

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
CANADIAN MANUFACTURERS & EXPORTERS INTERROGATORY #12

INTERROGATORY

Ref: EB-2012-0451, Exhibit A, Tab 2, Schedule 1, pages 4-5 of 12

At paragraph 10, EGD states that it will be seeking approval of Rate 332 in a subsequent rate proceeding when the rate impact of the GTA Project will be considered. It identifies that rate proceeding as EB-2012-0459. CME has searched the Ontario Energy Board's electronic filing system and EGS's regulatory website, and has been unable to locate any documents for EB 2012-0459. Has EGD filed that application? If not, when will that application be filed? To this end, please provide an explanation why the rate impact of the GTA Project will be considered in EB-2012-0459 and not in the current GTA Project Application EB-2012-0451.

RESPONSE

EB-2012-0459 refers to Enbridge's upcoming rate application which is expected to be filed in the next few weeks.

Please refer to the interrogatory response to Board Staff Interrogatory #21 at Exhibit I.A3.EGD.STAFF.13 and Environmental Defence Interrogatory #21 at Exhibit I.A3.ED.21 that summarizes projected rate and bill impacts of the GTA Project on Enbridge's rate classes.

The projected rate and bill impacts were derived based on the revenue requirement of the GTA Project and gas cost savings estimates facilitated by the GTA Project. Enbridge derived projected impacts as per Issue A3 which speaks to the appropriateness of the costs and the rate and bill impacts stemming from the GTA project. In other words, the projected impacts are a function of the GTA Project costs and gas cost savings only and were derived/considered in isolation from the rest of Enbridge's system. Note that this approach to the determination of rate impacts differs from the approach followed in an annual rate adjustment (i.e., rate case) proceeding where all factors that would typically arise in a rate adjustment proceeding, such as addition or loss of customers, increase or decrease in delivery volumes, increase or decrease in various costs are considered. Therefore, the rates based on a Final Rate Order resulting from the annual rate adjustment proceeding are designed to reflect the utility's total revenue requirement and revenues for the test year. It is the Final Rate Order rates that would be billed to customers in the test year.

Witness: A. Kacicnik

Having said that, the projected rate and bill impacts in this proceeding provide reliable information about the appropriateness of the impacts of the GTA Project in isolation from the rest of Enbridge's system.

With respect to the proposed Rate 332 transportation service, Enbridge is asking approval of the proposed Rate 332 transportation service and the methodology that will be applied to develop the monthly charge (i.e., rate) for Rate 332 transportation service in order to provide TransCanada with means to determine their future payment obligations and pursue regulatory approvals. Accordingly, Enbridge and TransCanada have determined that the request for approval of Rate 332 transportation service and the methodology to develop the monthly charge should precede TransCanada's application to the NEB. Enbridge is not seeking approval of a specific monthly charge (i.e., rate) for Rate 332 transportation service within this application. Enbridge will ask for such an approval within an annual rate adjustment application.