2) | 2.5 |
| 20. | Heavy work equipment | 0.7 | 0.0 | (0.0) | 0.7 |
| 21. | Tools and work equipment | 1.4 | 0.1 | - | 1.5 |
| 22. | NGV | 0.1 | 0.0 | - | 0.1 |
| 23. | Communication equipment | 0.5 | 0.0 | - | 0.5 |
| 24. | Other general equipment | - | - | - | - |
| 25. | Sub-total | 13.0 | 0.8 | (0.3) | 13.5 |
| 26. | Union Rate Zone Total | 438.9 | 7.2 | (2.1) | 444.1 |
| 27. | EGI Total | 563.7 | 8.9 | (2.2) | 570.4 |

TABLE 2
EGI UNREGULATED GAS PLANT
CONTINUITY OF ACCUMULATED DEPRECIATION
2020 ACTUAL

| Line No. | | Col. 1<br>Opening Balance Dec.2019 | Col. 2<br>Additions | Col. 3<br>Retirements | Col. 4<br>Costs Net of Proceeds | Col. 5<br>Closing Balance Dec.2020 |
|---|---|---|---|---|---|---|
| | | ($Millions) | ($Millions) | ($Millions) | ($Millions) | ($Millions) |
| | **EGD Rate Zone** | | | | | |
| 1. | Production assets | (3.6) | - | - | - | (3.6) |
| 2. | Land rights intangibles | (7.5) | - | - | - | (7.5) |
| 3. | Storage | (19.4) | (2.7) | 0.2 | (0.2) | (22.2) |
| 4. | ARO Depeltion on Oil and Gas | (1.0) | (0.7) | - | - | (1.7) |
| 5. | EGD Rate Zone Total | (31.6) | (3.4) | 0.2 | (0.2) | (35.1) |
| | **Union Rate Zone Underground Storage Plant** | | | | | |
| 6. | Land rights | (11.7) | (0.6) | - | - | (12.3) |
| 7. | Structures and improvements | (12.7) | (0.7) | - | - | (13.4) |
| 8. | Wells and lines | (45.0) | (3.2) | 0.0 | (0.0) | (48.2) |
| 9. | Compressor equipment | (64.5) | (4.0) | 1.5 | (1.2) | (68.1) |
| 10. | Measuring & regulating equipment | (14.1) | (0.5) | - | - | (14.7) |
| 11. | Sub-Total | (148.1) | (8.9) | 1.6 | (1.2) | (156.6) |
| | **Union Rate Zone General Plant** | | | | | |
| 12. | Structures & improvements | (0.6) | (0.1) | 0.0 | 0.0 | (0.6) |
| 13. | Office furniture and equipment | (0.2) | (0.0) | - | - | (0.2) |
| 14. | Office equipment - computers | (2.4) | (1.1) | - | - | (3.4) |
| 15. | Transportation equipment | (1.7) | (0.3) | 0.2 | (0.0) | (1.8) |
| 16. | Heavy work equipment | (0.2) | (0.1) | 0.0 | - | (0.2) |
| 17. | Tools and work equipment | (0.7) | (0.1) | - | 0.0 | (0.8) |
| 18. | NGV | (0.1) | (0.0) | - | - | (0.1) |
| 19. | Communication equipment | (0.3) | (0.0) | - | - | (0.4) |
| 20. | Sub-Total | (6.1) | (1.7) | 0.3 | (0.0) | (7.5) |
| 21. | Union Rate Zone Total | (154.2) | (10.6) | 1.8 | (1.2) | (164.2) |
| 22. | EGI Total | (185.8) | (14.0) | 2.0 | (1.4) | (199.3) |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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:

We would like to understand the significant increase in regulatory overheads associated 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

Question(s):

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

Response:

Please see the response to Exhibit I.FRPO.10 for the Plant Continuity Schedules.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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

Preamble:

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

Question(s):

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.

Response:

Within the Exhibit B, Tab 1, Schedule 6, the $12.9 million of Open Bill and ABC T-service costs noted in Line 7 Reference a), and Line 9 Reference c), reflect the reclassification of Open Bill ($12.2 million) and ABC T-service program costs ($0.7 million) out of O&M and against program revenues, as reflected in the Corporate values, or starting point for the determination of utility income, shown in Column (a) of Exhibit B, Tab 1, Schedule 2. Historically, both the Legacy EGD Open Bill and ABC T-service programs have been shown on a net revenue basis within the starting point for utility financial results.

Within Exhibit B, Tab 1, Schedule 2, Note iv, the net Open Bill results are then adjusted to reflect the approved parameters of the Open Bill program (i.e. to reflect approved unit costs and the shareholder incentive).

In addition, also within Exhibit B, Tab 1, Schedule 2, Notes iv and v, the net ABC T-service program revenue, as well as allocated O&M are eliminated as a non-utility function.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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.

Response:

Line 20 relates to "Other S&T Revenue". In reviewing the reference from the prior year, Enbridge Gas believes the question is asking for a break-out of Line 21 "Less: Elimination of charges between EGD and Union rates zones" which has been provided below.

Please note that all charges below are L-EGD paying L-UG.

| Line No. | Particulars ($000s) | 2020 Actual | 2019 Actual |
|---|---|---|---|
| | Revenue from Regulated Transportation Services: | | |
| 9. | M12 Transportation | 124,282 | 119,850 |
| 10. | M12-X Transportation | 10,779 | 10,764 |
| 11. | C1 Long Term Transportation | | 620 |
| 12. | Rate 332: Gas Transmission | | |
| 13. | C1 Short Term Transportation | | |
| 14. | Gross Exchange Revenue | | 90 |
| 15. | Rate 331: Gas Transmission | | |
| 16. | M13 Local Production | | |
| 17. | M16 Transportation | 407 | 417 |
| 18. | S&T: Transportation Carbon Facility Collection | 677 | 259 |
| 19. | Other S&T Revenue | 10 | 9 |
| 20. | Less: Elimination of charges between EGD and Union rate zones | | |
| 21. | Total Regulated Transportation Revenue Net of Deferral | $136,155 | $132,009 |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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.

Response:

The increase in 2020 integration-related costs was driven by higher severance and the ramp-up of integration efforts in the Distribution Operations, Customer Care, Engineering, and Finance as compared to 2019. Please see paragraphs 13 and 14 which describe the activities driving the major components of the increase.

a) EGI's integration costs are expected to span the deferred rebasing period as reflective of the integration activities that are undertaken over the same period. Costs may fluctuate year to year according with the nature of the projects and the intensity of effort across the organization.

b) The Green Investment Fund (GIF) program commenced in 2016 and wrapped up in late 2018. However, given the processing time associated with program incentives and rebates, costs continued to flow in 2019 and were recorded as Recoveries to reflect expenses reimbursed through the GIF account.

