

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO  
TCPL INTERROGATORY #23

INTERROGATORY

Issue A3

Reference(s) (i) Exhibit A, Tab 3, Schedule 6

Preamble

TransCanada would like to understand the differences in capital and resulting annual revenue requirements and tolls for the various options for a Segment A build.

Request

- (a) Please provide, in a summary table, what the total capital costs and associated resulting capacity (in TJs/day) would be for Segment A if it were built as:
- (i) Parkway to Albion at NPS 24 pipe size
  - (ii) Parkway to Albion at NPS 30 pipe size
  - (iii) Parkway to Albion at NPS 36 pipe size
  - (iv) Parkway to Albion at NPS 42 pipe size
  - (v) Bram West to Albion at NPS 24 pipe size
  - (vi) Bram West to Albion at NPS 30 pipe size
  - (vii) Bram West to Albion at NPS 36 pipe size
  - (viii) Bram West to Albion at NPS 42 pipe size

When providing this information, please differentiate the capital costs for each option into separate line items for pipe, compression, metering, odorization, and any other capital costs, as well as grand totals.

- (b) Are there any other build options that EGD has been considering for Segment A? If so, please describe these options and provide each of those options as well in the summary table for response (a).
- (c) Please confirm the in service date for all of these scenarios in response (a) and (b) would be November 1, 2015. If not confirmed, please provide the in service dates

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for each scenario in response (a) and (b), and explain why the dates are not the same in all scenarios.

- (d) For each of the Segment A build options (i) through (viii) in question (a) above, and any other build options considered by EGD in response (b) above, please provide the detailed annual rate base and annual revenue requirement calculations (by individual cost item) for each year of 15 years starting at the November 1, 2015 in service date. The annual revenue requirement calculations should provide separate line items for all expected costs associated with these facilities, including but not limited to depreciation expense, debt return, equity return, income tax, operations and maintenance, pipeline integrity costs, municipal and other taxes. Also please provide all the assumptions used in these calculations, such as depreciation rates for each type of facilities, income tax rate, CCA rate, return on equity %, debt rate, debt to equity ratio, and any escalation factors or inflation rates used.
- (e) For each of the Segment A build options (i) through (viii) in question (a) above, and any other build options considered by EGD in response (b) above, and using the annual revenue requirements in (d) above, please provide the resulting annual tolls for Segment A in each year for 15 years starting November 1, 2015 if:
- (i) Only 800 TJ/d of Segment A capacity is subscribed by EGD
  - (ii) All of Segment A capacity is subscribed (i.e. 800 TJ/d by EGD is subscribed and remaining capacity is fully subscribed by other shippers).

## RESPONSE

- (a) (i) Parkway to Albion at NPS 24 pipe size  
Not evaluated – never a valid option for consideration
- (ii) Parkway to Albion at NPS 30 pipe size  
Not evaluated – never a valid option for consideration
- (iii) Parkway to Albion at NPS 36 pipe size  
Approximate factored cost estimate to new Parkway West site \$615-655M  
NPS 36 capacity: 1,600 TJ/day

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\*Estimate is factored and provided as rough order of magnitude – detailed breakdown not available.

- (iv) Parkway to Albion at NPS 42 pipe size  
Please see the attachment to the confidential response to CCC Interrogatory #30 at Exhibit I.A3.EGD(Update).CCC.30 for costs.  
NPS 42 capacity: 2,000 TJ/d
  - (v) Bram West to Albion at NPS 24 pipe size  
Not evaluated – never a valid option for consideration
  - (vi) Bram West to Albion at NPS 30 pipe size  
Not evaluated – never a valid option for consideration
  - (vii) Bram West to Albion at NPS 36 pipe size  
Please see the attachment to the confidential response to CCC Interrogatory #30 at Exhibit I.A3.EGD (Update).CCC.30.  
NPS 36 capacity: 1,600 TJ/d
  - (viii) Bram West to Albion at NPS 42 pipe size  
Please see the attachment to the confidential response to CCC Interrogatory #30 at Exhibit I.A3.EGD (Update).CCC.30.  
NPS 42 capacity: 2,000 TJ/d
- (b) No other options were evaluated for Segment A.
- (c) Confirmed.
- (d) (i) Parkway to Albion at NPS 24 pipe size  
Not evaluated – never a valid option for consideration
- (ii) Parkway to Albion at NPS 30 pipe size  
Not evaluated – never a valid option for consideration

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- (iii) Parkway to Albion at NPS 36 pipe size  
Please see attached table.
- (iv) Parkway to Albion at NPS 42 pipe size  
Please see attached table.
- (v) Bram West to Albion at NPS 24 pipe size  
Not evaluated – never a valid option for consideration
- (vi) Bram West to Albion at NPS 30 pipe size  
Not evaluated – never a valid option for consideration
- (vii) Bram West to Albion at NPS 36 pipe size  
Please see attached table.
- (viii) Bram West to Albion at NPS 42 pipe size  
Please see attached table.

Please refer to Exhibit I.A3.EGD.STAFF.16a for the capital structure.

Please refer to Exhibit E, Tab 1, Schedule 1, pages 8 and 9 and Exhibit E, Tab 1, Schedule 1, Attachment, page 1 for the input parameters.

- (e) Note that with respect to the proposed Rate 332 transportation service, Enbridge is asking within this application for approval of the proposed Rate 332 transportation service and the methodology that will be applied to develop the Contract Demand (CD) charge for Rate 332 transportation service. Enbridge is not seeking approval of a specific Contract Demand (CD) charge for Rate 332 transportation service within this application. Enbridge will ask for such an approval with an annual rate adjustment application.
  - i) This question assumes there are no shippers for the transportation service under Rate 332. As per the updated evidence at Exhibit E, Tab 1, Schedule 2, Page 2, in the event that there are no shippers for the transportation service under Rate 332, the Company proposes to allocate the entire revenue requirement of Segment A to its distribution customers.

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- ii) Please see Enbridge's Binding Transportation Open Season materials and indicated Contract Demand (CD) charges, which are attached to the response to BOMA Interrogatory #2 at Exhibit I.A1.EGD (Update).BOMA.2.

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