

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
GREEN ENERGY COALITION INTERROGATORY #13

INTERROGATORY

A.1.Load Forecast, Ref: Exh. A, T3, S4, p. 1, 1.

- a) Please provide copies of all available documentation of the derivation and results of the customer additions forecast.
- b) Please provide all workpapers, including electronic spreadsheets with cell formulas intact, relied on to develop the customer additions forecast.

RESPONSE

a) and b)

A long range forecast for customer growth was developed as part of Enbridge Long Rang Plan (“LRP”) process. This forecast was developed using a number of information sources and factors including the following: on-the-ground realities such as development projects, information originating from direct contact with builders, developers, and municipalities, as well as development projections sourced from an external consultant, Hemson Consulting Limited. The Hemson Study was used as a reference in the development of the customer additions forecast. It was predominantly used to geographically attach loads in the network analysis model. The Hemson Report, which can be found in Attachment 1 to this Exhibit, includes the original 2010 report. Attachment 2 is the updated 2012 data used for network modeling.

Economic factors and indicators were considered, as available, from reliable third-party data sources. The Company uses quarterly-updated consensus forecasts from financial institutions, Conference Board of Canada, and Canada Mortgage and Housing Corporation for indicators such as GDP, housing starts, unemployment rate, wage rate growth, and interest rates. At the time of the forecast (Spring 2012), housing starts were anticipated to average about 43,700 for the utility franchise area from 2013 to 2016 (compared to 44,250 in Q1 2013), and mortgage rates were expected to remain low and stable as the Bank of Canada was expected to keep the overnight rate unchanged until the end of 2014. Economic growth for Ontario was expected to be moderate with employment gains across all regions within the GTA.

Witnesses: F. Ahmad
M. Suarez

Consensus Forecast as of Q1 2012				
	Ontario Housing Starts	Franchise Housing Starts	Real GDP (% Change)	Employment Growth (% Change)
2012	62,897	40,843	2.02	0.87
2013	63,240	40,968	2.48	1.33
2014	68,480	44,258	2.42	1.26
2015	68,100	44,079	2.38	1.12
2016	70,330	45,636	2.28	1.21
2017	72,021	46,860	2.08	1.21
2018	72,307	47,096	2.03	1.09
2019	72,527	47,053	2.12	1.05
2020	72,184	46,827	2.00	1.00
2021	72,299	46,945	1.97	1.00

The approach used to develop this forecast is consistent with the approach used by the Company in previous rate applications, and has been accepted in previous settlement proposals and Board decisions. The resulting customer additions forecast is broken down into seven areas representing areas within the franchise. Table 1 shows the forecast for Areas 10, 20, and 30 within which the GTA Project Influence Area resides.

Table 1: Customer addition forecast by sector					
<u>Regions 10, 20 and 30 (2013-2015)</u>					
	Residential	Commercial	Apartment	Industrial	Total
2013	18,306	1,574	32	7	19,919
2014	17,782	1,586	105	37	19,510
2015	18,436	1,699	116	37	20,288
2016	18,824	1,755	117	37	20,733
2017	19,389	1,680	112	33	21,213
2018	19,493	1,670	113	33	21,309
2019	19,678	1,665	114	34	21,491
2020	19,888	1,659	113	34	21,694
2021	20,099	1,668	113	34	21,914
2022	20,099	1,668	113	34	21,914
2023	20,099	1,668	113	34	21,914
2024	20,099	1,668	113	34	21,914
2025	20,099	1,668	113	34	21,914

Witnesses: F. Ahmad
 M. Suarez

As part of the correction to evidence, customers allocated to the area fed by the Markham Gate Station were removed. The resulting forecast of customers by sector within the GTA Influence Area is detailed in Table 2.

<u>Table 2: Incremental Customer Additions by Sector</u>					
<u>GTA Project Influence Area (2013-2025)</u>					
	Residential	Commercial	Apartment	Industrial	Total
2013	12,102	1,156	74	1	13,333
2014	11,669	1,199	69	3	12,940
2015	12,277	1,291	71	3	13,642
2016	12,607	1,327	71	3	14,008
2017	13,034	1,250	69	2	14,355
2018	13,148	1,253	69	2	14,472
2019	13,331	1,250	68	2	14,651
2020	13,535	1,261	67	2	14,865
2021	13,748	1,269	67	2	15,086
2022	13,748	1,269	67	2	15,086
2023	13,748	1,269	67	2	15,086
2024	13,748	1,269	67	2	15,086
2025	13,748	1,269	67	2	15,086

The Company is unable to provide the requested information with cell formulas intact. The information is derived from numerous supporting schedules. Obtaining accurate results requires familiarity with the underlying data. Please detail the specific areas of interest and if relevant, Enbridge will kindly provide further response.

Witnesses: F. Ahmad
 M. Suarez