

AWL Interrogatory No. 1

Reference: Direct testimony of Mr. Charleson and Mr. LeBlanc, June 7, 2010, page 3, Q5.

Interrogatory:

Mr. Charleson and Mr. LeBlanc discuss the overall market conditions in New Brunswick.

- a) When did EGNB become aware that the “two northern transmission laterals”, were unlikely to be built?
- b) By 2010, how many customers, broken down by rate class, had EGNB anticipated it might be able to connect if the two northern laterals had been built? Please specifically identify the potential LFO rate class customers in question.
- c) Please provide the number of actually attached customers on the EGNB system by rate class as of June 1, 2010.
- d) What is EGNB’s estimate of how many customers, broken down by rate class, it will have attached by December 31 2010?
- e) What is EGNB’s estimated annual system-wide throughput as of December 31, 2010?
- f) How many custody transfer stations off Maritimes and Northeast Pipeline does EGNB currently have in operation and what are their locations?
- g) What is the total length of pipe, broken down by size, currently installed on the EGNB system?
- h) What is the estimated total length of pipe, broken down by size, will EGNB have installed as of December 31, 2010?
- i) On what date were the current holders of single end use franchises granted their franchise?
- j) On what date was the order of the Public Utilities Board which established EGNB’s current capital structure given?
- k) Was Atlantic Wallboard’s application for a single end use franchise successful?
- l) How have the legislative provisions establishing the parameters for a potential grant single end use franchise changed since EGNB entered the market place?

Response:

- a) EGNB became aware that it was unlikely that the two northern transmission laterals would be built late in 2001 or early in 2002.
- b) The following table provides the requested information:

<u>Rate Class</u>	<u>Forecast Number of Customers</u>
SGSRE	21,946 (Northern Laterals – 3,454)
SGSRO	15,740 (Northern Laterals – 2,750)
SGSC	2,832 (Northern Laterals – 1,014)
GS	480 (Northern Laterals – 217)
CGS	1,928 (Northern Laterals – 475)
CLGS-LFO	88 (Northern Laterals – 12)
CLGS-HFO	9 (Northern Laterals – 1)

EGNB does not believe it is appropriate to identify the names of the potential LFO customers on the northern laterals as it considers this information to be confidential, in the same way that it considers actual customer names to be confidential.

- c) The following table provides the number of actual customers by rate class as of June 1, 2010:

	<u>Customers</u>
SGSRE	2,091
SGSRO	5,040
SGSC	1,650
GS	1,265
CGS	279
CLGS LFO	26
CLGS HFO	8
CLVOPS	-
OPS	13
	<u>10,372</u>

- d) Please see Exhibit C, Schedule 1, page 9.
- e) EGNB's estimated annual system-wide throughput as of December 31, 2010 is 5,950 TJs.

- f) EGNB currently takes delivery of natural gas from nine custody transfer stations off the Maritimes and Northeast Pipeline. They are located as follows:

Station Number 33007 – Moncton, NB
 Station Number 33008 – Fredericton, NB
 Station Number 33009 – St. George, NB
 Station Number 33011 – Saint John (West), NB
 Station Number 33013 – Saint John (North), NB
 Station Number 33014 – Saint John (East), NB
 Station Number 33017 – Saint John (South), NB
 Station Number 33022 – St. Stephen, NB
 Station Number 33029 – Sackville, NB

- g) The total length of pipe, broken down by size, installed on the EGNB system at December 31, 2009 is:

		Actual									
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Plastic Mains	1-1/4"	-	100	29,600	45,829	7,644	7,373	32,392	25,097	9,489	3,664
	2"	1,987	9,453	34,135	31,981	31,711	45,203	39,376	30,605	36,798	20,285
	4"	9,609	9,742	14,623	13,678	22,284	23,983	12,270	9,496	17,451	6,863
	6"	19,601	265	40	1,125	6,382	2,641	9,102	-	34	5,118
Steel Mains	1"	-	-	50	-	1	-	-	29	370	-
	2"	-	1,305	948	1,311	1,095	2,478	117	1,571	182	295
	4"	13,136	5	1,616	620	41	328	-	10,430	322	-
	6"	28,154	30	2,196	-	12,853	1,290	-	11,750	1,953	-
	8"	33,780	-	-	2,256	-	-	-	-	4	-
Total		106,267	20,900	83,208	96,800	82,010	83,296	93,257	88,978	66,602	36,224
Cummulative		106,267	127,167	210,375	307,175	389,185	472,481	565,738	654,716	721,318	757,542

