ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
ASSOCIATION OF POWER PRODUCERS OF ONTARIO INTERROGATORY #9

INTERROGATORY

A.3 Are the costs of the facilities and the rate impacts to customers appropriate?

Reference: EB-2012-0451 Exhibit E Project Benefits and Economics

Preamble: Enbridge discusses the benefits and economics of the project and APPrO would like to better understand such benefits and economics.

a) Please provide an annual revenue requirement and rate impact by rate class for 2015-2025 for all rate classes illustrating the incremental revenue requirement flowing from the GTA reinforcement project and the resulting incremental rate increases that will be incurred when the cost consequences of the project are implemented. Please also illustrate the current 2013 rate for comparison. In the event that TransCanada is unable to get approval to proceed with the Shared Pipeline, please also illustrate the requested information without TransCanada as a party to the Shared Pipeline.

b) For the table headed "Savings on Gas Transportation", on the 'Summary of Inputs' on page 8 of 9 illustrates benefits to direct purchase customers:
   i. Please indicate Enbridge's policy with respect to direct purchase volumes utilizing this new system.
   ii. Please break out the benefits shown for system gas by rate class
   iii. Please break out the benefits shown for direct purchase by rate class

RESPONSE

a) Please see the response to Environmental Defence interrogatory #21 at Exhibit I.A4.EGD.ED.21 for the annual revenue requirement and rate impacts stemming from the GTA Project.

   If TransCanada is unable to receive approval for the Shared Pipeline, the additional revenue requirement would need to be recovered from Enbridge's rate payers. As indicated in response to ED Interrogatory #21 at Exhibit I.A4.EGD.ED.21, the total (inclusive of TransCanda's share) 2016 revenue requirement for the GTA pipeline is

$57.6 million, the estimated annual rate impact for 2016 (relative to existing April 1, 2013 QRAM rates) assuming Enbridge's customers pay for all of the GTA Project would be as follows:

		BUNDLED RATES	
Rate Class		**Sales Service**	
1		2.0%	
6		2.0%	
9		0.8%	
100		1.5%	
110		1.5%	
115		1.4%	
135		1.0%	
145		1.4%	
170		1.2%	
200		2.2%	
		UNBUNDLED RATES	
125		23.9%	
300		8.7%	

As described in Exhibit I.A4.EGD.ED21, the gas cost savings associated with displacing otherwise needed long haul Firm Transportation with short haul Firm Transportation are substantial. In the event that the benefit of sharing capacity is not achieved, the gas cost savings are expected to be higher due to a reduction in the Parkway to Bram West toll. As shown in the response to Board Staff Interrogatory #48 at Exhibit I.D5.EGD.Staff.48, the PI associated with sole and shared use are very similar. The PI for the sole use option is potentially understated since the entire cost of the pipeline is included but the ability to generate distribution revenues from servicing load growth beyond a ten year period is not.

The rate impacts depicted above assumes the increase in revenue requirement stemming from the GTA project is recovered solely from EGD's ratepayers with no sharing of Segment A with TransCanada. This impact would be offset by an increase in gas costs savings as outlined in part b) ii) and iii) to this response which would be further increased by a reduction in the Parkway to Bram West toll. The net bill impact of the GTA project revenue requirement and gas cost savings assuming recovery solely from Enbridge's customers for 2016 (relative to the April 1, 2013 QRAM rates) would be as follows:

		BUNDLED RATES	
Rate Class		**Sales Service**	
1		-2.0%	
6		-3.2%	
9		-4.3%	
100		-5.8%	
110		-5.8%	
115		-6.4%	
135		-7.1%	
145		-6.2%	
170		-7.4%	
200		-4.5%	
		UNBUNDLED RATES	
125		23.9%	
300		8.7%	

i) Please see the response to Direct Energy Interrogatory #1 at Exhibit I.A1.EGD.DE.1.

ii) and iii) As indicated at Exhibit E, Tab 1, Schedule 1, page 8 (and also Exhibit A, Tab 3, Schedule 5, starting at p. 17), the Company has identified significant savings in gas costs resulting from the GTA proposal. These gas cost savings will flow through to customer's rates and bills through a reduction in Enbridge's annual forecast of gas costs (relative to today's status quo scenario). For 2016, the total savings identified for EGD's sales and western t-service customers as well as potential savings for its Ontario T-service customers is $148.9 million. Enbridge's sales and western t-service customer's portion is approximately $92.2 million. The estimated annual bill impact for 2016 (relative to existing April 1, 2013 QRAM rates) stemming from the forecast gas cost savings by customer rate class is as follows:

		BUNDLED RATES	
Rate Class		**Sales Service**	
1		-3.3%	
6		-4.6%	
9		-4.6%	
100		-6.6%	
110		-6.6%	
115		-7.1%	
135		-7.3%	
145		-6.9%	
170		-7.8%	
200		-6.0%	
		UNBUNDLED RATES	
125		0.0%	
300		0.0%	

Witness: A. Kacicnik