   Although the GIF program is no longer operational, it impacts 2020 from a variance standpoint. Line 12 of Table 1 compares the recoveries received in 2019 against the recoveries in 2020. Absent the $10M of 2019 recoveries from GIF, 2020 recoveries are lower, contributing to an increase in O&M.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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

Response:

*Hamilton Gate Station*

Hamilton Gate 1 was originally constructed in 1957 and received upgrades throughout its history. In 2019, there were safety concerns around vibration in the station piping related to gas velocities. Further review through the risk management process led to a decision to bring forward the rebuild for this station to ensure the safe and reliable delivery of natural gas downstream of the station. The project was an emergent need, not part of the 2020 Budget. It was noted in EB-2019-0194 Exhibit I.STAFF.20 that the expected cost of the project would be $6M. The ultimate cost of the project was $7,537,982.

*Oxford Gate Station*

The Oxford Gate Station was originally built in 1961 and the station had received various upgrades throughout its history. The full rebuild was completed to increase capacity downstream and to allow for more efficient operation. The rebuild included the following:

- upsize of inlet valve and piping,
- new filter and meter run,
- pressure control assets,
- higher capacity heating system, and
- upsized outlet piping.

In EB-2019-0194, the budgeted cost for this project was $5,024,291. The actual cost was $5,754,808.

*Cookstown Gate*

The Cookstown gate station was originally constructed in 1979 and the last major rebuild was in 1985. The piping and pressure control equipment had capacity issues that resulted in pressure drop and presented gas velocity concerns. In addition, the heating equipment was undersized for the actual flow rates and there were other compliance related issues that were addressed during the complete rebuild. These needs are identified in the Asset Management Plan 2018-2027 (EB-2018-0305). At that point the project estimate was $1,550,000. The project encountered a number of delays which increased costs and required the use of temporary stations. It was completed in 2020 at a total project cost of $4,903,242.

*Blackhorse Gate*

The Blackhorse Gate station was originally constructed in 1963 and several upgrades were required related to the age, condition, and reliability of the equipment. In addition, there were compliance related items addressed through the complete rebuild. In EB-2019-0194, the budgeted cost for this project was 2020 was $3,633,653. Because of space restrictions on site, and the need to maintain downstream supply throughout, the project needed to be phased. The phased approach led to an increase in contractor costs to complete the work. The actual cost was $6,821,816.

*Station B*

During pigging operations on the Parkway to Ashtonbee GTA line in 2017, debris was found in the PEC Generators causing an equipment malfunction and system shutdown at the PEC Power Plant. As part of this project, two new NPS 20” in-line filter/separators were installed at the inlet of Station B in order to reduce associated debris risk during in-line inspection operations on a 7-year schedule. There was an existing dry gas filter on site that was being used only for pigging operations; however, it was undersized and not designed to catch any liquids from pigging operations. In EB-2019-0194, the budgeted cost for this project was $1,200,000. Through the project design it was determined that larger filters with associated increases to inlet and outlet piping would be required. Further, during construction contaminated soils were encountered. The actual cost was $3,804,547.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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

Response:

The table in Exhibit D1, Tab 1, Schedule 1 provides the detailed breakdown of the 2020 S&TDA balance of $0.2M. The net balance is mainly a result of the $9.4M credit from the disposition of Union's 2018 deferral disposition and the lower Dawn T-service costs used by the EGD T-service customers of $3.2M, partially offset by higher than forecasted transportation prices of $8.5M, and higher than forecasted third-party market-based storage costs of $3.1M. Higher than forecast transport and market-based storage costs are largely driven by rate increases in these services.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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

Response:

Please see the response at Exhibit I.STAFF.10.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

Do the same EGI staff optimize EGD Rate Zone storage as Union Rate Zone utility storage?

a) Do the same EGI staff optimize EGD Rate Zone storage as Union Rate non-utility storage?

b) Please explain how EGI staff prioritize assets sold and revenue allocated?

Response:

Yes.

a) Yes.

b) For EGD rate zone storage is not optimized. See response to I.STAFF.8 (a).

For UG rate zone as approved in EB-2011-0210 and explained in Exhibit E, Tab 1, page 10, paragraph 10:

> Enbridge Gas prioritizes the sale of its legacy Union utility storage ahead of the sale of its short-term non-utility storage and allocates short-term peak storage margins between utility and non-utility as directed by the OEB in EB-2011-0210. Margins from short-term peak storage services are proportionately split between the utility and non-utility customers based on the utility and non-utility share of the total quantity of short-term peak storage sold each calendar year. Short-term peak sales include any sale of storage space for a term of less than two storage years.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit E, Tab 1, page 4, Table 2

Question(s):

For each respective rate zone, please provide a monthly breakdown of transportation releases providing:

a) Description
b) Quantity
c) Unit Cost of Transportation
d) Unit Price Received for Release

Response:

Exhibit E, Tab 1, page 4, Table 2 provides the Revenue received from capacity released on behalf of the ratepayer as a result of unutilized pipeline capacity. As stated in paragraph 10, $1.360 million was generated from releasing the transportation capacity to the market.

Table 2, Line 2 shows the revenue generated from releasing pipeline capacity as allocated to each rate zone. This revenue is allocated based on the portion of the UDC variance driven by the respective rate zone, as are the allocated UDC costs in Table 2, Line 1.

The Union North and South transportation portfolios are managed on an integrated basis and the pipeline to leave unutilized, if necessary, is determined based on the least cost option. The monthly breakdown of transportation release values and transaction detail will not assist with the understanding of the allocation of release values to each rate zone. As previously stated, the path released does not determine where the UDC costs or associated revenue for the releases will be allocated.

Enbridge Gas does not believe that providing the requested monthly information for each rate zone would be helpful to the review of the account balance, in part because interpreting the information would require information about market conditions in each rate zone and each time period, which would become quite voluminous and time-consuming. Enbridge Gas therefore declines to provide the information requested.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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

Response:

Enbridge Gas does not prepare the above noted information on a daily or monthly basis. For storage and deliverability analysis on an annual basis for each general service rate class see response tat Exhibit I.FRPO.21.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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

<u>Response:</u>

a) Please see Attachment 1, columns a) and b). Enbridge Gas has provided the storage space and deliverability for 2020 as part of Attachment 1 consistent with the year associated with the application.

b) Please see Attachment 1, columns c) and d) for the Union rate zones' 2013 Board-approved amounts.