- h) The estimated total length of pipe, broken down by size, that EGNB expects to have installed as of December 31, 2010 is:

		Actual										Forecast
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Plastic Mains	1-1/4"	-	100	29,600	45,829	7,644	7,373	32,392	25,097	9,489	3,664	-
	2"	1,987	9,453	34,135	31,981	31,711	45,203	39,376	30,605	36,798	20,285	16,641
	4"	9,609	9,742	14,623	13,678	22,284	23,983	12,270	9,496	17,451	6,863	3,529
	6"	19,601	265	40	1,125	6,382	2,641	9,102	-	34	5,118	-
Steel Mains	1"	-	-	50	-	1	-	-	29	370	-	-
	2"	-	1,305	948	1,311	1,095	2,478	117	1,571	182	295	-
	4"	13,136	5	1,616	620	41	328	-	10,430	322	-	-
	6"	28,154	30	2,196	-	12,853	1,290	-	11,750	1,953	-	-
	8"	33,780	-	-	2,256	-	-	-	-	4	-	-
Total		106,267	20,900	83,208	96,800	82,010	83,296	93,257	88,978	66,602	36,224	20,170
Cummulative		106,267	127,167	210,375	307,175	389,185	472,481	565,738	654,716	721,318	757,542	777,712

- i) Please see the response to Flakeboard Interrogatory No. 1(A).
- j) The Public Utilities Board issued its decision regarding EGNB's current capital structure on June 23, 2000.
- k) No.

- 1) The Gas Distribution Act, 1999 was amended in 2006 with the addition of paragraph 13(1.1), which reads:

13(1.1) The Board may grant a single end use franchise only if

(a) the franchise applied for is in an area not actually serviced by the holder of the general franchise, and

(b) the Board is satisfied, after considering the factors prescribed by regulation, that it is not economically feasible for the holder of the general franchise to extend a gas distribution service to the applicant at that time.

In addition, The Lieutenant-Governor in Council may make regulations under this Act prescribing factors for the purposes of paragraph 13(1.1)(b). However, no such regulation has been made.

AWL Interrogatory No. 2

Reference: Direct testimony of Mr. Charleson and Mr. LeBlanc, June 7, 2010, page 5, Q6.

Interrogatory:

Mr. Charleson and Mr. LeBlanc discuss risk from alternate energy source providers.

- a) Mr. Charleson and Mr. LeBlanc mention the difficulties in converting electric baseboard homes. In the ten years since EGNB entered the marketplace has the revenue generated by the SGSRE rate class (or its predecessor) covered the cost to serve it?
- b) Approximately what percentage of the revenue required to serve this rate class has the rate class actually generated since EGNB entered the market place?
- c) Under EGNB's current cost of service model at what point does EGNB forecast the SGSRE rate class will generate sufficient revenue to cover the forecast allocated cost to serve it?

Response:

- a) A cost of service study would be required for each year to determine if the revenue generated by the SGSRE rate class (or its predecessor, the SGS rate class) covered the cost to serve it. Since EGNB has not conducted these studies, it is unable to respond to this question.
- b) Please see the response to a) above.
- c) The current proposed cost of service model proposes the use of new rate classes and does not allocate costs to the SGSRE rate class. As a result, EGNB is unable to respond to this question.

AWL Interrogatory No. 3

Reference: Direct testimony of Mr. Charleson and Mr. LeBlanc, June 7, 2010, page 6, Q7.

Interrogatory:

- a) When EGNB first entered the marketplace, what sources of supply were available to its customers?

Response:

- a) At the time EGNB first entered the marketplace, the primary source of supply to New Brunswick originated at the Sable Offshore Energy Project (“SOEP”). Backhauling gas from the US would have been the other option available to EGNB. However, backhauling is not generally seen as a cost effective option.

AWL Interrogatory No. 4

Reference: Direct testimony of Mr. Charleson and Mr. LeBlanc, June 7, 2010, page 7, Q4.

