

INTRODUCTION

In its Decision D-2015-214, the Régie de l'énergie (the "Régie") asked Gaz Métro Limited Partnership ("Gaz Métro") to present it with two follow-ups on the development plan:

- the Régie requests that Gaz Métro produce a detailed characterization of non-revenue generating meters and integrate this information into the profitability analyses of the development plan; and
- the Régie also requests that facilities having never been the subject of billing be taken into account in the analysis of lost customers and that a follow-up in this regard be provided in the next rate case.

In this context, Gaz Métro will first present the methodology used and the results of the analysis performed as regards the detailed characterization of non-revenue generating meters; secondly, Gaz Métro will present the methodology used and the results of the analysis performed on facilities that have never been the subject to billing; and thirdly, Gaz Métro will define the methodology retained to integrate the data from these follow-ups into the establishment of the development plan. Gaz Métro will then conclude with a presentation of the 2016-2017 development plan for new sales.

1. DETAILED CHARACTERIZATION OF NON-REVENUE GENERATING METERS

This section presents the methodology used and the analyses performed with respect to the detailed characterization of non-revenue generating meters.

1.1 METHODOLOGY

First, it is important to understand that the characterization of non-revenue generating meters is based on the facilities.¹ Gaz Métro does not associate a contract account's status directly with a meter. A customer is identified by a contract account that is associated to a facility. Billing is carried out using the facility number (service address). Therefore, the analysis framework covers inactive (or non-revenue generating)

¹ R-3879-2014, 2015 Rate case, B-0551, Gaz Métro-27, Document 3, Question 2.2.

facilities as at February 1, 2016. When taking the various billing cycles into account, Gaz Métro deems a client to be inactive on February 1, 2016 if there has been no billing for the associated facility number in the previous months of December, January and February.

Moreover, Gaz Métro began monitoring non-revenue generating meters starting with the group of meters installed in fiscal year 2013 and related to new sales. As mentioned in the follow-up to Decision D-2013-106,² it is impossible to trace the consumption data for any facility prior to fiscal year 2013. During the migration from the previous billing system to SAP, inactive contract accounts were not processed and could therefore not be assigned to a facility. As a result, Gaz Métro is unable to determine the moment at which consumption ceased at any such facilities, and cannot determine whether bill were issued to them.

However, the meters that have been installed since fiscal year 2013 can be associated to facilities and therefore be characterized by cross-referencing them with the new sales database.

1.2 RESULTS

For fiscal year 2013, Gaz Métro proceeded with the installation of 5,466 new meters related to new sales. These meters are associated with 5,464 facilities. Of these 5,464 facilities, 294 were inactive as at February 1, 2016. For fiscal year 2014, Gaz Métro proceeded with the installation of 5,275 new meters related to new sales. These meters are associated to 5,274 facilities. Of these 5,274 facilities, 269 were inactive as at February 1, 2016.

The following tables present the characterization of facilities that were inactive as at February 1, 2016 and that are associated with meter installations carried out for fiscal years 2013 and 2014.

² R-3837-2013, B-0096, Gaz Métro-7, Document 3, Section 1.4 and R-3879-2014, B-0551, Gaz Métro-27, Document 3, Question 2.5.

Table 1
Facilities associated with active or inactive accounts as at February 1, 2016

Market	Number	Signed volume (m ³)
2013 Group	5,464	47,306,125
Residential	3,644	8,334,017
Commercial	1,820	38,972,108
2014 Group	5,274	49,689,949
Residential	3,583	8,389,649
Commercial	1,691	41,300,300

Table 2
Facilities associated with inactive account as at February 1, 2016

Market	Number	Signed volume (m ³)
2013 Group	294	1,589,765
Residential	210	452,445
Commercial	84	1,137,320
2014 Group	269	2,391,175
Residential	167	350,725
Commercial	102	2,040,450

Table 3
Ratio that facilities associated with an inactive account bears to facilities associated with active or inactive accounts as at February 1, 2016

Market	Number	Signed volume (m ³)
2013 Group	5.4%	3.4%
Residential	5.8%	5.4%
Commercial	4.6%	2.9%
2014 Group	5.1%	4.8%
Residential	4.7%	4.2%
Commercial	6.0%	4.9%
Average – 2013 and 2014 groups	5.2%	4.1%

Residential	5.2%	4.8%
Commercial	5.3%	3.9%

Table 4
Distribution, by type of use, of facilities associated with an inactive account as at February 1, 2016