ENBRIDGE GAS INC.
2020 Storage Space & Deliverability &
2013 Board-Approved Storage Space & Deliverability for the Union Rate Zones

| Line No. | Particulars | 2020 (1) Storage Space (2) (PJ) | 2020 (1) Storage Deliverability (2) (GJ/d) | Union Rate Zones 2013 Board-approved Storage Space (4) (PJ) | Union Rate Zones 2013 Board-approved Storage Deliverability (5) (GJ/d) |
|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) |
| | Union North | | | | |
| 1 | Rate 01 | 12.8 | 204,091 | 11.9 | 219,125 |
| 2 | Rate 10 | 3.0 | 58,674 | 3.1 | 57,366 |
| 3 | Rate 20 | 1.4 | 33,952 | 0.8 | 15,333 |
| 4 | Rate 25 | - | - | - | - |
| 5 | Rate 100 | 0.1 | 1,097 | 0.1 | 1,079 |
| 6 | Total Union North | 17.4 | 297,813 | 15.8 | 292,902 |
| | Union South | | | | |
| 7 | Rate M1 | 40.9 | 867,514 | 33.2 | 579,776 |
| 8 | Rate M2 | 10.8 | 278,398 | 11.3 | 196,839 |
| 9 | Rate M4 | 3.0 | 152,503 | 1.7 | 48,870 |
| 10 | Rate M5 | 0.0 | 255 | 2.4 | 255 |
| 11 | Rate M7 | 2.2 | 58,835 | 0.6 | 18,162 |
| 12 | Rate M9 | 0.3 | 8,272 | 0.3 | 3,265 |
| 13 | Rate M10 | 0.0 | 127 | 0.0 | 340 |
| 14 | Rate T1 | 1.4 | 35,848 | 1.9 | 54,930 |
| 15 | Rate T2 | 8.9 | 175,919 | 8.8 | 236,123 |
| 16 | Rate T3 | 3.2 | 62,097 | 3.1 | 56,610 |
| 17 | Total Union South | 70.8 | 1,639,768 | 63.3 | 1,195,170 |
| | Ex-Franchise | | | | |
| 18 | Excess Utility Storage | 2.3 (3) | 27,876 | 11.3 | 137,585 |
| 19 | Rate C1 | - | - | - | - |
| 20 | Rate M12 | - | - | - | - |
| 21 | Rate M13 | - | - | - | - |
| 22 | Rate M16 | - | - | - | - |
| 23 | Total Ex-Franchise | 2.3 | 27,876 | 11.3 | 137,585 |
| 24 | System Integrity Space | 9.5 | - | 9.5 | - |
| 25 | Total Union Rate Zone | 100.0 | 1,965,457 | 100.0 | 1,625,658 |
| | EGD Rate Zone | | | | |
| 26 | Rate 1 | 61.7 | 1,255,413 | | |
| 27 | Rate 6 | 59.2 | 1,000,380 | | |
| 28 | Rate 9 | - | - | | |
| 29 | Rate 100 | - | - | | |
| 30 | Rate 110 | 2.2 | 5,275 | | |
| 31 | Rate 115 | 0.5 | 2,092 | | |
| 32 | Rate 125 | - | - | | |
| 33 | Rate 135 | - | - | | |
| 34 | Rate 145 | 0.3 | - | | |
| 35 | Rate 170 | 0.8 | - | | |
| 36 | Rate 200 | 2.0 | 21,151 | | |
| 37 | Total EGD Rate Zone | 126.7 | 2,284,311 | | |
| 38 | Total Enbridge Gas (line 25 + line 37) | 226.7 | 4,249,768 | | |

Notes:
(1) Allocation to rate classes using Board-approved cost allocation methodologies.
(2) Union Rate Zone storage space based on actual W20/21 usage and storage deliverability based on forecast W20/21 requirements.
EGD Rate Zone storage space and deliverability based on 2020 Gas Supply plan.
(3) EB-2021-0149, Exhibit E, Tab 1, Page 8.
(4) EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pages 10-12, Updated, converted to PJ.
(5) EB-2011-0210, Exhibit G3, Tab 5, Schedule 21, pages 10-12, Updated, converted to GJ/d.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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).

Response:

As noted at Exhibit E, Tab 1, page 8, Enbridge Gas used the OEB-approved aggregate excess methodology, 15 times obligated Daily Contract Quantity and 10 times Firm Contracted Demand to allocate storage. These methodologies are outlined in the policies titled Cost-Based Storage Space and Deliverability Allocation Methodology –

Union South[1] and in Cost-Based Storage Space and Deliverability Allocation Methodology – Union North[2]. Please note, due to the scarcity of the underlying assets in the Union North delivery zone, cost-based storage is not available to a customer, unless they had contracted for storage before 1999; for these customers, their storage allocation is grandfathered consistent with the north storage allocation policy[3]. These policies can be found on enbridgegas.com. Maximum annual firm Injection/Withdrawal rights are can be found in the T1/T2 and T3 rate schedules[4]. A copy of those rate schedules can be found on enbridgegas.com.

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[1] https://www.enbridgegas.com/-/media/Extranet-Pages/Business-and-industrial/Commercial-and-Industrial/Large-Volume-Rates-and-Services/Policies/StorageAllocation-South.ashx?rev=9e2a92727b864a53847955e335327bf5&hash=11310BE79DA0F4473A043E31399B921C

[2] https://www.enbridgegas.com/-/media/Extranet-Pages/Business-and-industrial/Commercial-and-Industrial/Large-Volume-Rates-and-Services/Policies/Policy_09-DP-STOR-018_StorageAllocation-North_2021May25.ashx?rev=010622b3eb1c4d41808fba7877946cd7&hash=C931D927E3491006F2FE0ADADE6D11DF

[3] https://www.enbridgegas.com/business-industrial/commercial-industrial/large-volume-services-rates/union-direct-purchase/north-transportation

[4] https://www.enbridgegas.com/business-industrial/commercial-industrial/large-volume-services-rates/union-direct-purchase/south-transportation-services

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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.

Response:

Please see attachment.