Interrogatory:

Mr. Charleson and Mr. LeBlanc discuss alleged regulatory risks to EGNB.

- a) Does EGNB agree that the Energy and Utilities Board of New Brunswick is bound by statute to only impose rates which are both just and reasonable?
- b) Does EGNB believe that the imposition of just and reasonable rates impose a regulatory risk to it and its shareholders?
- c) At the time EGNB entered the marketplace, what rates were used by EGNB for its future forecasts, broken down rate class.

Response:

- a) Yes.
- b) EGNB does not believe that the imposition of just and reasonable rates imposes a regulatory risk. However, as discussed in Exhibit A, A8, the Board is not necessarily bound by prior decisions, leading to a potential change in terms of the basis by which the Board determines what constitutes a just and reasonable rate, which has the potential to impact EGNB's ability to recover its costs. Further, the Board does not only set rates, but reviews EGNB financial statements, construction applications, the prudence of EGNB decision making, length of the amortization of the Deferral Account, etc.
- c) The rates used in EGNB's proposal forecast were as follows:

Rate Classes	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
SGS	\$1.60	\$1.60	\$1.50	\$2.67	\$2.70	\$2.80	\$2.89	\$2.98	\$2.98	\$3.05
SGSC / GS / CGS / CLGS-LFO	\$2.79	\$2.78	\$2.69	\$2.72	\$2.79	\$2.97	\$3.07	\$2.94	\$2.90	\$2.89
CLGS-HFO	\$1.00	\$0.99	\$0.75	\$0.64	\$0.61	\$0.58	\$0.53	\$0.47	\$0.43	\$0.42
Rate Classes	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SGS	\$3.09	\$3.16	\$3.17	\$3.22	\$3.26	\$3.27	\$3.35	\$3.43	\$3.52	\$3.61
SGSC / GS / CGS / CLGS-LFO	\$2.91	\$3.00	\$3.13	\$3.26	\$3.38	\$3.48	\$3.53	\$3.52	\$3.49	\$3.42
CLGS-HFO	\$0.45	\$0.45	\$0.44	\$0.43	\$0.43	\$0.41	\$0.41	\$0.40	\$0.39	\$0.38

AWL Interrogatory No. 5

Reference: Direct testimony of Kathleen McShane, June 7, 2010, page 12, line 313.

Interrogatory:

Ms. McShane references anticipated potential large loads for EGNB.

- a) How many “potential large loads” then EGNB anticipated which have not attached to the system? Please identify each.
- b) How many of those would have been accessed through the northeast and northwest laterals?
- c) Please break down these anticipated “potential large loads” by rate class.

Response:

- a) When EGNB completed its initial market assessment it had identified 88 LFO and 9 HFO potential customers. Excluding the northern laterals, EGNB identified 76 LFO and 8 HFO potential customers. To date EGNB has 26 LFO and 8 HFO customers leaving a shortfall of 50 LFO customers. EGNB cannot locate a detail listing of the large volume customers anticipated at the time of its initial assessment. EGNB believes a cause of this shortfall is that the volumes from a number of these potential customers may have been overestimated and that some of these customers are on the system as CGS customers.
- b) EGNB estimated that 12 LFO and 1 HFO customer would be accessed through the northeast and northwest laterals.
- c) The potential large loads were broken down as 88 LFO and 9 HFO customers.

AWL Interrogatory No. 6

Reference: Direct testimony of Kathleen McShane, June 7, 2010, page 12, lines 315 through 326.

Interrogatory:

Ms. McShane discusses natural gas prices.

- a) Please provide the same analysis of NY Mex light fuel oil prices as is provided for natural gas.

Response:

- a) During the five years prior to the Board's issuing Decision NBPUB 299 (July 1995-June 2000), the NYMEX month-end settlement prices for light fuel oil averaged U.S. \$19.98 per barrel with a standard deviation of \$4.62 per barrel. In December 2000, the price was approximately the same as it had been in December 1999. The average NYMEX month-end settlement price for the past five years (May 2005-April 2010) was \$74.00 per barrel with a standard deviation of \$21.43 per barrel.

AWL Interrogatory No. 7

Reference: Direct testimony of Kathleen McShane, June 7, 2010, page 12, lines 328 through 332.

Interrogatory:

Ms. McShane references electricity prices in New Brunswick.

