

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
CONSUMERS COUNCIL OF CANADA INTERROGATORY #38

INTERROGATORY

Issue D5. Should approval of Enbridge's proposed rate methodology for the service to be provided to TransCanada be granted?

Reference: E/T3/S9/pg.5

Question

- a) Under EGD's toll proposal is it possible for contract tolls to exceed the projected revenue requirement? If yes what, if any, methodology (e.g. variance/deferral accounting), is proposed to account for any toll over earning?

RESPONSE

Enbridge proposed a GTA Project Variance Account in its application for rates for the 2014 – 2018 term (EB-2012-0459). Enbridge is proposing to use this variance account to report and clear to customers any variances between the forecast revenue requirement and the actual revenue requirement, which will become known once the project is completed. Considering the size and cost of the GTA project even a small variance from the forecast could result in a considerable over or under recovery of the forecast revenue requirement. The proposed variance account will keep ratepayers and the Company whole with respect to recovery of the GTA project revenue requirement.

Witness: A. Kacicnik