Union Gas Rate Zones
Summary of Utility Storage Balances

| Date | Entitlement (PJ) | Balance (PJ) | % Full (%) | Date | Entitlement (PJ) | Balance (PJ) | % Full (%) |
|---|---|---|---|---|---|---|---|
| 1-Oct-20 | 100.0 | 84.1 | 84.1% | 1-Nov-20 | 100.0 | 87.3 | 87.3% |
| 2-Oct-20 | 100.0 | 84.6 | 84.6% | 2-Nov-20 | 100.0 | 87.3 | 87.3% |
| 3-Oct-20 | 100.0 | 85.0 | 85.0% | 3-Nov-20 | 100.0 | 87.2 | 87.2% |
| 4-Oct-20 | 100.0 | 85.4 | 85.4% | 4-Nov-20 | 100.0 | 87.9 | 87.9% |
| 5-Oct-20 | 100.0 | 85.7 | 85.7% | 5-Nov-20 | 100.0 | 88.5 | 88.5% |
| 6-Oct-20 | 100.0 | 87.0 | 87.0% | 6-Nov-20 | 100.0 | 89.5 | 89.5% |
| 7-Oct-20 | 100.0 | 87.3 | 87.3% | 7-Nov-20 | 100.0 | 90.8 | 90.8% |
| 8-Oct-20 | 100.0 | 87.4 | 87.4% | 8-Nov-20 | 100.0 | 92.1 | 92.1% |
| 9-Oct-20 | 100.0 | 87.9 | 87.9% | 9-Nov-20 | 100.0 | 93.1 | 93.1% |
| 10-Oct-20 | 100.0 | 88.8 | 88.8% | 10-Nov-20 | 100.0 | 93.9 | 93.9% |
| 11-Oct-20 | 100.0 | 89.4 | 89.4% | 11-Nov-20 | 100.0 | 94.2 | 94.2% |
| 12-Oct-20 | 100.0 | 90.2 | 90.2% | 12-Nov-20 | 100.0 | 93.7 | 93.7% |
| 13-Oct-20 | 100.0 | 90.7 | 90.7% | 13-Nov-20 | 100.0 | 93.2 | 93.2% |
| 14-Oct-20 | 100.0 | 91.1 | 91.1% | 14-Nov-20 | 100.0 | 93.1 | 93.1% |
| 15-Oct-20 | 100.0 | 91.1 | 91.1% | 15-Nov-20 | 100.0 | 92.7 | 92.7% |
| 16-Oct-20 | 100.0 | 91.0 | 91.0% | 16-Nov-20 | 100.0 | 91.8 | 91.8% |
| 17-Oct-20 | 100.0 | 91.1 | 91.1% | 17-Nov-20 | 100.0 | 90.6 | 90.6% |
| 18-Oct-20 | 100.0 | 91.5 | 91.5% | 18-Nov-20 | 100.0 | 89.1 | 89.1% |
| 19-Oct-20 | 100.0 | 91.2 | 91.2% | 19-Nov-20 | 100.0 | 89.1 | 89.1% |
| 20-Oct-20 | 100.0 | 91.1 | 91.1% | 20-Nov-20 | 100.0 | 89.2 | 89.2% |
| 21-Oct-20 | 100.0 | 91.2 | 91.2% | 21-Nov-20 | 100.0 | 88.7 | 88.7% |
| 22-Oct-20 | 100.0 | 91.2 | 91.2% | 22-Nov-20 | 100.0 | 87.6 | 87.6% |
| 23-Oct-20 | 100.0 | 91.8 | 91.8% | 23-Nov-20 | 100.0 | 86.4 | 86.4% |
| 24-Oct-20 | 100.0 | 92.0 | 92.0% | 24-Nov-20 | 100.0 | 85.1 | 85.1% |
| 25-Oct-20 | 100.0 | 91.7 | 91.7% | 25-Nov-20 | 100.0 | 85.3 | 85.3% |
| 26-Oct-20 | 100.0 | 91.4 | 91.4% | 26-Nov-20 | 100.0 | 85.9 | 85.9% |
| 27-Oct-20 | 100.0 | 90.7 | 90.7% | 27-Nov-20 | 100.0 | 85.7 | 85.7% |
| 28-Oct-20 | 100.0 | 90.3 | 90.3% | 28-Nov-20 | 100.0 | 85.5 | 85.5% |
| 29-Oct-20 | 100.0 | 89.6 | 89.6% | 29-Nov-20 | 100.0 | 85.5 | 85.5% |
| 30-Oct-20 | 100.0 | 88.7 | 88.7% | 30-Nov-20 | 100.0 | 84.5 | 84.5% |
| 31-Oct-20 | 100.0 | 87.5 | 87.5% | | | | |

EGD Rate Zones
Summary of Utility Storage Balances

| Date | Entitlement (PJ) | Balance (PJ) | % Full (%) | Date | Entitlement (PJ) | Balance (PJ) | % Full (%) |
|---|---|---|---|---|---|---|---|
| 1-Oct-20 | 99.4 | 93.2 | 93.8% | 1-Nov-20 | 99.4 | 97.0 | 97.6% |
| 2-Oct-20 | 99.4 | 93.4 | 94.0% | 2-Nov-20 | 99.4 | 96.7 | 97.3% |
| 3-Oct-20 | 99.4 | 93.7 | 94.3% | 3-Nov-20 | 99.4 | 96.5 | 97.2% |
| 4-Oct-20 | 99.4 | 93.9 | 94.5% | 4-Nov-20 | 99.4 | 96.5 | 97.2% |
| 5-Oct-20 | 99.4 | 94.1 | 94.7% | 5-Nov-20 | 99.4 | 96.7 | 97.3% |
| 6-Oct-20 | 99.4 | 94.4 | 95.0% | 6-Nov-20 | 99.4 | 96.8 | 97.4% |
| 7-Oct-20 | 99.4 | 94.3 | 94.9% | 7-Nov-20 | 99.4 | 96.9 | 97.5% |
| 8-Oct-20 | 99.4 | 94.9 | 95.5% | 8-Nov-20 | 99.4 | 97.0 | 97.6% |
| 9-Oct-20 | 99.4 | 95.1 | 95.7% | 9-Nov-20 | 99.4 | 97.1 | 97.8% |
| 10-Oct-20 | 99.4 | 95.3 | 95.9% | 10-Nov-20 | 99.4 | 97.3 | 97.9% |
| 11-Oct-20 | 99.4 | 95.5 | 96.1% | 11-Nov-20 | 99.4 | 97.4 | 98.0% |
| 12-Oct-20 | 99.4 | 95.7 | 96.3% | 12-Nov-20 | 99.4 | 97.5 | 98.1% |
| 13-Oct-20 | 99.4 | 95.9 | 96.5% | 13-Nov-20 | 99.4 | 97.6 | 98.2% |
| 14-Oct-20 | 99.4 | 96.1 | 96.7% | 14-Nov-20 | 99.4 | 97.7 | 98.3% |
| 15-Oct-20 | 99.4 | 96.3 | 97.0% | 15-Nov-20 | 99.4 | 97.8 | 98.4% |
| 16-Oct-20 | 99.4 | 96.6 | 97.2% | 16-Nov-20 | 99.4 | 97.8 | 98.4% |
| 17-Oct-20 | 99.4 | 96.9 | 97.5% | 17-Nov-20 | 99.4 | 97.8 | 98.4% |
| 18-Oct-20 | 99.4 | 97.1 | 97.8% | 18-Nov-20 | 99.4 | 97.8 | 98.4% |
| 19-Oct-20 | 99.4 | 97.4 | 98.0% | 19-Nov-20 | 99.4 | 97.8 | 98.4% |
| 20-Oct-20 | 99.4 | 97.6 | 98.3% | 20-Nov-20 | 99.4 | 97.8 | 98.4% |
| 21-Oct-20 | 99.4 | 97.9 | 98.5% | 21-Nov-20 | 99.4 | 97.8 | 98.4% |
| 22-Oct-20 | 99.4 | 98.1 | 98.8% | 22-Nov-20 | 99.4 | 97.8 | 98.4% |
| 23-Oct-20 | 99.4 | 98.3 | 98.9% | 23-Nov-20 | 99.4 | 97.8 | 98.4% |
| 24-Oct-20 | 99.4 | 98.3 | 98.9% | 24-Nov-20 | 99.4 | 97.8 | 98.4% |
| 25-Oct-20 | 99.4 | 98.3 | 98.9% | 25-Nov-20 | 99.4 | 97.2 | 97.8% |
| 26-Oct-20 | 99.4 | 98.3 | 98.9% | 26-Nov-20 | 99.4 | 96.6 | 97.3% |
| 27-Oct-20 | 99.4 | 98.3 | 98.9% | 27-Nov-20 | 99.4 | 96.6 | 97.3% |
| 28-Oct-20 | 99.4 | 98.2 | 98.9% | 28-Nov-20 | 99.4 | 96.6 | 97.3% |
| 29-Oct-20 | 99.4 | 98.2 | 98.9% | 29-Nov-20 | 99.4 | 96.6 | 97.3% |
| 30-Oct-20 | 99.4 | 97.7 | 98.3% | 30-Nov-20 | 99.4 | 96.4 | 97.0% |
| 31-Oct-20 | 99.4 | 97.3 | 97.9% | | | | |