- a) Please provide a chart showing the actual retail residential prices per kilowatt hour of electricity charged in New Brunswick from 1998 to 2009.

Response:

- a) The following table provides the requested NB Power rates and the date they took effect:

NB Power- Residential Urban

	First 1,300 kWh *	Balance	New Construction
Oct-01-97	\$ 0.0710	\$ 0.0534	N/A
Oct-01-98	\$ 0.0734	\$ 0.0552	N/A
Apr-01-00	\$ 0.0756	\$ 0.0569	N/A
Apr-01-02	\$ 0.0779	\$ 0.0586	N/A
Apr-01-03	\$ 0.0779	\$ 0.0604	N/A
Apr-01-04	\$ 0.0790	\$ 0.0625	N/A
Mar-31-05	\$ 0.0813	\$ 0.0644	N/A
Jul-07-05	\$ 0.0837	\$ 0.0663	N/A
Jul-01-06	\$ 0.0904	\$ 0.0716	N/A
Jun-08-07	\$ 0.0926	\$ 0.0837	N/A
Apr-01-08	\$ 0.0954	\$ 0.0861	N/A
Jan-01-09	\$ 0.0954	\$ 0.0861	\$ 0.0920
Apr-01-09	\$ 0.0969	\$ 0.0922	\$ 0.0952

* note block was 1,000kWh from 1997-2002 before increasing to 1,100 in 2002, 1,200 in 2003 and then 1,300 in 2004

AWL Interrogatory No. 8

Reference: Direct testimony of Kathleen McShane, June 7, 2010, page 13, lines 334 through 337.

Interrogatory:

Ms. McShane references financial incentives to encourage electrical conversions.

- a. Please provide the particulars and duration of the incentives offered by EGNB to electricity users to convert to natural gas.

Response:

- a. The information describes the particulars and duration of the incentives offered by EGNB to electricity users converting to natural gas.

Electric Central Heat Incentive (Fall 2003 – Present):

Enbridge Gas New Brunswick offers \$2,500 (plus HST) for homeowners who replace their existing central heating system (i.e. electric furnace or boiler, heat pump), to a natural gas primary central heating system. An additional \$500 (plus HST) is available for homeowners who replace their water heater.

Residential Off-Electric Baseboard Conversion Pilot Project (April 2008 – September 2009):

Efficiency NB and EGNB partnered to offer a Residential Off-electric Baseboard Conversion Pilot Project. For a limited time, homeowners participating in Efficiency NB's Existing Homes Energy Efficiency Upgrades Program were eligible for an additional incentive if they converted their home's electric baseboard heat and electric water heating system to a natural gas heat and hot water system.

EGNB Electric Baseboard Incentive:

Up to \$7,000 (plus HST) for homeowners who converted to natural gas central heat and hot water from electric baseboard heat and electric water heat.

Efficiency NB Incentive:

\$2,250 toward conversion of electric baseboard heat to a natural gas ENERGY STAR furnace or boiler, and \$750 toward conversion of electric to condensing gas hot water heater.

Electric Baseboard Incentive (September 2009 – Present):

Up to \$7,000 (plus HST) for homeowners who convert to natural gas central heat and hot water from electric baseboard heat and electric water heat.

AWL Interrogatory No. 9

Reference: Direct testimony of Kathleen McShane, June 7, 2010, page 13, lines 348 through 351.

Interrogatory:

- a) When EGNB entered the marketplace, what capture rate for new construction in a commercial sector had it forecast?

Response:

- a) Anticipated commercial capture rates when EGNB entered the marketplace ranged from 70% to 80% depending on size and geographic location. No distinction was drawn between new construction and existing commercial retrofits capture rates.

AWL Interrogatory No. 10

Reference: Direct testimony of Kathleen McShane, June 7, 2010, page 14, lines 390 through 393.

Interrogatory:

- a) Please provide a breakdown of the quantum and date of distributions paid to the partnership units since EGNB's inception referenced by Ms. McShane, broken down by partner (although the individual partners need not be named).
- b) Please identify the quantum and date of the additional investment made by partners referenced by Ms. McShane since EGNB's inception.

Response:

- a) Please see the attached summary of distributions paid.
- b) Please see the response to Public Intervenor Interrogatory No. 9(2).