

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
CANADIAN MANUFACTURERS & EXPORTERS INTERROGATORY #11

INTERROGATORY

Ref: EB-2012-0451, Exhibit C, Tab 2, Schedule 1

Union states at EB-2012-0433, page 101 of 121 that it is seeking pre-approval of the recovery of cost consequences because:

- (a) Given the magnitude of the project, Union is not able to proceed with the development of the project without reasonable certainty of cost recovery;
- (b) It would be more efficient for the Board to address all known impacts from the project at once, and provide a predictable rate impact to Union's customers and other stakeholders;
- (c) An early finding by the Board will allow ex-franchise customers, who are primarily utilities, to incorporate the service and rate impacts into their future regulatory filings as needed; and
- (d) A finding of the rate impacts from the project will help inform the parameters of Union's next regulatory framework.

In this regard, CME has the following questions for EGD:

- (a) Please confirm that EGD is not seeking pre-approval and recovery of the cost consequences of the GTA Project in EB-2012-0451;
- (b) Please confirm that regardless of the magnitude of the project, EGD is able to proceed with the development of the GTA Project without reasonable certainty of cost recovery. If not, please explain why pre-approval of recovery of the cost consequences is not being sought in this application;
- (c) Does EGD agree with Union that it is more efficient for the Board to address all known impacts from the project at once, and provide a predictable rate impact to Union's customers and other stakeholders. If EGD agrees, please explain why the company is not seeking pre-

Witnesses: A. Kacicnik
M. Giridhar

approval of the cost consequences at this time. If EGD disagrees, please explain why;

- (d) Would a finding of the rate impacts from the GTA Project help inform the parameters of EGD's next regulatory framework? If yes, please explain why pre-approval is not being sought at this time. If no, please explain why a finding on the rate impacts would not help inform the parameters of EGD's next regulatory framework.

RESPONSE

- a) Confirmed.
- b) EGD is not able to proceed with the GTA Project without reasonable certainty of cost recovery. EGD is seeking cost recovery of the GTA Project through its upcoming EB-2012-0459 rate application which is expected to be filed in June 2013. EGD decided to separate the Leave to Construct Application for the GTA Project from the rate making implications based on historical precedent and the practice of the Ontario Energy Board, whereby the granting of the Leave to Construct has resulted in approval of cost recovery in the subsequent rates application. In this instance it is Enbridge's expectation that the EB-2012-0459 rate application timeline will provide for reasonable certainty of cost recovery, should the Ontario Energy Board approve the GTA Project.
- c) The specific requirements for approval of transmission and distribution facilities are laid out in EBO 134 and EBO 188 respectively, and the GTA Project application has complied with these requirements. Further, EGD has provided rate impact approximations on individual rate classes as a result of the GTA Project in the current proceeding. It is EGD's view that the process and the issues list set out by the Ontario Energy Board allows for all relevant impacts of the project to be considered within this application.
- d) Please see b) and c) above and response to CME Interrogatory #12 at Exhibit I.A3.EGD.CME.12.

Witnesses: A. Kacicnik
M. Giridhar