**RÉPONSE DE GAZ MÉTRO À UNE DEMANDE DE RENSEIGNEMENTS**

**Origine** : Demande de renseignements n$^{o}$ 1 en date du 7 juin 2007

**Demandeur** : Association des consommateurs industriels de gaz

---

**Référence :** Dr. Paul Carpenter's Evidence

**Préambule :**

With reference to Dr. Carpenter's discussion of Gaz Metro's business risk on page 14.

**Questions :**

**7.1.** a) Please provide the residential, industrial and commercial customer breakdown based on revenues for each year since 1997,

b) Please provide the same data as in a) for Terasen Gas Utility, Union Gas and Enbridge Gas Distribution

c) In Dr. Carpenter's view how does the revenue composition affect Gaz Métro's business risk?

---

**Réponses :**

**7.1.a)**

**Revenue per Rate Class (in thousand $)**

| | Tariff $D_1$ | Tariff $D_M$ &$D_3$ | Tariff $D_4$ | Tariff $D_5$ | Others |
|---|---|---|---|---|---|
| 1996-97 | 422,584 | 52,837 | 120,971 | 86,558 | -907 |
| 1997-98 | 419,480 | 55,538 | 123,334 | 81,523 | 228 |
| 1998-99 | 420,845 | 63,398 | 123,556 | 83,837 | -923 |
| 1999-00 | 433,562 | 68,428 | 109,175 | 58,941 | -810 |
| 2000-01 | 458,865 | 82,723 | 118,014 | 67,191 | |
| 2001-02 | 459,145 | 92,696 | 125,776 | 63,574 | |
| 2002-03 | 480,008 | 92,462 | 114,367 | 56,658 | |
| 2003-04 | 497,119 | 98,518 | 115,318 | 51,404 | -331 |
| 2004-05 | 498,227 | 103,313 | 135,586 | 52,749 | 264 |
| 2005-06 | 478,629 | 105,015 | 116,794 | 47,250 | 638 |
| 2006-07 | 493,030 | 109,441 | 102,740 | 37,488 | 1,089 |

**7.1.b)** Dr. Carpenter does not possess this information for Terasen Gas Utility. The responsive information for Union and EGDI that is in Dr. Carpenter's possession was provided to VECC in OEB Docket No. EB-2006-0034, EGDI's 2007 rates case, in which Dr. Booth testified on behalf of VECC. See Dr. Carpenter's response to VECC Interrogatory #60 (Exhibit I, Tab 24, Schedule 60 in Docket No. EB-2006-0034).

**7.1.c)** Dr. Carpenter does not draw any business risk conclusions from these data.

# VECC INTERROGATORY #60

## INTERROGATORY

Reference: E2 Tab 1, Schedule 2, page14.

The Following Questions all relate to Dr. Paul Carpenter's Evidence, EB-2006-0034, E2 Tab 1, Schedule 2

With reference to Dr. Carpenter's comment on industrial load:

.

a) Would Dr. Carpenter agree that EGD surveys its industrial customers and the only risk is that it fails to predict load loss? If not why not.
b) Please provide the revenue breakdown fro EGD and Union Gas according to the following categories:
   a. Residential and commercial
   b. Industrial
   c. Transportation
   d. Storage
c) Based on the data in b) would Dr. Carpenter regard Union as more or less risky than EGD?
d) Would Dr. Carpenter agree that fuel switching allows EGD to manage its load more efficiently, why or why not?

## RESPONSE

a) See EB-2006-0034, Exhibit I, Tab 24, Schedule 48 b). Dr. Carpenter agrees that EGDI surveys its industrial customers, but he would not agree that the only risk is that EGDI's surveys fail to predict load loss. Increased commodity prices and price volatility have led to increased *uncertainty* in the results of the Company's surveys and forecasts. This increased uncertainty has, in part, increased EGDI's business risk.

b) For EGDI, see EB-2006-0034, Exhibit C3, Tab 1, Schedule 1, Page 2 of 3. From that source, EGDI's forecast revenues for the 2007 test year are:

   Residential/commercial gas sales - $2,160 million
   Industrial gas sales - $139.6 million
   Transportation - $720.9 million
   Transmission, compression and storage - $1.9 million

Witness: P. Carpenter

It does not appear from information available to Dr. Carpenter that Union provided a directly comparable revenue breakdown in its most recent rate case. According to EB-2005-0520, Exhibit C3, Tab 1, Schedule 1 and Exhibit C3, Tab 2, Schedule 5, Union's forecast revenues for the 2007 test year are:

General Service gas sales - $1,372.9 million
Contract gas sales - $34.3 million
Transportation - $382.4 million
Storage and transportation service - $182 million

c) In Dr. Carpenter's opinion, Union is relatively more risky that EGDI based on the fact that a not insignificant part of Union's business consists of competitive storage and transportation services.

d) No. EGDI does not control fuel switching on its system. EGDI's customers choose whether to switch fuels based on relative fuel costs, technological capabilities, and any applicable environmental restrictions. Because EGDI does not make fuel switching decisions for its customers, fuel switching is not a tool EGDI can use to manage its load.

Witness: P. Carpenter