

BOARD INTERROGATORY #26

INTERROGATORY

Issue 6 - Implementation – What is the implementation date of the final rates and how will the final rates be implemented?

Topic: Implementation of Final Rates

Questions:

- a) Please discuss how Enbridge proposes to recover any variance between the OEB's Interim Decision issued on November 25, 2016 and the Decision and Final Rate Order for this proceeding. In your response, please also discuss if Enbridge proposes to clearly indicate any difference between the Interim Rates and Final Rates on a customer's bill.
- b) Please indicate how Enbridge proposes to reconcile the HST related to any differences between Interim Rates and Final Rates.

RESPONSE

- a) While the most suitable approach / manner in which to recover any variance between interim and final Cap and Trade rates is best determined / devised once the magnitude of the difference and the timing of the implementation of the final rates are known, the most common approach to recover any variance (credit or debit) between interim and final Cap and Trade rates would be through a rate adjustment rider.

The rate adjustment rider would be designed to recover (i.e., true up) the variance between interim and final Cap and Trade rates for the period between January 1, 2017 and the implementation (i.e., effective) date of the final rates. For example, should the effective date for the final Cap and Trade rates be July 1, 2017, the rate adjustment rider would be designed to capture the difference between interim and final rates for the January 1st to July 1st time period.

The rate adjustment rider would be administered (i.e., billed) to customers on a prospective basis as a volumetric charge. Depending on the magnitude of the difference between interim and final rates, the rate adjustment rider could be administered over a single month or, if needed, over multiple months.

Witnesses: A. Kacicnik
R. Small
E. Vangelova

The rate adjustment rider amount billed in a certain month would be included in the Delivery to You Charge on customers' bills (i.e., the rate adjustment rider amount billed would not be shown or indicated separately on customers' bills). However, the customer rate notices (bill insert and on the Company's website) would clearly show / indicate the rate adjustment rider unit rates, the dollar impact for a typical customer, the need for the rate adjustment rider, and that the adjustment amount is included in the Delivery to You Charge on the bill.

An alternative approach to a rate adjustment rider would be to record any difference between (EB-2016-0300) interim and final rates in the 2017 GGECFCVA and then dispose it to customers as discussed in response to Board Staff Interrogatory #24 filed at I.4.EGDI.STAFF.24.

- b) HST is determined / calculated on the total balance of customer's bills. To the extent that there is a debit/credit adjustment on the customer bill, the adjustment becomes part of the total bill and the appropriate amount HST would be charged. Hence, no reconciliation of the HST would be needed for the difference between interim and final rates.

Witnesses: A. Kacicnik
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