ENBRIDGE GAS INC.

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

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.

Question(s):

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

Response:

https://www.enbridgegas.com/storage-transportation/operational-information/storage-reporting

As posted on the Enbridge Gas website under operational information/storage reporting, the working capacity of Legacy Union Gas is 183.7 PJ of which 100 PJ is utility (as per NGEIR). The working capacity of Legacy Enbridge Gas is 122.9 PJ of which 99.4 PJ is utility (as per NGEIR).

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

Interrogatory

Reference:

Exhibit B, Tab 1, Page 4

Question:

a) Please confirm that the gross deficiency of $86.5 million is in relation to the level required to trigger earnings sharing. If not confirmed, please explain.

b) Please confirm that the figure of $86.5 million noted as a gross deficiency is the amount EGI would have had to earn before the earnings sharing would be triggered. If not confirmed, please explain.

c) What is the gross revenue sufficiency for 2020 based on the OEB approved formula return on equity of 8.52%?

Response

a) Confirmed. The gross deficiency of $86.5 million is in relation to a required return on rate base, and or return on equity, that reflects the 2020 Board formula ROE of 8.52% plus EGI's 150 basis point deadband before earnings sharing is triggered (as was approved by the OEB as part of the EB-2017-0306 / EB-2017-0307 Decision and Order).

b) The Company confirms that the gross deficiency of $86.5 million is the before / pre-tax level of additional utility earnings that EGI would need to generate before earnings sharing would be triggered, relative to the 2020 Board formula ROE of 8.52% (the net deficiency of $63.6 million reflects the after-tax level of additional earnings needed).

c) EGI's return on rate base and return on equity in relation to the 2020 OEB formula ROE of 8.52%, excluding EGI's 150 basis point deadband before earnings sharing, results in a gross sufficiency of $13.1 million (and a net sufficiency of $9.6 million).

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

Interrogatory

Reference:

Exhibit B, Tab 1, Pages 4 & 5

Question:

Has EGI made and changes to the process related to the calculation of the return on equity from that used for 2019? If there are any changes, please explain fully the change and the reason for the change.

Response

No EGI has not made any changes to the process related to the calculation of return on equity from what was used in 2019.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

Interrogatory

Reference:

Exhibit B, Tab 2, Sch. 1 & Exhibit B, Tab 2, Sch. 2

Question:

Please explain the difference in the non-weather normalized revenues for 2019 and 2020 by rate class and by sales and T-service between schedules 1 & 2 in Tab 2.

Response

Exhibit B Tab 2 Schedule 1 is providing a summary of Delivery Revenues only, whereas Schedule 2 is providing a summary of all Revenues including Delivery, Transportation, North Storage, and Gas Commodity Revenues.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

Interrogatory

Reference:

Exhibit B, Tab 3, paragraph 10

Question:

The evidence notes the cost savings from activities hampered by Covid-19 restrictions. Please provide a quantification of these savings broken down by the major activities that were impacted in 2020.

Response

Due to Covid-19 restrictions in place for most of 2020, employee travel, training and group events were curtailed. Similarly, community engagement opportunities were limited. Combined cost reductions are estimated at $7.3M.

**Cost Reductions from COVID-19 Restrictions in 2020**

| | $M |
|---|---|
| Employee Travel & Accommodations | 6.0 |
| Community Engagement | 1.3 |
| | 7.3 |

# ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

## Interrogatory

Reference:

Exhibit B, Tab 3, Table 2

Question:

For each of the functional areas shown in Table 2 for integration-related costs, please indicate if these costs were one-time costs in 2020 only, costs that will continue to be incurred beyond 2020 for a limited period of time, or a permanent increase in costs.

## Response

The integration-related costs incurred by functional areas as shown in Table 2 are all one-time in nature. These are 2020 costs that were required to deliver integrated systems, processes, and materials to support the harmonized delivery of service under a single utility. Over the course of the deferred rebasing period, other one-time integration activities will be pursued across the functional areas, where associated costs will be expensed in the year costs are incurred.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

Interrogatory

Reference:

Exhibit B, Tab 3, paragraph 20

Question:

The evidence indicates that the change in the overhead capitalization methodology reduced O&M by $5.5 million with a corresponding increase in capitalized overheads in 2020.

a) What is the expected impact on O&M and capitalized overheads in the remaining years until EGI rebases?

b) At the end of the current IRM period, what is the expected impact on rate base including the impact of changes in depreciation on the accumulated depreciation of the capitalized overheads?

c) Please show the calculation of the revenue requirement impact of the change in the capitalization policy that has been included in the APCDA for 2020 if this is different from the figures shown in Exhibit C, Tab 1, Schedule 2, page 1.