Market	Heating	Hot water	Heating and hot water	Processing	Non-project peripherals	Project peripherals	Total
2013 Group	88	4	25	18	2	157	294
Residential	26	2	23	0	2	157	210
Commercial	62	2	2	18	0	0	84
2014 Group	81	24	18	24	1	121	269
Residential	6	24	15	0	1	121	167
Commercial	75	0	3	24	0	0	102

Note: The uses made of facilities are determined by the types of devices targeted at the time of a new sale:

- Heating: Air heating device of a building.
- Hot water: Water heating device of a building.
- Heating and hot water: Air and water heating device of a building (without peripherals).
- Processing: Commercial or industrial processing devices requiring considerable amounts of energy.
- Non-project peripherals: Installed peripheral devices (stoves, fireplaces, BBQs, pool heaters, etc.) that are not part of a project and are not accompanied by another device.
- Project peripherals: Installed peripheral devices (stoves, fireplaces, BBQs, pool heaters, etc.) that are part of a project and are accompanied by at least one device (heating, hot water, etc.).

2. DETAILED CHARACTERIZATION OF FACILITIES THAT HAVE NEVER BEEN THE SUBJECT OF BILLING

This section presents the methodologies used and the results of the analysis performed with respect to facilities that have never been the subject of billing.

2.1 METHODOLOGY

The detailed characterization analysis of facilities that have never been the subject of billing is in fact a sub-analysis of facilities inactive as at February 1, 2016. A portion of facilities inactive as at

February 1, 2016 had in fact never been the subject of billing. A facility is deemed to never have been the subject of billing if the customers associated with this facility have never received a bill. The methodology is therefore similar to the one used for non-revenue generating facilities.

2.2 RESULTS

For fiscal year 2013, Gaz Métro proceeded with the installation of 5,466 new meters related to new sales. These meters are associated to 5,464 facilities. Of these 5,464 facilities, 178 have never been the subject of billing as at February 1, 2016. For fiscal year 2014, Gaz Métro proceeded with the installation of 5,275 new meters related to new sales. These meters are associated with 5,274 facilities. Of these 5,274 facilities, 139 have never been the subject of billing as at February 1, 2016.

The tables below present the characterization of facilities that have never been the subject of billing as at February 1, 2016 and that are associated with meter installations carried out in 2012-2013 and 2013-2014.

Table 5
Facilities associated with accounts
that have never been the subject of billing as at February 1, 2016

Market	Number	Signed Volume (m³)
2013 Group	178	440,898
Residential	137	79,189
Commercial	41	361,709
2014 Group	139	533,917
Residential	110	149,431
Commercial	29	384,486

Table 6

Ratio that facilities associated with an account never having been the subject of billing bears to active and inactive accounts as at February 1, 2016

Market	Number	Signed volume (m ³)
2013 Group	3.3%	0.9%
Residential	3.8%	1.0%
Commercial	2.3%	0.9%
2014 Group	2.6%	1.1%
Residential	3.1%	1.8%
Commercial	1.7%	0.9%
2013 and 2014 Group Average	2.9%	1.0%
Residential	3.4%	1.4%
Commercial	2.0%	0.9%

Table 7

Distribution, by type of use, of facilities associated with accounts that have never been the subject of billing as at February 1, 2016

Market	Heating	Hot water	Heating and hot water	Process	Non-project peripherals	Project peripherals	Total
2013 Group	44	2	23	4	1	104	178
Residential	9	1	22	0	1	104	137
Commercial	35	1	1	4	0	0	41
2014 Group	21	14	16	9	1	78	139
Residential	3	14	14	0	1	78	110
Commercial	18	0	2	9	0	0	29

Note: The uses made of facilities are determined by the types of devices targeted at the time of a new sale:

- Heating: Air heating device of a building.

- Hot water: Water heating device of a building.
- Heating and hot water: Air and water heating device of a building (without peripherals).
- Processing: Commercial or industrial processing devices requiring considerable amounts of energy.
- Non-project peripherals: Installed peripheral devices (stoves, fireplaces, BBQs, pool heaters, etc.) that are not part of a project and are not accompanied by another device.
- Project peripherals: Installed peripheral devices (stoves, fireplaces, BBQs, pool heaters, etc.) that are part of a project and are accompanied by at least one device (heating, hot water, etc.).