ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
ENVIRONMENTAL DEFENCE INTERROGATORY #21

## INTERROGATORY

Issue A4: "What are the alternatives to the proposed facilities? Are any alternatives to the proposed facilities preferable to the proposed facilities?"

Reference: Ex. A, Tab 3, Schedule 8, page 1

a) Please state the forecast dollar impact of the GTA Pipeline Project on Enbridge's revenue requirement in: a) 2016; b) 2017; and c) 2018.

b) Please state the forecast percentage increase in Enbridge's distribution rates in: a) 2016; b) 2017; and c) 2018 due to the GTA Pipeline Project. Please also provide the forecast percentage rate increases in each of these three years for each of Enbridge's customer classes (e.g., residential, small commercial, large commercial, small industrial, large industrial).

## RESPONSE

a) The forecast revenue requirements of the project for 2016, 2017, and 2018 are $57.6 million, $57.0 million and $56.3 million[1].

b) The total revenue requirement of the GTA Project for 2016 is $57.6 million. TCPL's shared portion of Segment A is $11.8 million resulting in a net revenue requirement to be recovered from EGD's customers of $45.8 million. The estimated annual rate impact for 2016 (relative to existing April 1, 2013 QRAM rates) for the GTA Project by customer rate class is as follows:

[1] Please see response to Board Staff Interrogatory #48 found at Exhibit I.D5.EGD.STAFF.48 and the response to CME Interrogatory #10 found at I.A3.EGD.CME.10 for details.

Witnesses: K. Culbert
A. Kacicnik

| | | | |
|---|---|---|---|
| | | **BUNDLED RATES** | |
| **Rate Class** | | **Sales Service** | |
| | | | |
| 1 | | 1.5% | |
| 6 | | 1.5% | |
| 9 | | 0.5% | |
| 100 | | 1.1% | |
| 110 | | 1.1% | |
| 115 | | 1.0% | |
| 135 | | 0.6% | |
| 145 | | 1.0% | |
| 170 | | 0.7% | |
| 200 | | 1.7% | |
| | | | |
| | | **UNBUNDLED RATES** | |
| 125 | | 23.9% | |
| 300 | | 8.7% | |

Based on the Rate 1 rate class average, a residential customer on sales or t-service will see an annual increase of approximately $11.9 annually or $1 per month. As the change in revenue requirement for 2017 and 2018 are a slight decrease, all other things being equal, there would be a slight decrease in rates for these years.

Please note the rate impacts depicted above are based solely on the increase in EGD's revenue requirement stemming from the GTA Project. However, as indicated at Exhibit E, Tab 1, Schedule 1, Page 8, 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 EGD'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. EGD's sales and western t-service customer's portion is approximately $92.2 million. Therefore, the 2016 net impact on EGD's customer's bills would be a reduction in the amount of $46.4 million ($45.8 – $92.2). The estimated annual rate impact for 2016

Witnesses: K. Culbert
A. Kacicnik

(relative to existing April 1, 2013 QRAM rates) for the GTA Project and forecast gas transportation savings by customer rate class is as follows:

| | | |
|---|---|---|
| | | **BUNDLED RATES** |
| **Rate Class** | | **Sales Service** |
| | | |
| 1 | | -1.9% |
| 6 | | -3.0% |
| 9 | | -4.1% |
| 100 | | -5.5% |
| 110 | | -5.5% |
| 115 | | -6.1% |
| 135 | | -6.8% |
| 145 | | -5.9% |
| 170 | | -7.1% |
| 200 | | -4.3% |
| | | |
| | | **UNBUNDLED RATES** |
| 125 | | 23.9% |
| 300 | | 8.7% |

Based on the Rate 1 rate class average, a residential customer on sales or t-service will see an annual decrease of approximately $16.4 annually or $1.30 per month.

Witnesses: K. Culbert
A. Kacicnik