Response

a) It is recognized that 2020 spend is not reflective of normal operations given the impact of COVID-19. Assuming pre-pandemic levels of spending, Enbridge Gas estimates the Annual O&M impact to APCDA to be approximately an average of $10M per year between 2021 and 2023. For specificity, the impact would be a reduction to O&M and an increase in Capital of about $10M per year.

b) Based on a) above, the impact to the ending 2023 rate base is estimated to be $35.6M of incremental gross PP&E, offset by an incremental $2.6M in accumulated depreciation resulting from the change in capitalized overheads.

c) The revenue requirement impact of the above noted $5.5 million reduction in O&M is included in Exhibit C, Tab 1, Schedule 2, page 1. The $5.5 million as noted is represented on line 5, column 10, with the resulting revenue requirement impact noted on line 15, column 10.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

Interrogatory

Reference:

Exhibit C, Tab 1, Page 4

Question:

Please split the balance as at December 31, 2020 shown for each of the columns between the Union and EGD rate zones.

Response

The table provided below breaks down the impacts shown in Exhibit C, Tab 1, page 4 between the EGD and Union rate zones:

| | Revenue Requirement $millions | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capitalization vs Expense | | Interest During Construction | | Depreciation Expense | Overhead Capitalization | | Subtotal | Pension Expense | Total |
| | EGD | UGL | EGD | UGL | UGL | EGD | UGL | | UGL | |
| Balance at January 1, 2020 | 5.798 | (1.396) | 0.539 | (0.609) | (6.082) | - | - | (1.750) | 193.753 | 192.003 |
| Impact to 2020 revenue requirement: | | | | | | | | - | | - |
| Expense | 0.963 | (5.867) | (0.007) | 0.061 | (3.507) | 3.294 | (8.750) | (13.813) | (12.288) | (26.101) |
| Cost of capital | (0.353) | 0.118 | (0.013) | 0.094 | 0.550 | (0.136) | 0.289 | 0.549 | - | 0.549 |
| Income Tax | 0.030 | (0.079) | 1.056 | (0.234) | (1.175) | 0.270 | (1.393) | (1.525) | - | (1.525) |
| Total | 0.640 | (5.828) | 1.036 | (0.079) | (4.132) | 3.428 | (9.854) | (14.789) | (12.288) | (27.077) |
| Balance at December 31, 2020 | 6.438 | (7.224) | 1.575 | (0.688) | (10.214) | 3.428 | (9.854) | (16.539) | 181.465 | 164.926 |

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

Interrogatory

Reference:

Exhibit C, Tab 1, Pages 16 – 18 & Schedule 1

Question:

The OEB issued its Report on the Regulatory Treatment of Impacts Arising from the COVID-19 Emergency (EB-2020-0133) on June 17, 2021.

a) Given the Board's Report, is there any change in the amount recorded in the COVEICDA from the $1,377.5 million shown in Schedule 3 (before interest). If yes, please explain fully any additions or reductions to this amount.

b) Does EGI agree that with the release of the Board's Report on this matter that EGI could dispose of this account as part of the current proceeding? If not, please explain why not.

c) If the Board were to determine that this account should be disposed of as part of this proceeding, how does EGI propose to:

   i) allocate the account balance to the Union and EGD rate zones, and

   ii) allocate the amounts withing each rate zone to the rate classes.

Response

a) With the release of the OEB's Report: *Regulatory Treatment of Impacts Arising from the COVID-19 Emergency*, Enbridge Gas does not have any changes to the 2020 balance, of $1,377.5 thousand (as discussed in Exhibit C, Tab 1, pages 16 to18, and as shown in Exhibit C, Tab 1, Schedule 1, Line 53), recorded in the Impacts Arising from the COVID-19 Emergency Deferral Account. As per the report's guidance, Enbridge Gas believes that its incremental 2020 LEAP EFA funding and incremental CEAP and CEAP small business administration costs are appropriately recognized and recoverable through the Impacts Arising from the COVID-19 Emergency Deferral Account, as they were costs necessary to comply with government or OEB initiated customer relief programs (Exceptional Pool costs), which are eligible for 100% recovery (subject to an approved ROE plus 300 basis point means test). The Company's 2020 achieved ROE of 8.717% was significantly below the OEB means test of 11.52% (2020 OEB approved of 8.52% + 300bp).

b) Enbridge Gas agrees that with the release of the OEB's Report: *Regulatory Treatment of Impacts Arising from the COVID-19 Emergency*, one option for disposition of the 2020 balance in the Impacts Arising from the COVID-19 Emergency Deferral Account would be through this current proceeding, and Enbridge Gas now proposes to do so. Section 5.1.1 of the OEB's report provides flexibility to seek disposition of the account, either as part of a cost based rate application, or through a separate stand-alone application. As Enbridge Gas already undertakes annual earnings sharing and deferral clearance applications, such as the current proceeding, and feels it is most efficient to include the review of the Impacts Arising from the COVID-19 Emergency Deferral Account as part of that annual process. As such, for any amounts that are recorded in the account in 2021 or beyond, the Company proposes that those balances would be sought for disposition and review as part of earnings sharing and deferral clearance applications for those respective years.

c) Enbridge Gas proposes a disposition methodology for the Impacts Arising from the COVID-19 Emergency Deferral Account that splits the account balance between rate zones and allocates the split balance to rate classes in proportion to actual distribution revenues.

The balance in the Impacts Arising from the COVID-19 Emergency Deferral Account is largely comprised of a one-time increase to the Low-Income Energy Assistance Program (LEAP) Emergency Financial Assistance funding with a small amount related to incremental COVID-19 Emergency Assistance Program (CEAP) and CEAP small business administration costs. The proposed allocation based on distribution revenue is consistent with the calculation of annual LEAP funding.

If the disposition of the 2020 balance in the Impacts Arising from the COVID-19 Emergency Deferral Account is accepted as part of this proceeding, the Company will prepare updated unit rates for clearance using the proposed allocation methodology as part of the final rate order.

ENBRIDGE GAS INC.

Answer to Interrogatory from
London Property Management Association (LPMA)

Interrogatory

Reference:

Exhibit C, Tab 1, Schedule 2

Question:

Please confirm that page 1 of Schedule 2 shows calculations for 2020 and page 2 of Schedule 2 shows calculations for 2019. If not confirmed, please explain the difference between the two pages.

Response

Confirmed.

# ENBRIDGE GAS INC.

## Answer to Interrogatory from
## Vulnerable Energy Consumers Coalition (VECC)

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 5, pages 1, 2

Question(s):

a) Please confirm it is the effective debt cost rate which is used in the calculation of the Utility's rates of return/ESM calculations.

b) Please explain why the total allocated debt interest shown in Schedule 5 page 2 of $374.9 varies from the total debt interest and return shown in the Summary Schedule 5 page 1 of $376.3 (375.3 + 1).

Response

a) Confirmed.

b) The total allocated debt interest shown in Exhibit B, Tab 1, Schedule 5, page 2, of $374.9 million, reflects the actual carrying cost of the Company's regulated long and medium-term debt. By contrast, the total debt interest and return shown in the summary schedule at Exhibit B, Tab 1, Schedule 5, page 1, of $376.3 million, reflects the carrying cost of the Company's regulated long and medium-term debt ($375.3 million), plus the carrying cost of regulated short-term debt ($1 million).

   The $0.4 million difference between the interest/carrying charge on regulated long and medium-term debt shown on Exhibit B, Tab 1, Schedule 5, page 1 and page 2 is due to rounding ($374.9 million divided by net regulated long and medium-term debt of $8,568.5 million = a cost rate of 4.3753%, however this is rounded to two decimal places on the summary page to 4.38% and $8,568.5 X 4.38% = $375.3 million).

## ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition (VECC)

Interrogatory

Reference:

Exhibit B, Tab 1, Schedule 5, page 3

Question:

a) Schedule 5, page 3 shows that the coupon rate for listed debentures differs from the effective cost rate. A number of the debentures vary significantly as between coupon and effective rate, specifically notes numbered: 1,5,9,10,13 (positive), 17,19, 22, and 24 where the difference is 30 basis points or more. Please explain for the significant higher (and in one case lower) effective cost of debt as compared to the coupon rate.

Response

The effective interest rate of EGI's term debt reflects the coupon rate on debt, plus debt issuance costs. Debt issuance costs include commissions, issuance premiums or discounts (or yield adjustments), interest rate swap unwind costs or proceeds, and other expenses (i.e. legal fees). Where there are larger variances between the coupon rate and effective interest rate of term debt, it is generally a result of swap unwind impacts.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition (VECC)

Interrogatory

Reference:

Exhibit C, Tab 1, page 14

Question(s):

EGI explains that: "*Effectively, Enbridge Gas is expected to fund such projects during the deferred rebasing period through synergies. In these circumstances, the Company does not believe it is appropriate to credit ratepayers for 100% of the accelerated CCA benefit associated with these projects through the Tax Variance Deferral Account*."

a) Does an ICM approval results in a rate rider which incorporates the associated revenue requirement of capital project into rates?

b) If that is true, then please explain how is that "*Enbridge is expected to fund such projects …through synergies*"?

c) Has EGI incorporated into its calculation of all its ICM projects approved by the Board the impact of accelerated CCA (AIIP)?

d) If AIIP has not been incorporated into the calculation of the associated rate rider does EGI hold that the net impact of the accelerated in CCA should not be included in the TVDA?

Response

a) Yes, the approval of ICM projects results in ICM unit rates that allow the Company to recover each approved project's forecast revenue requirement for the deferred rebasing term. Variances between the actual revenue requirement of approved projects, and the actual revenues collected are then captured in the ICM deferral accounts.

b) Enbridge Gas is not suggesting that the revenue requirement of approved ICM projects is expected to be funded through synergies. The Company was attempting to articulate that the annual revenue requirement of amalgamation/integration related capital projects is expected to be funded through synergies over the deferred rebasing term. As was alluded to in Exhibit C, Tab 1, page 14, paragraph 3, in-service capital related to amalgamation/integration related capital projects is excluded from the annual total in-service capital forecast, which is compared to the annual ICM threshold values to determine maximum ICM eligible capital amounts, in the Company's annual rate proceedings over the deferred rebasing term. As such, amalgamation/integration related capital projects cannot receive funding through ICM, nor can they cause other capital to be recovered through ICM. The revenue requirement for amalgamation/integration related capital projects, including the associated synergies related to those projects, will be reflected in rates at rebasing.

c) The impact of accelerated CCA was not included in the determination of the revenue requirements and ICM unit rates for approved 2019 ICM projects, but has been reflected in the revenue requirement and ICM unit rates of 2020 and 2021 approved ICM projects.

d) Where the impact of accelerated CCA has not been incorporated into the calculation of the associated approved ICM unit rates (i.e. on 2019 approved ICM projects), Enbridge Gas's position is that the net impact of the accelerated CCA should be excluded for the determination of annual amounts included in the TVDA, because the impact of accelerated CCA will be reflected as part of the project's actual annual revenue requirement, and inherently any variance as compared to the approved forecast that excluded accelerated CCA impacts will be captured in the Company's ICM deferral accounts. As such, ratepayers will get the impact of accelerated CCA through the variances captured in the ICM deferral accounts, as opposed to through the TVDA. That approach is consistent with the treatment of other ICM project cost variances, which are to be tracked through the deferred rebasing term, with disposition at the end of the term.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition (VECC)

Interrogatory

Reference:

Exhibit C, Tab 1, page 17

Question:

a) The Board issued its Report on the Regulatory Treatment of Impacts Arising from the COVID-19 Emergency on June 17, 2021 subsequent to the filing of this application. Given the recent guidance from the OEB does EGI's proposal remain to not dispose of the COVID-19 deferral accounts at this time?

Response

Please refer to the response at Exhibit I.LPMA.8.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition (VECC)

Interrogatory

Reference:

Exhibit D, Tab 1, page 1

Question:

a) IS EGI proposing to close the TIACDA after the current proposed disposition of $4.436 million?

Response

No, EGI is not proposing to close the TIACDA after the current proposed disposition. The OEB approved the recovery of the Other Post Employment Benefit costs, forecasted to be $90 million at the end of 2012, over a 20-year period commencing in 2013. Currently eight installments have been approved for disposal to date, and EGI has requested in this proceeding the approval of the ninth instalment.

# ENBRIDGE GAS INC.

## Answer to Interrogatory from
## Vulnerable Energy Consumers Coalition (VECC)

Interrogatory

Reference:

Exhibit E, Tab 1, page 5

Questions:

a) Please provide the net revenues from upstream optimization in the Union rate zone for the years 2017 through 2019.

b) What was the date of the elimination of the TransCanada FT-RAM program?

Response

a)

TRANSPORTATION OPTIMIZATION DEFERRAL ACCOUNT - UNION RATE ZONE

| Line No. | Particulars | Col. 1<br>2017 Actual Total<br>($000's) | Col. 2<br>2018 Actual Total<br>($000's) | Col. 3<br>2019 Actual Total<br>($000's) |
|---|---|---|---|---|
| 1 | Base Exchange Revenue | (5,014.66) | (7,296.32) | (5,963.32) |
| 2 | FT RAM Exchange Revenue | - | - | - |
| 3 | Total Exchange Revenue | (5,014.66) | (7,296.32) | (5,963.32) |
| 4 | Exchange Revenue Subject to Deferral | (5,014.66) | (7,296.32) | (5,963.32) |
| 5 | Ratepayer portion - 90% | (4,513.19) | (6,566.68) | (5,366.99) |
| 6 | 10% Union Incentive Payment | (501.47) | (729.63) | (596.33) |
| 7 | Less: Gas Supply Optimization Margin in Rates | 15,569.78 | 16,839.33 | 17,489.36 |
| 8 | Deferral Account Balance receivable from Ratepayers | 11,056.59 | 10,272.65 | 12,122.38 |

b) The TransCanada FT-RAM program was eliminated June 30, 2013.[1]

[1] EB-2013-0109, Union Gas Limited Response to LPMA Interrogatory #12 - Exhibit D2.12.

# ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition (VECC)

## Interrogatory

Reference:

Exhibit F, Tab 1, page 5

Questions:

a) Please confirm that the EGI billing systems and process are, as anticipated for July 2021, capable of a common one-time billing adjustment.

b) Please provide a sample common EGI bill.

## Response

a) Confirmed.

b) Please see Attachment 1 for a sample Enbridge Gas residential customer bill. The one-time adjustment disposition amount is provided on page two under "Other Enbridge Charges" as "Rate Adjustment".

ENBRIDGE
Life Takes Energy

SMELL GAS? 1-866-763-5427

**For Inquiries:** 1-877-362-7434 enbridgegas.com
**Make Payments to:** PO Box 644 Scarborough, ON M1K 5H1
**Enbridge Gas Inc.**

**[SAMPLE]**

**Service Address**
[SAMPLE]

**Account Number**
[SAMPLE]

**Bill Date**
May 05, 2021

## WHAT DO I OWE?

**Billing Period** Apr 02, 2021 - May 03, 2021


**Charges for Natural Gas**
**Other Enbridge Charges**

• See page 2 for details •

## HOW MUCH GAS DID I USE?

**Meter Reading**

| | |
|---|---|
| **Meter Number:** | [SAMPLE] |
| **Estimated:** | 97102 |
| **Previous:** | 96895 |

| You used | This cost you |
|---|---|
| **206m³** | **$100.35** |
| approx. 6.44m³ per day | approx. $3.14 per day |

**Did you know?**

Your average daily use is less this year than last year. Choose eBill to access your last 24 bills: **enbridgegas.com/ebill**

| 2020 | 2021 |
|---|---|
| 249m³ | 206m³ |

## MY LAST 13 MONTHS GAS USE

*(Taxes Included)*


- Enbridge Gas charges are to be paid by the Due Date, which is considered to be twenty days after the Bill Date, or within such other time period as set out in the Service Contract. A late payment charge will be applied on any amount not received by the Due Date, which is the twentieth (20th) day following the Bill Date. Interest will be charged at the rate of 1.50% per month (effective annual rate 19.56% per annum or 0.04896% compounded daily rate) until receipt of all of the unpaid Enbridge Gas charges, including all applicable federal and provincial taxes.
- E. & O. E.
- PEF Value: 0.99720

ENBRIDGE
Life Takes Energy

SMELL GAS? 1-866-763-5427

**For Inquiries:** 1-877-362-7434 **enbridgegas.com**
**Make Payments to:** PO Box 644 Scarborough, ON M1K 5H1
**Enbridge Gas Inc.**

## WHAT AM I PAYING FOR?

**Billing Period** Apr 02, 2021 - May 03, 2021

| | |
|---|---|
| Balance from Previous Bill | $103.29 |
| Payment Received [Apr 27, 2021] | $103.29 CR |
| Balance Forward | $0.00 |
| Charges for Natural Gas | $100.35 |
| Other Enbridge Charges | $4.10 |
| **Total Amount Due** | **$104.45** |

## CHARGES FOR NATURAL GAS

**Apr 02, 2021 - May 03, 2021**

| | |
|---|---|
| Customer Charge | $21.83 |
| Delivery to You | $20.39 |
| Transportation to Enbridge | $8.33 |
| Federal Carbon Charge | $16.13 |
| Gas Supply Charge | $24.62 |
| Cost Adjustment | $2.49 CR |
| **Charges for Natural Gas** | **$88.81** |
| HST* | $11.54 |
| **Total Charges for Natural Gas** | **$100.35** |

## OTHER ENBRIDGE CHARGES

| | |
|---|---|
| Rate Adjustment | $3.63 +HST |
| HST* | $0.47 |
| **Total Other Enbridge Charges** | **$4.10** |

## NATURAL GAS SUPPLY

| | |
|---|---|
| Your gas supply rate | 11.9527¢/m³ |
| Gas cost adjustment *Apr 01/21-Mar 31/22* | - 0.9663¢/m³ |
| Total effective gas supply rate | 10.9864¢/m³ |

## WHAT DO I NEED TO KNOW?

- Changes are coming this July. Visit **enbridgegas.com/changes** for information about upcoming changes to our website, as well as system outages that will occur.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Vulnerable Energy Consumers Coalition (VECC)

Interrogatory

Reference:

Exhibit G, Tab 1, page 5

Questions:

EGI explains that it is continuing to work to meet the 100% requirement for the "Time to Reschedule Missed Appointments" (TRMA) which currently is at 97.3%.

a) What is the most common reason rescheduling is not completed within the 2-hour time frame?

b) the 100% requirement a reasonable expectation based on actual practice?

Response

a) The most common reason rescheduling is not completed within the 2-hour time frame is that the appointment is rescheduled after the 2-hour window. Specifically, Enbridge Gas has found that the most common reasons rescheduling is not completed within the 2-hour time frame is that Enbridge Gas is unable to contact the customer by phone and the customer does not reply to the voicemail until after the time allotted for this metric.

b) Enbridge Gas continues to place priority on this SQR and strives to reach the current target of 100%. Based on actual practice, Enbridge Gas does recommend that the TRMA target be reviewed.